Strengthening Debt Data Transparency

Strategic plan 2020–2023
for UNCTAD’s DMFAS Programme

DMFAS Programme

UNITED NATIONS
UNCTAD

Executive summary

This document defines a strategy for a new four-year trust fund for UNCTAD's Debt Management & Financial Analysis Systems (DMFAS) Programme for the period 2020-2023. The overall purpose of the trust fund is to contribute to improvements in debt data transparency through helping developing and transition countries to strengthen their capacity for debt data recording, reporting and monitoring. The resulting improvements in debt data will contribute to improved debt management, risk management and debt sustainability analysis.

The strategy addresses the serious concerns that have been raised by the international community, including the G20, about the overall outlook for external debt sustainability in developing countries and the related problems with debt data transparency in a number of countries. While it is widely accepted that timely and comprehensive data on the level and composition of debt are a pre-requisite not only for the effective management of public liabilities but also for identifying risks of debt crises and limiting their impact, it is also recognized that many countries lack the capacity for effective debt recording and reporting. This situation has serious consequences for effective debt management at the national level as well as for the ability of the international community to help to avoid debt crises and to support countries when they occur. Incomplete or weak debt data undermine the conduct of effective debt sustainability analysis and the development of medium-term debt strategies.

There are significant problems in a large number of countries with the quality of public debt data and with the level of reporting. Faced with increasingly complex portfolios, many countries have yet to reach the minimum standards in some key areas and high staff turnover continues to be a common and recurrent problem. Limited coverage of total public debt is another common problem, with specific difficulties relating to sub-national debt and contingent liabilities. The increasing complexity of the debt landscape creates additional challenges and risks for transparency.

To address these problems, the plan builds upon the achievements of DMFAS as a leading provider of technical cooperation in the area of capacity-development in debt management, and on the successful implementation of its previous strategy. Having thus far supported 71 countries, it has extensive experience in the plan's focus areas. The programme has a portfolio of capacity-development tools and services that will be refined and disseminated to meet countries' new requirements. This new plan focuses on the delivery of technical assistance in the programme's areas of comparative advantage, the 'downstream' areas of debt management, while adapting its support to help developing countries manage the increased complexity of debt management. It complements the work of the World Bank and the IMF who focus primarily on data sustainability analysis and medium-term debt strategies ('upstream' debt management).

This trust fund targets developing and transition countries that are requesting the programme's assistance, currently 67 countries of which one-third are in Sub-Saharan Africa, one quarter in Latin America and the Caribbean and the remainder spread across the Middle East, North Africa, Asia and Europe. The majority have either low-income or lower middle-income development status, two are in debt distress and the risk of debt distress is classified as high in twelve countries.

The scope of debt supported will evolve to provide the comprehensive coverage needed for debt data transparency. Coverage will be expanded to include all central government, state government and local government debt, contingent liabilities, extra-budgetary debt, the debt of SOEs and private non-guaranteed external debt. Identification of collateralized debt will be added. The types of debt instruments covered will also be extended, to include all traditional and non-traditional debt instruments. Extensive capacity-development will be provided through a framework of traditional training and online courses. The finalization of development and subsequent implementation in countries of a new version of the software will be a major output of this plan. DMFAS 7 will respond directly to the requirement to improve debt data transparency by expanding debt data coverage, enhancing reporting functions and implementing necessary major technical updates. Continuous support will be provided through the programme's Helpdesk and advisory services will give guidance in key areas such as integration of debt management within the overall public finance management (PFM) framework. Effectiveness of delivery will improve through establishing regional offices and cooperation with other providers including the IMF, World Bank and regional organisations.

The overall development objective of the trust fund is to strengthen governments' capacity to manage their debt effectively and sustainably in support of poverty reduction, development, transparency and good governance. Accordingly, it will contribute to the achievement of SDGs 1 and 17.4. The main expected result is improvement in countries' capacity to record, process, monitor, report, disseminate and analyse their public debt in a sustainable manner. Government information systems will be established for effectively managing complete, up-to-date and reliable debt databases. Debt management staff will have increased knowledge of procedures and best practices. Transparency will be enhanced through effective debt reporting and improved availability of debt information. Operational risk management will be strengthened. Integration of debt management within PFM will increase. Finally, capacity to prepare Debt Sustainability Analysis and Medium Term Debt Strategies will be strengthened through the expanded coverage of public sector debt and the new data export features in DMFAS.

The strategy will be implemented in close coordination with the other providers of technical assistance in debt management, including the World Bank, the IMF and regional organisations. It will be monitored and evaluated in accordance with UNCTAD's frameworks for results-based management, monitoring and evaluation and risk management.

Overview of plan 2020-2023

Focus
Strengthening debt data transparency
Capacity development in downstream debt management;
General government

Development objective
Strengthen Governments' capacity to manage their debt effectively and sustainably, in support of poverty reduction, development, transparency and good governance

Objective 1
Improve the capacity of DMOs to record, process, monitor, report and analyse the country's public debt in a sustainable manner

- Capacity-building on Debt data validation and Debt-DQA, Debt Statistics, Debt Portfolio Analysis, Procedures Manual
- Advisory services for IFMIS integration
- Certification of skills in DMFAS usage
- Knowledge management thorough conferences, Newsletters, Website
- E-learning and self-learning
- Helpdesk response to user requests

Objective 2
Improve the capacity of the DMFAS Programme to deliver effective, efficient and sustainable responses to country needs

- DMFAS 7 development
- Support for DMFAS 6
- Development and maintenance of capacity-development products
- Cooperation with other providers
- Establish regional centres
- Fund-raising

Results framework

Outputs

Government information systems for effectively managing **complete, up-to-date and reliable debt databases**

Enhanced knowledge in National Debt Management Offices (DMOs) of **debt management procedures and best practices**

More effective debt reporting and improved accessibility/ availability of debt information

Improved operational risk management

Strengthened integration of debt management within Public Finance Management (PFM)

Outcomes

National debt management offices **better record, process, monitor, report, disseminate and analyse the countries public debt** in a sustainable manner

Enhanced transparency of debt information

Improved debt **sustainability** analysis

Improved medium-term debt strategies

Impact

Governments **manage their debt effectively and sustainably** in support of poverty reduction, development and good governance

SDGs supported

Direct:
Target 17.4 Assist long-term debt sustainability in developing countries through coordinated policies

Indirect:

Table of contents

Introduction

The purpose of this document is to define a strategy for a new four-year trust fund for UNCTAD's Debt Management and Financial Analysis Systems (DMFAS) Programme for the period 2020-2023. The overall purpose of the trust fund is to contribute to improvements in debt data transparency through helping developing and transition countries to strengthen their capacity for debt data recording, reporting and monitoring. The resulting improvements in debt data will contribute to improved debt management, risk management and debt sustainability analysis.

The DMFAS Programme is a leading provider of technical cooperation in the area of capacity-development in debt management. Mandated by the UN General Assembly, the programme offers countries a set of proven solutions for improving their capacity to handle the management of public liabilities and the production of reliable debt data for policymaking purposes. Its focus on debt data recording, reporting and monitoring (the 'downstream' areas of debt management) complements the work of the World Bank and the IMF who focus primarily on data sustainability analysis and medium-term debt strategies ('upstream' debt management).

> *The (DMFAS) Programme continues to make a significantly positive impact … in terms of its relevance, effectiveness, efficiency* and country *specific sustainability. It also continues to make an important contribution to the achievement of the SDGs.*
>
> *External evaluator 2018*

This trust fund will focus on building upon the achievements and lessons learned from the successful implementation of the programme's 2016-2019 strategic plan (DMFAS 2016). The principal concrete and sustainable results of that plan are improved debt coverage, enhanced transparency and reporting, improved operational risk management and greater integration with public finance management. This new plan focuses on the delivery of technical assistance in the programme's areas of comparative advantage, the downstream areas of debt management, to strengthen debt management capacity and debt data transparency, while adapting its support to help developing countries manage the increased complexity of debt management.

> *(We emphasise) the (DMFAS) programme's continued essential role in assisting countries to build sustainable capacity for the effective management of public debt, particularly in ensuring the availability of high quality debt data and statistics, and consequently assisting the international community to meet its commitments to promote debt sustainability as defined in the 2030 Agenda for Sustainable Development..*
>
> *DMFAS Advisory Group 2017*

Development context

As recognized by the Addis Ababa Action Agenda, debt-based finance is a key component of countries' strategies for financing the investments needed to meet the targets of the Sustainable Development Goals. The importance of maintaining external debt sustainability and of national capacity for sound debt management is also emphasized. In this context, it is uncontentious that the availability of comprehensive, accurate and timely information on public debt is critical for policy decisions and risk management in the context of national and international development goals.

> *The monitoring and prudent management of liabilities is an important element of comprehensive national financing strategies and is critical to reducing vulnerabilities.*
>
> *Addis Ababa Action Agenda*

Recently, serious concerns have been raised about the overall outlook for external debt sustainability in developing countries. Worries about rising debt levels and risks of debt distress in developing countries have drawn high-level international attention to problems with debt data transparency in a number of countries. The G20, for example, has communicated its concern about the rising debt levels and debt vulnerabilities in Low Income Countries (LICs) economies, concluding that enhancing information sharing could assist in preventing future debt distress in LICs, and called for greater transparency, both on the side of debtors and creditors (G20 2018). The UN General Assembly stated that timely and comprehensive data on the level and composition of debt are a pre-requisite not only for the effective management of public liabilities but also for identifying risks of debt crises and limiting their impact (UN GA 2016).

> *Overall, the long-term trends are clear: worsening external debt levels, higher debt service costs and falling international reserves.*
>
> *UN Secretary General, 2019*

When reliable data on a country's debt is readily available, it contributes to the formulation of critical financial policies and strategies, and consequently to improvements in financial stability and good governance. On the other hand, the absence of transparency of public debt and contingent liabilities undermines a country's capacity to effectively manage its finances and limits the ability of the international community to provide timely and appropriate support for preventing and mitigating debt crises.

There are several critical success factors for transparency of public debt data. Firstly, there must be an effective recording function that ensures that data on public debt is registered in a timely, complete and accurate manner. Secondly, the debtor country must have an extensive reporting function that makes the debt information readily available for operational, monitoring, analytical, policy- and decision-making purposes. Thirdly, there must be willingness to share debt information.

Improvements needed in debt data transparency include addressing problems with timeliness, accuracy and comprehensiveness. Coverage needs to extend to all public sector debt, including contingent liabilities, State-owned Enterprise (SOE) debt, Public Private Partnerships (PPPs) and unrecorded or hidden debt instruments. Weaknesses in downstream debt management capacity related to debt data recording, reporting and monitoring must be addressed. The G20 stated that 'There is a need to develop tailored and targeted plan of action in countries based on a solid understanding of the underlying problems in the various phases in the process of recording, monitoring, and reporting public debt'.

This trust fund will focus on the following key success factors on which the effectiveness of both the recording and reporting functions is dependent (IMF/World Bank 2018):

- Strong recording and monitoring systems
- Integration of debt management within the broader public finance management framework
- National capacity to adhere to international reporting and statistical standards
- Debt database with full coverage of the country's debt available for monitoring, reporting and analysis.

The absence of any of these factors makes it very difficult for a country to provide the complete view of total public debt necessary for debt transparency.

Target countries and institutions

The plan aims to provide support to all current users of the DMFAS software and countries that are requesting UNCTAD support, currently 67 countries, as well as any additional developing or transition countries that request support. As shown in Figure 1, the current development status of known target countries is: 45 countries have either low-income (28%) or lower middle-income development status (39%); 19 countries have upper-middle income status (28%) and 3 are high income countries (5%) (World Bank 2019/2). Two countries are classified as being in debt distress, twelve as high risk and none at moderate risk (World Bank 2018). Figures 2 and 3 show their geographical distribution. 43 of the targeted countries are eligible for the IMF/World Bank Debt Management Facility (DMF). Annex 2 lists the current target countries by region.

Approximately one-third of target countries are located in Sub-Saharan Africa, one quarter in Latin America and the Caribbean, twelve in the Middle East and North Africa and the remainder distributed across Asia, North Africa and Europe.

The trust fund will provide support to the institutions responsible for managing countries' public debt. As in the past, this will involve debt management offices (DMOs) in Ministries of Finance and Central Banks, as appropriate. Support will also be provided to sub-national government debt management offices. In line with the expansion of scope to cover total public sector debt, including private sector debt and non-traditional debt instruments, this trust fund will also facilitate data recording and reporting by entities managing different types of debt[1]. Further clarification on this point is provided in Section 2.1.1 below. Capacity-development will also be available to government auditors.

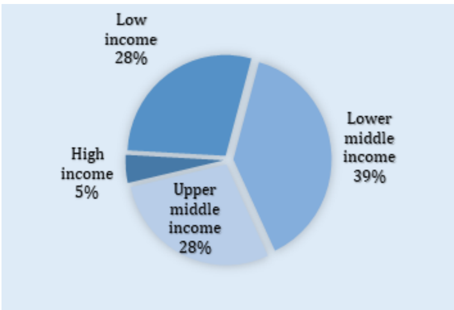


Figure 1: Development status of target countries

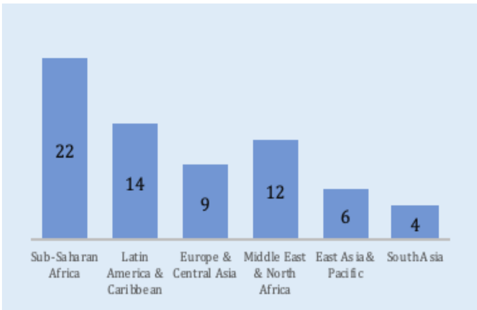


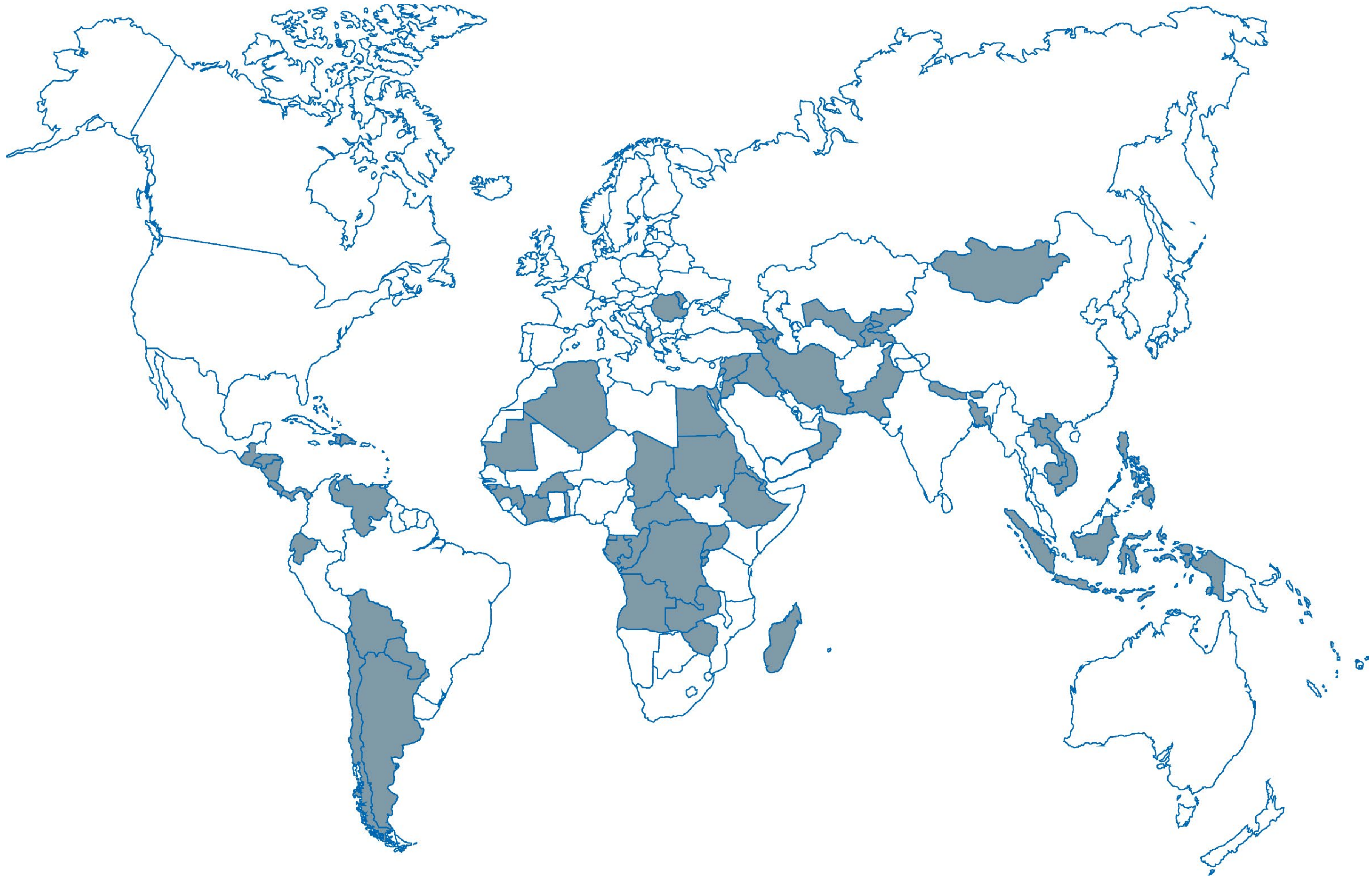
Figure 2: Geographical distribution of target countries

... poorer developing countries are in most need of capacity-development support to enhance their debt management abilities

United Nations Secretary General, 2019

[1] The cost of implementing DMFAS in multiple entities in a country will need to be calculated after a study of the particular circumstances and number of entities.

Figure 3: Map of DMFAS target countries



Problems addressed

Debt recording and reporting have significantly improved in the past decade. The results of Public Expenditure and Financial Accountability (PEFA) framework assessments indicate that, on average, since 2006 quality in these areas and also of public debt management systems for contracting loans and issuing guarantees, has significantly improved. The increasing numbers of countries reporting to the debt databases developed by the World Bank in collaboration with the IMF also demonstrate improved capacity.

> *Despite significant improvements in debt data, current public debt statistics suffer from limited debt data coverage and debt transparency… adequate capacity is needed at every step to record, monitor, and report public debt data.*
>
> *World Bank, 2019*

There is also strong evidence that developing countries have generally strengthened their capacity to record, monitor and report on their debt portfolios. However, many countries continue to struggle with establishing reliable, comprehensive debt databases and with high quality reporting. There are significant problems in a large number of countries with the quality of public debt data and with the level of reporting. Faced with increasingly complex portfolios, many countries have yet to reach the minimum standards in some key areas and high staff turnover continues to be a common and recurrent problem. Limited coverage of total public debt is another common problem, with specific difficulties relating to sub-national debt and contingent liabilities. This situation has serious consequences for effective debt management at the national level and for the ability of the international community to help to avoid debt crises and to support countries when they occur. A key example is that incomplete or weak debt data undermine the conduct of effective debt sustainability analysis or the development of medium-term debt strategies.

While there is consensus on the need to have a complete view of total public debt, it is also generally agreed that there is a clear data gap which makes risk management for preventing debt crises very difficult. Moreover, the increasing complexity of the debt landscape creates additional challenges and risks for transparency: new creditors working outside current structures, for instance the Paris Club; new and more complex debt instruments and practices including GDP-indexed bonds, Green bonds (and other instruments related to climate change) and Collateralised debt. The increased prevalence of domestic debt and private non-guaranteed external debt, and the increasing importance of monitoring contingent liabilities, Public Private Partnerships (PPPs), extra-budgetary debt and sub-national debt acerbate the problem. Some types of debt instruments are not being recorded, such as Special Drawings Rights allocations, Currency and Deposits, Insurance, pension, and standardized guarantee schemes, and Accounts payable. [2]

[2] The Public Sector Debt Statistics (PSDS) Guide 2013 (paragraph 3.17) defines six types of debt instruments – many countries record only Loans and Debt securities, which constitute the major share of instruments portfolio of central government debt.

As a growing number of governments are moving from pure cash accounting toward accrual accounting, DMOs often lack the ability to comply with accrual based international standards for government fiscal and financial reporting including the Government Finance Statistics Manual (GFSM) and the International Public Sector Accounting Standards (IPSAS) (IMF 2016). The current version of the DMFAS software handles only cash basis accounting.

Table 1 summarises the most common problems encountered in the quality of debt data recording and reporting:

Table 1: Common problems in debt data recording and reporting

Problem	Description
Coverage of Central Government Debt only	In many countries, the current focus is limited to central government and central government-guaranteed debt. Detailed and aggregated debt data on the different government institutional sectors, as well on on-lending, grants and private non-guaranteed external debt is not covered. Many countries lack data on Public Sector Debt such as the debt of Sub-nationals, State Owned Enterprises (SOEs) and on Public Private Partnerships that is required for management of contingent liabilities.
Unavailability of a consolidated database	Data is often stored in different databases (e.g. domestic and external) without feasibility of effectively consolidating.
Missing debt instruments	Some debt instruments are missing from the database and from reporting and are therefore undisclosed.
Timeliness	Ineffective information flows leading to delays in late recording of new debt instruments, disbursements, debt servicing; difficulties in obtaining timely SOE guarantee data.
Accuracy	Mistakes in classification, misinterpretation of characteristics of debt instruments, data entry errors.
Staff capacity	Shortage of skilled staff, Inadequate knowledge of reporting standards or internal statistics, reporting standards not adhered to
Systems	Absence of automated functions for generating reports; lack of commitment to make debt information available; limited access to data for reporting functions; lack of debt management system support for accrual accounting

While there are differences in circumstances in each country, the trust fund will focus on strengthening the following most common important weaknesses that cause the above problems, as listed in Table 2.

Table 2: Weaknesses addressed

Area of weakness	Description
Computerised Debt Management System (CDMS):	Unavailability of comprehensive system or current system is outdated
Operational risk management	Lack of detailed operational procedures or weak implementation
Data validation processes	Irregular or incomplete/ineffective validation
Skills in Back Office	Staff inadequately qualified or skilled due to institutional problems such as high staff turnover and inadequate training opportunities
Technical (IT) support	Absence of adequately skilled IT support staff.
Connectivity of Back Office debt management system with other systems	Debt management system not linked to national PFM (budget, treasury, accounting) and aid management platforms/front office databases.
Lack of debt audits	National audit office frequently lacks the capacity to undertake audits of public debt.

DMFAS solutions

The DMFAS Programme's proposed solution for the different needs identified above is to build upon its comparative advantages and complementarity with other providers and provide an expanded and improved package of products and services. This trust fund will concentrate on building upon the achievements and lessons learned from the previous strategic plan while making the necessary changes to adapt to the changing requirements of debt management. The plan is designed to take account of the experience of implementing the 2016-19 strategic plan, developments in debt management, and the recommendations of the DMFAS Advisory Group, donors, partners and the 2018 external evaluation of the programme (Mid-term Review). As recommended, the focus will be on capacity development in downstream debt management, public sector debt and debt data transparency.

> *(Donors) stressed the importance and increasing relevance of the Programme's work in support of debt data transparency and urged it to continue to focus on downstream debt management, and particularly on debt data recording, reporting and monitoring, as well as operational risk management*
>
> *DMFAS donors 2019*

Comparative advantages and complementarity

DMFAS has been successful in helping Governments improve their capacity to manage public debt since the early 1980s. Having thus far supported 71 countries and 109 institutions it has extensive experience in the plan's target areas. The programme has a portfolio of capacity-development tools and services that the plan will refine and disseminate to meet countries' new requirements This includes its specialized debt-management software – the DMFAS software –as well as advisory services and training activities in debt management. As attested to by consecutive independent evaluations[3], the programme has a strong track record for success in supporting countries to improve their capacity to manage public debt, and particularly in strengthening debt data recording, recording and monitoring. The latest evaluation reviewed the achievements of the DMFAS Programme's Strategic Plan for 2016-2019 (DMFAS 2016) and concluded that 'The DMFAS programme has contributed significantly to capacity building in countries via all modes of training' and that the 'DMFAS Programme is a very relevant programme that meets the expectations of beneficiaries, donors, other stakeholders such as IMF and the World Bank, Regional institutions and partners like MEFMI and WAIFEM and cooperating partners like ComSec. It also continues to make an important contribution to the achievement of the SDGs.'(External Evaluator, 2018).

[3] Independent evaluators conducted evaluations (Mid-term Reviews) of the programme in 2005, 2009, 2013 and 2018

This plan will build upon the achievements of the programme's previous four-year strategic plan, taking account of the lessons learned and new developments.

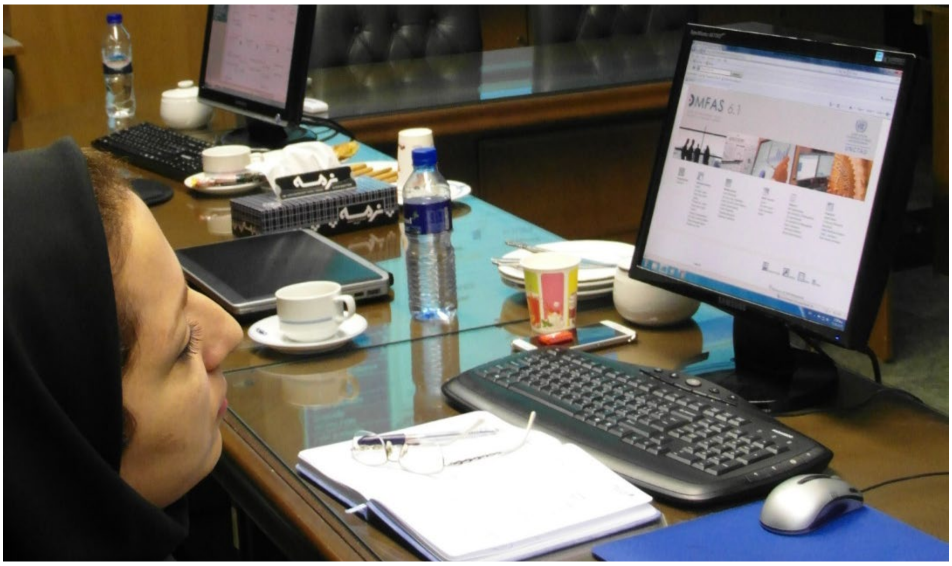
> *We appreciate the significant contribution the programme has made to the improved capacity of developing countries to effectively manage public debt and particularly to improving the quality of recording and reporting of public debt data.*
>
> *DMFAS donors 2019*

Expanded scope

The scope of debt for which the programme provides support will evolve as needed to provide the comprehensive coverage needed for debt data transparency as defined by international standards:

Expansion of coverage of debt to include the full public sector as defined in the Public Sector Debt Statistics Guide (PSDS) (IMF, 2013) and as required for debt sustainability analysis (IMF 2017), covering both general government debt and public corporations. Under general government debt, coverage will include budgetary and extrabudgetary debt and social security funds, and will extend beyond central government debt to include state and local government. Coverage of public corporation debt will include both financial and non-financial corporations. Private non-guaranteed external debt will also continue to be covered.

Extension of the types of debt instruments covered to include all traditional and non-traditional debt instruments, including:



- Traditional loans and securities
- Non-traditional debt instruments: Special Drawings Rights allocations, Currency and Deposits, Insurance, pension, and standardized guarantee schemes, Accounts payable and Domestic Arrears.
- More complex debt instruments such as indexed bonds
- Instruments related to climate change such as Green Bonds
- Identification of collateralized debt
- Data related to financial derivatives such as futures, options and swaps.

Coverage will include contingent liabilities such as loan guarantees, in addition to data related to PPPs.

Support to specific institutions will be tailored in accordance with the responsibilities of the institutions for managing and reporting different types of debt and instruments.

As described in the following sections, the programme's products and services will evolve in accordance with this expanded scope. Figures 4 & 5 provide an overview of the expanded scope.

Figure 4: Expanded Debt Coverage – Institutions

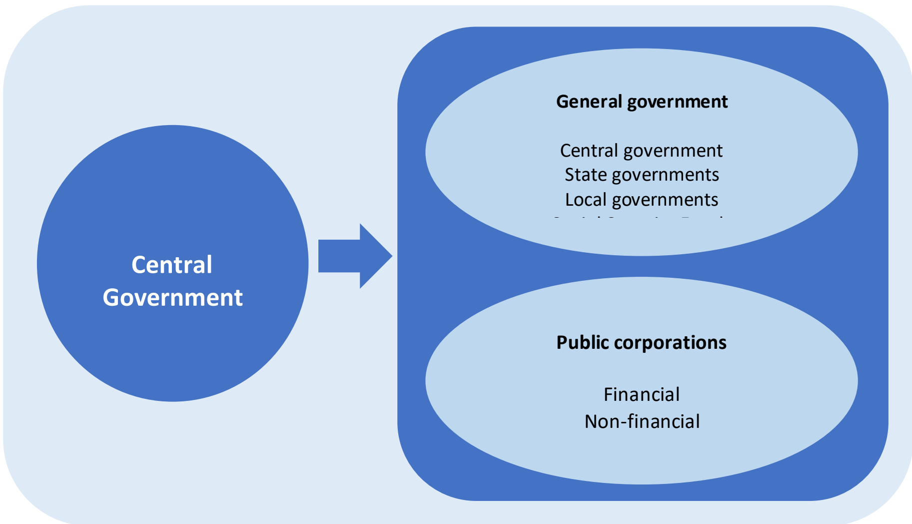
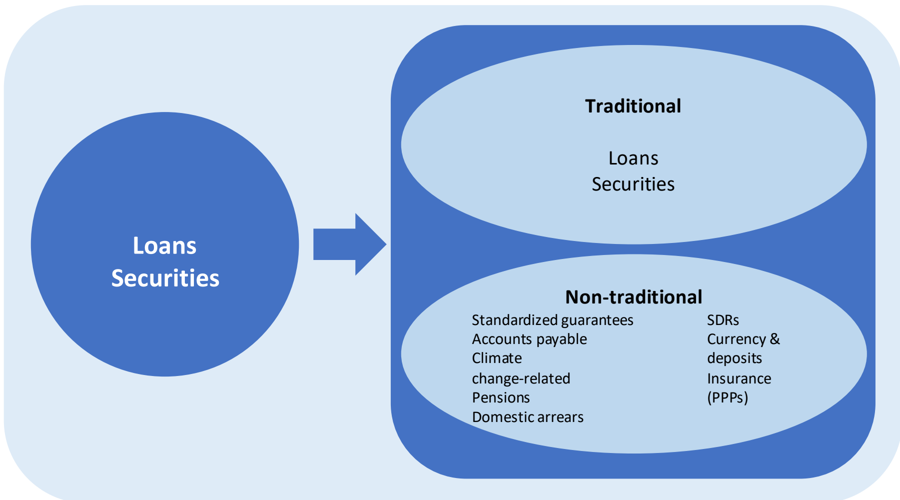


Figure 5: Expanded Debt Coverage – Instruments



DMFAS system

In response to countries need for a modern and comprehensive debt recording & monitoring system that reflects international standards and best practice in debt management, the programme provides countries with its DMFAS software. The current version, DMFAS 6, is a web-based software using modern technology and provides an integrated solution for recording both external and domestic debt, as well on-lending and grants in the same database.

The finalization of development and subsequent implementation of a new version of the software, which started under the previous strategic plan, will be a major output of this plan. DMFAS 7 will respond directly to the requirement to improve debt data transparency by expanding debt data coverage as defined above, enhancing reporting functions and implementing necessary major technical updates. It will enable comprehensive recording, reporting, monitoring, management and analysis of the full range of public sector debt. It will also facilitate easily exporting data for the purpose of medium-term debt strategy formulation, risk analysis and debt sustainability analysis.

To facilitate data collection from a wider range of institutions, it will be possible to register data at a detailed or aggregated level. The software will also offer facilities such as electronic forms and import/export functions for sharing data from one entity to another, for example between local governments or SOEs and the central government.

In addition to enabling broader coverage of debt, DMFAS 7 will include a range of new functionality, including:

- Full support for workflow related to debt management processes
- Enhanced audit and security
- Strengthened debt analysis functions including graphs and reports
- Redesigned debt securities module covering all associated transactions
- New module for borrowing plans, negotiations and auction calendars
- Enhanced reporting features including access from mobile devices
- Management dashboards
- Full compliance with international standards for debt statistics and related classification
- Integration of international standards for accrual accounting
- Extended Reorganization module
- Improved integration with PFM and integrated financial management information systems (IFMIS).

Responding to the evolution of technology, DMFAS 7 will be compliant with the latest standards for Web applications (Cloud technology), strengthened security, faster connectivity, processing, accessibility and improved portability.

The new software is intended to replace DMFAS version 6 for the recording, monitoring and analysis of external and domestic debt and to meet major changes and new practices in debt management, using the latest technology. Section 2.1 provides more information on the functionality and benefits of the new version.

… recording and monitoring systems have to continuously evolve so as to incorporate new challenges to overall debt data transparency

UN Secretary General, 2019

Capacity-development

This strategy is founded on the understanding that building sustainable capacity in debt management requires a long-term continuous, iterative process of learning and adapting to change In response to countries' needs to sustain and strengthen their capacity for debt data reporting, reporting and monitoring, the DMFAS Programme offers a comprehensive portfolio of capacity-development modules. Capacity-development covers both the technological and functional needs of DMOs and will be delivered through a range of methods including traditional classroom training at the national and regional levels, on-the-job support, e-learning and self-learning.

Enhancement of existing capacity-development products.

The existing portfolio of capacity-development products includes:

- debt data validation
- debt statistics
- debt portfolio analysis
- back-office procedures

These modules will be enhanced as needed to align with the latest standards in debt recording and reporting. The debt data validation module will undergo a major improvement with the addition of the Debt Data Quality Assessment (Debt-DQA), a comprehensive toolkit to assess and monitor progress of the quality of data recorded in debt management systems through a set of quality dimensions and indicators. This new framework will address the need for countries to improve the quality of their debt database.

New capacity-development products.

To respond to DMO requirements for improved knowledge, the following products will be developed and added to the portfolio of capacity-development products available to DMOs:

- Data collection methods, particularly relating to expanded coverage of debt instruments and institutions such as SOEs and sub-nationals
- Handling non-traditional debt instruments in DMFAS
- Handling Contingent Liabilities in DMFAS
- Handling PPPs in DMFAS, including basic PPP knowledge for DMO
- Procedures for recording Suppliers Credits' in DMFAS
- Procedures for handling onlending in DMFAS
- Procedures for interpreting debt agreements for recording in DMFAS
- Extracting data from DMFAS and manipulating it in Excel
- Handling standard loans in DMFAS such as loans from the Islamic Development Bank and the Asian Development Bank.

Certification programme.

To strengthen the sustainability of its capacity-development results, and as recommended by the DMFAS Advisory Group (DMFAS Advisory Group 2017), the programme will develop and implement a certification framework for DMFAS users, formally recognizing the skill of debt management office staff in operating the DMFAS software. It is expected that certification will be a valuable asset in mitigating the problems caused by high staff turnover and limited access to training. It will also contribute to the application of international quality standards for public management such as those of the International Organisation for Standardisation (ISO).

Helpdesk Support and advisory services

In response to the needs of debt management offices for continuous support, the programme provides a helpdesk service to assist with day-to-day problems. It will also offer advisory services in the following areas:

- integration of debt management within governments' IFMIS
- data security
- data backup and recovery.

Cooperation with other providers

In order to maximize synergies and avoid duplication of effort, the plan will be implemented in active coordination with other providers of technical assistance in debt management. In particular, DMFAS will cooperate with the IMF and the World Bank's implementation of their Joint WB-IMF Multipronged Approach for Addressing Emerging Debt Vulnerabilities (IMF/World Bank, 2018 (2)) including the Debt Management Facility (DMF), the IMF's Data for Decisions (D4D) program, with regional organisations such as the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) and with the debt management section of the Commonwealth Secretariat.

Promotion of gender balance

UNCTAD promotes gender equality and therefore encourages the participation of women in activities and training within the framework of this plan and beyond. All capacity-development activities conducted under the plan will promote the participation of women.

Objectives and results framework

The **overall development objective** of the trust fund is to:

> Strengthen governments' capacity to manage their debt effectively and sustainably in support of poverty reduction, development, transparency and good governance

There are 2 immediate objectives as described here. The numbering of the objectives and the expected results is aligned with numbering in the Logical Framework in Annex 1, where more detail is available.

Immediate Objective 1: Improve the capacity of DMOs to record, process, monitor, report, disseminate and analyse the country's public debt in a sustainable manner

Through this first immediate objective, the programme will concentrate on providing concrete solutions to the problems faced by target countries in debt management.

Expected results:

1.1 Government information systems established for effectively managing complete, up-to-date and reliable debt databases.
Governments are using the DMFAS as their debt management system. Debt databases of countries using DMFAS are complete and reliable, containing data on all debt instruments under the responsibility of the DMO, as appropriate: external debt data and domestic debt, as well as private external debt. Debt coverage will include central government debt, state and local government debt and Debt-related contingent liabilities and fiscal risks, as appropriate. DMOs will use either DMFAS 6 or gradually upgrade to the newer version, DMFAS 7. With DMFAS 7, governments will have the tools to be able to expand debt instrument and institutional coverage, progressing towards a comprehensive coverage of total public sector debt. The quality of debt data will improve, assisted by the application of Debt-DQA. The new version will provide countries with an improved domestic debt management module, more support for developing interfaces with public financial management systems and will facilitate easy access to data in required formats for DSA and MTDS exercises.

While the main focus of the plan is central government DMOs, the support offered by the programme will also be relevant for other public entities with debt portfolios. Accordingly, it is expected that the number of local and state governments institutions using DMFAS will increase, supporting improvements in debt data quality.

It is important to clarify that the extent to which DMFAS is successfully used in a country as a central repository to record this broader scope of public sector debt is dependent on institutional and legal frameworks which clearly define responsibilities and procedures for recording, reporting and sharing data, and the effective application of those frameworks using DMFAS.

Many different configurations are currently found, with responsibilities spread across various entities including national statistics offices, central government DMOs, other central government offices, local government offices, SOEs and central banks. The extent of coverage of public sector debt by the system in a country depends on the usage of DMFAS and quality of data recording and sharing by the responsible entities. As collecting information in this context is a major challenge in most countries, and as it will take time for the required legal and institutional frameworks to be established, the expansion of coverage will be gradual. Moreover, it can reasonably be expected that for the period covered by this plan only the debt of those entities with the biggest debt volume will be recorded in DMFAS; this applies also to the recording of private non-guaranteed external debt.

1.2 Increased knowledge of debt management procedures and best practices.

DMO staff have participated in DMFAS training events and UNCTAD's international debt conferences. They have also increased their knowledge through using the DMFAS capacity-development products for autonomous learning (Website, System documentation, tutorials…). The sustainability of capacity will have improved through the certification of DMFAS users.

1.3 Enhanced transparency through effective debt reporting and improved accessibility/availability of debt information.

DMFAS-user institutions are meeting their internal and external reporting obligations and commitments, including to their own government, the World Bank and the IMF. They are publishing debt statistics and their reporting is in accordance with international standards and best practices including the PSDS Guide and IPSAS. As countries upgrade to DMFAS 7, they will have increased capacity to report more comprehensively on total public sector debt, including on non-central government debt. They will have strengthened capacity to record, maintain and report on debt data that is clear, consistent, accurate and meets international standards.

1.4 Strengthened operational risk management.

Up-to-date, good quality procedures for the operations of the DMO are documented and available to staff. DMOs use DMFAS to implement and control the activities related to the key functions such as debt servicing. Security and data integrity are enhanced through system-supported workflow processes, audit trails, automatic alerts and well-defined backup and storage processes.

1.5 Increased integration of debt management within Public Finance Management (PFM).

DMFAS data is used to generate internal payment orders, thus removing the need for re-entry of data, minimizing operational risk and increasing efficiency. Requesting countries are also provided with support in developing interfaces with their PFM platforms including debt servicing, central banks and treasuries, and central depository systems. Aim is to ensure seamless information flows with budget, treasury and accounting. Support is provided to requesting countries for linkages between DMFAS and aid management systems.

1.6 Facilitated debt analysis.

DMOs have the capacity to undertake Debt Portfolio Analysis, analyzing key aspects of the debt stock. They have the ability to identify the main issues related to debt portfolio analysis, apply best practices and techniques to assess the cost/profile of the portfolio, and develop a debt portfolio review. The preparation of Debt Sustainability Analysis and Medium Term Debt Strategies is strengthened through the expanded coverage of public sector debt and the new data export features in DMFAS that link it to the latest versions of relevant applications used for such analysis: the IMF and World Bank's Debt Sustainability Framework (DSF) and Medium Term Debt Strategy (MTDS).

Immediate Objective 2: Improve the capacity of the DMFAS Programme to deliver effective, efficient and sustainable responses to country needs

Through this second immediate objective, the programme will focus on improving its internal functioning, products and services to improve its capacity to deliver the results expected under Objective 1. Moreover, the improvements made under this objective can be expected to bring long-term benefits beyond the duration of the current plan.

Expected results:

2.1 Major new DMFAS version developed - DMFAS 7.

A major new version of DMFAS is available to countries, incorporating much-needed new functionality in a number of critical areas across the following 4 broad dimensions and summarised in Figure 6.

2.1.1 Expanded coverage of debt data.

The coverage of debt data is considerably expanded to cover total public sector debt. The recording and reporting of contingent liabilities enables improved monitoring and management of associated risks and effect on government debt. The redesigned debt securities module enables better management of securities and related transactions. The recording and monitoring of hedging instruments such as futures, forwards, options and swaps facilitates management of their impact on debt positions and associated risk. The ownership of debt securities can be easily tracked, enabling DMOs to provide accurate statistics on tradable debt by type and residency of holder. Compliance with accounting standards such as IPSAS is facilitated through support for accrual accounting principles. The new calculation methods adopted by different creditors are covered, as are extended methods for calculating penalty interest and commission. The full range of debt instruments can be recorded and reported on.

2.1.2 Strengthened data collection support.

To cater for the particular circumstances of each country, DMFAS will facilitate the recording and reporting of the full public sector debt portfolio or any subset of it. Accordingly, the system could be installed in local government offices or SOEs, or they could transmit their data to the central government DMO or national statistics offices using tools provided by the system. Moreover, the system will enable the sharing of data between entities, for example the provision of local government data to the central DMO.

2.1.3 Broader scope of functionality.

The scope of the functionality is substantially broadened to include full support for the workflow related to debt management processes, based on the Workflow Reference Model (WRM) and enabling alerts, measurement, analysis, redesign and integration with other systems. Enhanced audit and security enforces password controls and enforcement of access control policies in compliance with information security standards (COBIT, ISO/IEC).

Auditing will be greatly facilitated through support for best practices for reporting and securing auditing information (as recommended by INTOSAI's Information System Security Review Methodology). Front office functions such as building and implementing borrowing plans, monitoring the implementation of the debt strategy and conducting liability management operations are substantially supported, and decision-making for new borrowing is facilitated. The debt securities module has been redesigned to better match the business processes and cycle of debt securities, covering all associated transactions (auctions and inverse auctions, repos, switches, buybacks, reopening and so on). The extended reorganization module facilitates the measurement of impact and debt relief of reorganization operations.

2.1.4 Enhanced reporting features.

Reporting features are significantly stronger, including access from mobile devices, dashboards for management, consolidation of the full debt portfolio and enhanced compliance with international reporting standards. The system provides full compliance with the latest international standards for debt statistics compilation and dissemination in terms of classification, valuation and reporting. Reports can be generated by GDDS and SDDS countries on Gross Debt and Net Debt as defined by the Public Sector Debt Statistics guide and required by international organisations (DRS[4], QEDS[5], QPSD[6]). Reporting on the whole debt stock is made possible through new features to facilitate merging the debt databases of decentralised entities.

2.1.5 Strengthened debt analysis support.

An enhanced debt analysis module enables the definition of the debt and risk indicators needed to analyse the debt portfolio; it is more flexible and user-friendly and includes graphs and reports on key aspects of the portfolio, including aggregate grant element, redemption profile, yield curve, benchmarks and composition.

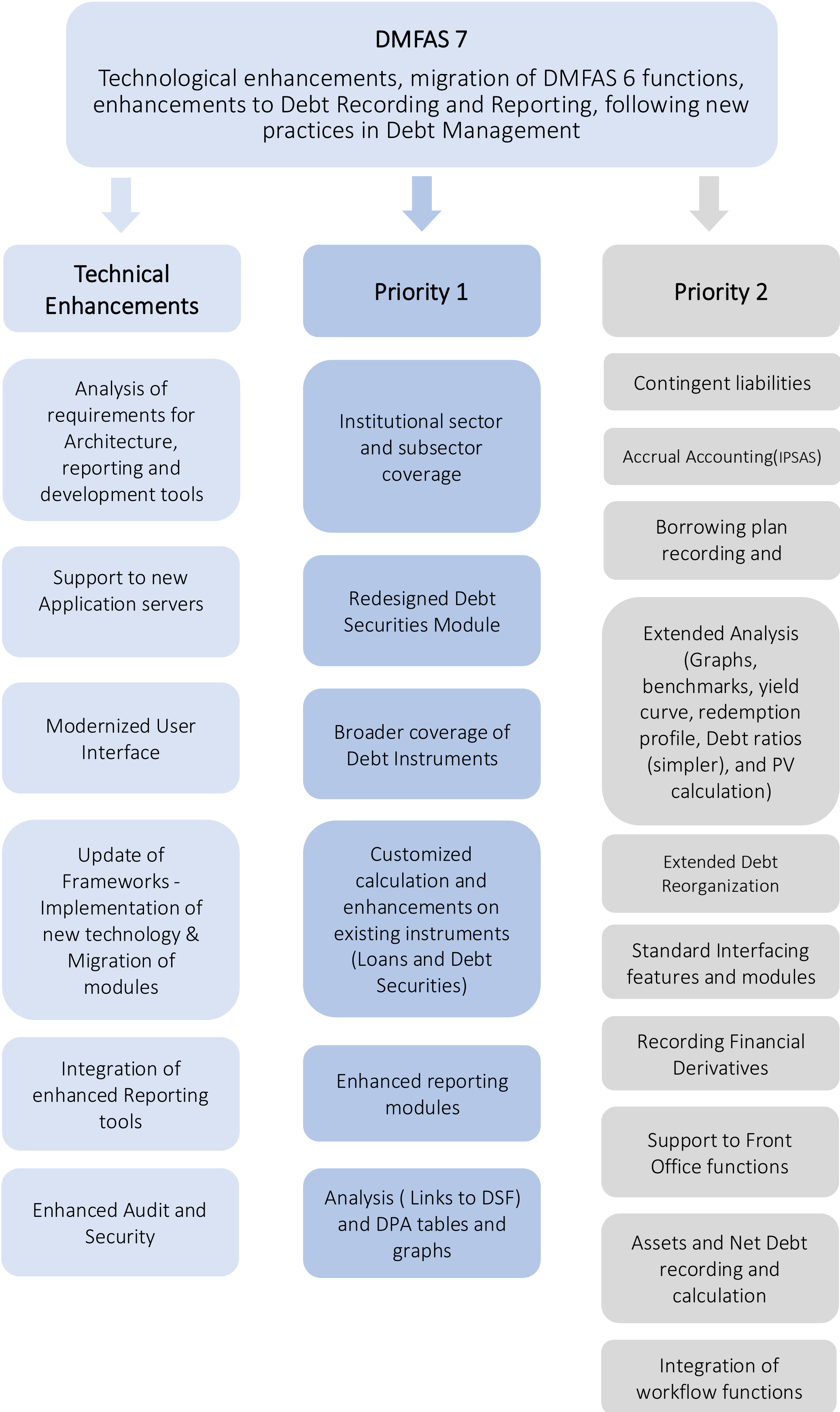
2.1.6 Improved support.

The version also provides strengthened support features such as integration with the Helpdesk system and interfaces with other systems such as Bloomberg. The system is compatible with the latest versions of applicable application servers.

Figure 6 provides an overview of the improvements that DMFAS 7 will include, showing also the priority accorded that determine the sequence of development of the different functions.

[4] Debtor Reporting System of the World Bank
[5] Quarterly External Debt Statistics of the World Bank
[6] Quarterly Public Sector Debt Statistics of the World Bank

Figure 6: Overview of DMFAS 7



2.2 More comprehensive capacity-development framework.

The programme's capacity-development framework has been expanded to encompass certification, more online material and new material including the new debt data quality assessment, Debt-DQA.

2.3 Effective cooperation with other providers.

Cooperation will be systematically undertaken with the other main providers of debt management technical assistance in accordance with the respective comparative advantages. This will include:

- World Bank: active partnership in the Debt Management Facility, participating in DeMPA, MTDS and Reform Plan missions
- IMF: membership of the country engagement groups expected to succeed the defunct Task Force on Finance Statistics (TFFS); providing resources for IMF statistical and technical workshops; coordination with the Data for Decisions (D4D) initiative
- Regional providers: joint capacity-development workshops with MEFMI and mentoring of fellows
- Cooperation with the Commonwealth Secretariat on the finalisation and rollout-out of Debt-DQA
- Cooperation with universities, especially obtaining the assistance of senior students.

2.4 Improved service delivery.

The Helpdesk will be more user-friendly with the implementation of a more streamlined and modern tool.

2.5 More stable financing for programme activities.

The predictability and sustainability of programme financing will be improved through the implementation of the improved cost-sharing mechanism approved by the DMFAS Advisory Group, increasing the contributions from countries. The donor base will be expanded.

2.6 Regional centres established.

As recommended by the DMFAS Advisory Group and the latest Mid-term Review, the programme will establish regional centres, starting with 2 centres in Africa. The objective is to improve the effectiveness and timeliness of the programme's support to countries through relocating DMFAS support to the region. As the 2018 Mid-term Review concluded 'they will help to build capacity and resolve issues faster especially in some low income, capacity constrained countries'. In accordance with the related recommendation of that review, the programme will transfer to the new regional offices Geneva-based posts that provide direct support to DMFAS-user countries, to the extent possible.

2.7 New communication strategy.

The programme will implement a new communication strategy to support its interaction with stakeholders and its fundraising efforts. The strategy will involve maximising the use of different media to share information about the programme's work.

Activities

The objectives will be achieved through implementation of the following main activities:

Objective 1:

- Capacity-development on Debt Data Validation and Debt-DQA, Debt Statistics, Debt Portfolio Analysis, Procedures Manuals
- DMFAS installation and related training
- Advisory services for integration with IFMIS
- Certification of skills in DMFAS usage
- Knowledge management through conferences, Newsletters, Website resources, study tours
- Helpdesk to respond to user requests for assistance
- E-learning and self-learning

These activities will normally be undertaken within the scope of country-specific technical assistance projects managed by the programme.

Objective 2:

- Development and implementation of DMFAS 7
- Development and maintenance of capacity development products
- Maintenance of DMFAS 6
- Establish regional centres
- Fund-raising
- Cooperation with other providers

All activities will be undertaken in synergy with UNCTAD's research, analysis and policy work on debt.

Monitoring, evaluation and risk management

The trust fund will be monitored and evaluated through seven principal mechanisms in line with UNCTAD's monitoring and evaluation and risk management frameworks:

- Logframe - performance monitoring and evaluation logical framework (Annex 1)
- Yearly work and financial plans prepared by the DMFAS Programme and submitted to donors
- External evaluation after 2 years of implementation – the Mid-term Review
- Annual reporting through the DMFAS Annual Report
- Annual Donor Consultation meetings
- Biennial reporting to the DMFAS Advisory Group
- Annual reporting to UNCTAD's Working Party (Trade & Development Board)

The Logical Framework (Logframe) that defines the objectives, results, measurable indicators and means of verification will be used to monitor and evaluate progress. External assessment such as PEFA and DeMPA will be used to monitor and measure results and impact, where applicable. It also defines the assumptions that represent the pre-requisites for the achievement of the expected results, and the associated risks. Where applicable, baselines are used to benchmark progress over time.

Client satisfaction will be tracked over time and the results included in the periodic reports.

DMFAS management will be responsible for monitoring the implementation of the plan, and for reporting on progress through the annual reports. Reporting will cover the outcomes of individual country projects and overall programme performance.

DMFAS management will also be responsible for identifying independent consultants for conducting the Mid-term Review, and contracting them subject to the agreement of the majority of the programme's bilateral donors at the time of the review. The review will be conducted in coordination with UNCTAD's Monitoring and Evaluation Unit. The objective of this exercise is to assess the results and overall impact of the project against the plan's logframe indicators. Evaluation criteria also include relevance, efficiency, effectiveness, sustainability, impact, partnerships and gender. The final report (2023 Annual Report) and final financial statement will be submitted after project completion to programme donors in line with UN regulations.

Results Based Management

The DMFAS Programme overall and each technical assistance project it manages is subject to continuous monitoring in line with the UNCTAD's monitoring and evaluation and risk management frameworks. Each project is subject to regular reporting and a final evaluation towards the end of the project implementation period. A project evaluation report is drafted for each mission. The final report and final financial statement are submitted after project completion to the beneficiaries and donors, as appropriate, in line with UN regulations.

The programme uses the results of evaluations to define lessons Learned and best Practices, which are incorporated into future projects.

Any substantive changes to the plan must first be submitted to stakeholders.

In addition to overall M&E for the strategic plan, the individual country projects through which the programme delivers to clients will be monitored and evaluated through the project M&E methodology established under programme's strategic plans.

Impact

The expectation is that the Trust Fund will contribute to:

1. **Governments managing their debt effectively and sustainably in support of poverty reduction, development, transparency and good governance**

2. **Directly to the achievement of SDG 17.4 'Assist long-term debt sustainability in developing countries through coordinated policies'**

3. **Indirectly to the achievement of SDG 1 'No poverty'**

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Annex 1. Logical framework

DRAFT (Scenario 2): Targets will be revised in accordance with feedback from Advisory Group Meeting

Components	Narrative summary	Indicators	Sources of verification	Risks and assumptions
General objective	Strengthen Governments' capacity to manage their debt effectively and sustainably, in support of poverty reduction, development and good governance	Number of DMFAS countries showing an improvement in their External debt to GNI ratio Number of DMFAS countries showing an improvement in their Public & Publicly guaranteed debt service to GNI ratio (To complete with baselines)	World Bank – Global Development Finance: Economic Policy & External Debt	Assumptions: Commitment of governments to effective debt management Technical cooperation is an effective means of strengthening the capacity of governments to manage their debt effectively. Risks: Civil conflict, disasters or shocks from international financial crises limit positive effects of improved debt management
Immediate objectives	1. Improve the capacity of DMOs to record, process, monitor, report, disseminate and analyse the country's public debt in a sustainable manner	Public Financial management Performance Assessment (PEFA) – PI17 DMFAS Effectiveness Indicators demonstrate improvements in national capacities 112 institutions in 73 countries having used DMFAS capacity-development services Baseline: 108 institutions in 70 countries Baselines defined in indicators for individual results	Primary Mid-term review – external evaluation DMFAS Annual Reports Secondary, since subject to availability of data: DEMPA scores PEFA reports	Assumptions: • Governments request UNCTAD's assistance to increase their debt management capacity. • Adequate financing available for core operations and country projects • Govts. integrate debt in fiscal & macroeconomic frameworks • Effective coordination between TA providers Risks: • High staff turnover in DMOs • Fin. Crisis causes shortage of financing for DMFAS projects
	2. Improve the capacity of the DMFAS Programme to deliver effective, efficient and sustainable responses to country needs.	Satisfaction levels of beneficiaries, donors and partners at mid-term and final reviews/Annual Reports are equal to or higher than those obtained in the 2018 Mid-term review (MTR) Baselines from 2018 MTR report and 2019 DMFAS Annual Report	Mid-term review reports 2018 & 2022 Annual Reports 2019 and 2023 Aide-Memoires of Donor Consultation meetings	Assumptions: • Adequate funding for internal improvement projects
Results	1.1 Government information systems established for effectively managing complete, up-to-date and reliable debt databases	88 institutions in 61 countries actively using DMFAS Baseline: 85 institutions in 58 countries At least 85% of DMFAS-user countries using DMFAS 6 or DMFAS 7 Baseline: 82% At least 22% of DMFAS-user countries using DMFAS 7 Baseline: 0% Improved debt coverage in DMFAS in Central Government DMOs:	DMFAS Annual reports DeMPA reports End of country project evaluation reports Mid-term review	Assumptions: • Country continues to wish to use DMFAS • Adequate financing available to fund DMFAS implementation • Availability of qualified consultants • Availability of DeMPA reports • DMOs record non-central government debt in DMFAS • Data available on total debt stocks for public sector

Components	Narrative summary	Indicators	Sources of verification	Risks and assumptions
		• 97% of DMFAS-user countries use the system to capture at least 90% of their central government direct and government guaranteed debt Baseline: 95% • 75% of DMFAS -user DMOs responsible for domestic debt use the system to capture it. Baseline: 70% • 18 Central Banks monitoring private external debt Baseline: 15 10% of DMFAS-user DMOs with responsibility for recording **non-guaranteed state and local government debt** use the system to record 85% of that debt 10% of DMFAS 7-user DMOs with responsibility for recording **other debt-related contingent liabilities and fiscal risks of** public financial and non-financial corporations (e.g. SOEs) use the system to record 75% of them 60% of DMFAS 7-user DMOs with responsibility for recording **collateralized debt** use the system to records 75% of them 15% of DMFAS 7-user DMOs with responsibility for recording **climate change-related debt** instruments use the system to records 85% of them		Risks: • Financial crisis causes shortage of financing for DMFAS implementation projects • Lack of required definitions of responsibilities in legal and institutional frameworks for reporting the different categories of public sector debt, or poor adherence to those frameworks
	1.2 Increased knowledge of debt management procedures and best practices	300 participants per conference satisfactorily attended 2 UNCTAD international DM conferences 25 countries at least per meeting participate in 2 DMFAS Advisory Group meetings Staff from at least 35 countries trained in DMFAS training courses (aiming for balanced participation of men and women)	Conference attendance list Advisory Group attendance list Feedback from participants Annual report statistics on training events Portal usage statistics List of participants showing gender information	Assumptions: • Funding available to finance the conference • UNCTAD conferences services provide the facilities needed for the conference • Countries have sufficient financing to attend the conference
	1.3 Enhanced transparency through effective debt reporting and improved accessibility/availability of debt information	DMFAS-user institutions, using DMFAS data, are: • 92% are reporting effectively (only moderate problems) to WB DRS Baseline: 83%[7] • 90% subscribed to the World Bank/IMF QEDS are reporting effectively Baseline: 89% • 90% subscribed to the World Bank/IMF QPSDS are reporting effectively Baseline: 88% • 42 producing statistical bulletins Baseline: 40	DRS country-reporting situation reports Statistics and feedback from WB and IMF on quantity, coverage and reliability of reported data DEMPA score Mid-term review, feedback from national authorities End of project evaluations	Assumptions: • DMFAS installed in institution with reporting responsibility • WB & IMF continue to provide DMFAS with DRS & QEDS/PSDS participation statistics • DMFAS installed in institution responsible for reporting • Country willing to report to the DRS and QEDS/PSDS systems

[7] Change in evaluation criteria to include DRS rating of 1 and 2 as effective reporting – previously rating 3 was also considered

Components	Narrative summary	Indicators	Sources of verification	Risks and assumptions
				• Adequate funding for training and capacity-development • Government mgt. support
	1.4 Strengthened operational risk management	At least 28 countries using DMFAS' related service have a Procedures Manual for DMO management processes Baseline: 25 At least 25 countries using DMFAS' related service have a Disaster Recovery plan covering the DMFAS system Baseline: 21	DMFAS mission reports Results of surveys DeMPA findings	DMFAS user countries request training and advice from the Programme in operational risk management
	1.5 Increased integration of debt management within PFM	Data automatically flows between DMFAS and i) government budget, accounting or treasury systems in at least 26 countries ii) Auction systems in at least 6 countries Baseline: i) 23 ii) 4	Mid-term review, feedback from national authorities, partners and DMF Country project evaluations DeMPA results	Assumptions: • Governments have well-defined IFMIS and qualified local support staff • Governments have well-defined Auction systems and qualified local support staff Risks: • Delays in IFMIS projects or DMFAS unaware of them
	1.6 Facilitated debt analysis	• 25 countries using DMFAS to perform Debt Portfolio Analysis Baseline: 23 • DMFAS system data continues to be used for MTDS in all DMFAS-user countries where MTDS is done Baseline: 40 • DMFAS system data continues to be used for DSA in all DMFAS-user countries where DSA is done Baseline: 41	Feedback from countries and partners such as WB and IMF on DMFAS data use for DSF/MTDS Debt Portfolio Review document	Assumptions: • MTDS and DSA are done in DMFAS-user institutions • Stable versions of DSF &MTDS Risks: Difficulty obtaining DEMPA results and data on DMFAS-use for MTDS & DSA
	2.1 Major new DMFAS version developed - DMFAS 7	Availability of new version of DMFAS with following functionalities: • Broader Scope • Expanded coverage • Enhanced reporting • Improved support • Compatibility with latest frameworks DMFAS 6 maintained to ensure continued operation.	DMFAS Annual report Advisory Group conclusions Mid-term review report	Assumptions: Availability of funding to develop new version
	2.2 More comprehensive capacity-development framework	Availability of new capacity development products: • Data collection methods • Handling non-traditional debt instruments • Handling Contingent Liabilities • Handling PPPs • Procedures for recording Suppliers Credits' • Procedures for handling onlending • Procedures for interpreting debt agreements for recording • Extracting data from DMFAS and manipulating it in Excel • Handling ADB loans	DMFAS Annual report Advisory Group conclusions Mid-term review report	Assumptions: Availability of funding to develop new products & services

Components	Narrative summary	Indicators	Sources of verification	Risks and assumptions
		• Using Debt-DQA Availability of new services: • Certification for DMFAS users		
	2.3 Improved coordination with other providers	DMFAS sharing all relevant info with partners World Bank: active partnership in Debt Management Facility, participating in DeMPA, MTDS and Reform Plan missions; organizing regional workshops; support reporting to DRS/QEDS/QPSD IMF: providing resources for IMF statistical and technical workshops; support Data for Decisions (D4D) Regional providers: joint capacity-development workshops with MEFMI. Cooperation with COMSEC.	DMFAS Annual Reports Correspondence and mission reports from donor contacts DMF ICG meeting minutes Feedback from partners	Assumptions: • Partners consult with DMFAS information into account in planning activities • DMF Partnership agreement signed with World Bank
	2.4 Improved service delivery	User support request system available inside DMFAS software More user-friendly user support request system A minimum of 2 regional centres, priority in Africa	Advisory Group conclusions User survey results	Assumptions: Upfront financing available to fund each centre for at least three years
	2.5 More stable financing for Programme activities	No. of donors providing funding has increased to 8 by 2021 Baseline: 5 Distribution of sources for central trust fund (excluding DMFAS 7 cost) evolved to yearly average by 2023 • Bilateral donors 40% • Cost-sharing 28% • Cost-recovery 12% • UN RB & overheads 20% Baseline yearly average 2016-20019: • Bilateral donors 39% • Cost-sharing 27% • Cost-recovery 12% • UN RB & overheads 22%	DMFAS Annual Financial reports Mid-term review Final review Promotion Strategy document	Assumptions: • UN contribution remains at least at same level • Countries continue to pay maintenance fees Risks: • Financial or humanitarian crisis constrains donor funding or client ability to contribute
Activities	1.1 Manage TA projects 1.2 Conduct needs assessments 1.3 Deliver DMFAS 6 and 7 to clients 1.4 Conduct training seminars and on-the-job training 1.5 Conduct capacity-development workshops: Debt data validation Debt statistics Debt Portfolio Review Procedures 1.6 Organise 2 DM conferences 1.7 Operate Helpdesk 1.8 Support systems integration 1.9 Provide advisory services	Means DMFAS staff Consultants Outsourcing Partner cooperation	Costs See Budget for Strategic Plan 2020-2023	Assumptions: • Adequate donor financing • New donors commit • Maximum 3% inflationary increase on staff and travel costs • Partners have resources for joint activities

Components	Narrative summary	Indicators	Sources of verification	Risks and assumptions
	1.10 Continuous support to debt management offices 1.11 Participate in joint regional workshops 1.12 Participate in DMF missions 1.13 Participate in joint activities with other providers: DMF, D4D, IMF TACs, MEFMI, CEMLA, Regional Events, Conferences, Seminars 2.1 Approach new donors 2.2 Reorganise Helpdesk, introduce new training methods, new tools/services 2.3 Enhance/operate DMFAS Portal 2.4 Develop DMFAS 7 2.5 Maintain DMFAS 6 2.6 Develop new Capacity-development modules, services & delivery methods 2.7 Programme administration 2.8 Programme management 2.9 Project management 2.10 Organise MTR independent evaluation			

Note: Data for some baselines are based on available reliable information for 58 countries actively using DMFAS. Where approximations are indicated, the baselines will be refined when more data is obtained.

Annex 2. Target countries by region

East Asia and Pacific
Cambodia
Indonesia
Lao PDR
Mongolia
Philippines
Vietnam

Europe and Central Asia
Albania
Armenia
Azerbaijan
Georgia
Kyrgyz Republic
Moldova
Romania
Tajikistan
Uzbekistan

South Asia
Bangladesh
Bhutan
Nepal
Pakistan

Latin America and the Caribbean
Argentina
Bolivia
Chile
Costa Rica
Dominican Republic
Ecuador
El Salvador
Guatemala
Haiti
Honduras
Nicaragua
Panama
Paraguay
Venezuela, RB

Sub-Saharan Africa
Angola
Burkina Faso
Burundi
Central African Republic
Chad
Congo, Dem. Rep
Congo, Rep.
Côte d'Ivoire
Eritrea
Ethiopia
Gabon
Guinea
Guinea-Bissau
Guinea-Equatorial
Madagascar
Mauritania
Niger
Rwanda
Togo
Uganda
Zambia
Zimbabwe

Middle East and North Africa
Sudan
Algeria
Djibouti
Egypt, Arab Rep.
Iran, Islamic Rep.
Iraq
Jordan
Lebanon
Oman
Syrian Arab Republic
Yemen, Rep.
State of Palestine