



Debt Management and  
Financial Analysis System  
Programme

**ANNUAL REPORT**



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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Debt Management and Financial  
Analysis System Programme

Annual Report 2020



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## Note

The designations of country groups are intended solely for statistical or analytical convenience and do not necessarily express a judgement about the stage reached by a particular country or area in the development process.

All references to dollars are to United States dollars, unless otherwise specified.

The Debt Management and Financial Analysis System (DMFAS) Programme is largely financed thanks to the generous support of bilateral donors. Currently, these are Germany, Ireland, the Netherlands, Switzerland and the European Union.



## LIST OF ACRONYMS

AGM	Advisory Group Meeting
Debt-DQA	Debt Data Quality Assessment
DeMPA	Debt Management Performance Assessment
DMFAS	Debt Management and Financial Analysis System
DMO	debt management office
DQAF	Data Quality Assessment Framework
DRS	Debt Reporting System
DSA	debt sustainability analysis
DSSI	debt service suspension initiative
GFSAC	Government Finance Statistics Advisory Committee
IFMIS	integrated financial management information system
IMF	International Monetary Fund
MEFMI	Macroeconomic and Financial Management Institute of Eastern and Southern Africa
MTDS	medium-term debt strategy
PEFA	Public Expenditures and Financial Accountability Framework
PFM	public finance management
QEDS	Quarterly External Debt Statistics
QPSD	Quarterly Public Sector Debt statistics
SDG	Sustainable Development Goals
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme

## Debt Management and Financial Analysis System Programme

### Annual Report 2020

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## EXECUTIVE SUMMARY

This annual report describes the activities and financial situation of the DMFAS Programme of the United Nations Conference on Trade and Development (UNCTAD) at the end of 2020. It is intended for the Programme's donors, development partners and beneficiary countries, and for all those interested in debt and development issues.

Since its inception, the Programme has provided assistance to 110 institutions in 72 developing countries. In 2020, two-third of DMFAS clients had either low or lower-middle income levels.

The new 2020–2023 strategic plan, approved by the DMFAS Advisory Group in November 2019, focuses on strengthening debt data transparency and capacity development in recording, processing, monitoring, reporting and analyzing public debt, the downstream areas of debt management considered as the foundations for effective debt management.

This first year of implementation of the 2020–2023 strategic plan was largely marked by the COVID-19 pandemic. The international community broadly recognizes that an effective response to COVID-19 by governments requires effective management of a country's public finances, including its public debt. In this context, the new DMFAS strategic plan proves to be very relevant to addressing the serious concerns about the overall outlook for external debt sustainability in developing countries and the related problems with debt data transparency. Capacity to record, monitor and report effectively on public debt during the crisis is crucial to mitigate the risks related to debt sustainability while countries need to borrow significantly to address COVID-19 related sanitary and economic crises. Debt data transparency is critical for effective crisis management as it helps countries to effectively manage their finances and allow the international community to provide timely and appropriate support to mitigate the crisis. Effective debt management is also critical for the implementation of the emergency financing and debt moratorium measures adopted by the international community as a response to the COVID-19 crisis.

For DMFAS user countries, the priority in 2020 was to maintain such capacity to ensure that comprehensive, accurate timely information on public debt is available in support of policy decisions and risk management in the context of the pandemic. The relevance of the Programme's strategic plan is normally reviewed at its mid-term point but in early 2020 the Programme examined the plan's objectives and expected results in light of COVID-19 specific country needs. The conclusion was that the plan is fully compatible with the Programme's provision of a swift and effective response to the COVID-19 crisis. The overall development objective of the plan remains fully valid and relevant as it is to strengthen governments' capacity to manage their debt effectively and sustainably in support of poverty reduction, development, transparency and good governance. Nevertheless, while the strategic plan's objectives, expected results, outcomes and activities are fully relevant in response to COVID-19, the method of delivery of activities has been and is expected to continue to be affected by the pandemic. The Programme has accordingly quickly adapted its support to respond to countries' changing requirements.

Using its long experience and broad expertise as a leading provider of technical cooperation in the area of capacity development in debt management, the Programme immediately analyzed the needs of countries and aligned its operations accordingly. Adaptations included increased support in capacity building in debt reporting as preparation for debt reorganization and debt relief negotiations, and in increased support

in recording, reporting and monitoring COVID-related debt reorganization initiatives using DMFAS. As debt management offices moved to teleworking as a result of the pandemic, the Programme provided increased online support for remote access to the DMFAS software. Remote delivery of technical support and capacity building activities replaced traditional face-to-face training when it became impossible due to travel restrictions.

The Programme was therefore able to provide developing countries with continuous support to improve their capacity to face the socio-economic challenges resulting from the COVID-19 pandemic. It also synergized its efforts in this direction with those of other organizations providing technical assistance in debt management. In 2020, results under objective 1 include *progress in debt coverage*, in particular in domestic debt where 68 per cent of DMFAS 6 user countries responsible to manage domestic debt reported comprehensive domestic debt records in DMFAS. In relation to government and government-guaranteed external debt, 91 per cent of countries had comprehensive records in DMFAS. The indicators related to *enhanced transparency and reporting* reflect the challenges countries faced to timely report in constrained conditions. In 2020, results also show the importance of operational risk management with improvements both ensuring effective debt management procedures and disaster recovery arrangements. Progress has also been made in the area of *debt analysis*. In relation to *strengthened public finance management integration*, as countries are upgrading their information technology systems, it also requires upgrading the interfaces between DMFAS and national public finance management systems which can take time. Despite the exceptional circumstances, the Programme continued to support the 23 countries which already have interfaces between their own systems and DMFAS 6 and to support other countries in their efforts to build interfaces, in particular Angola, Côte d'Ivoire (online workshop) and the Philippines.

In addition, the Programme provided support for debt reporting and implementation of COVID-related debt reorganization initiatives. Implementation of the Debt Service Suspension Initiative (DSSI) and similar processes is often lengthy and complicated, hence the Programme developed guidelines and delivered webinars on how to handle DSSI in DMFAS, to help debt management offices to record the terms and conditions of the suspension in the database.

During this period, despite the challenges, countries managed to perform most of their normal operations and adapt to teleworking, which is a major difficulty for some.

Under objective 2, significant progress has been made in relation to *DMFAS 7 development*. Despite some setbacks arising from the Covid pandemic, development work continued uninterrupted throughout the year in line with the priorities of the 2020–2023 Strategic Plan and was strengthened by the establishment of an additional programming team in Togo. In addition, *DMFAS 6 was enhanced* through the release of new functionalities and corrections with version 6.1.4.1 and major progress was made on the following version, 6.1.4.2, which contains many important enhancements and will be distributed in early 2021.

The Programme also focused on the *development and maintenance of capacity building products* and expanding self-learning material for users. The joint Commonwealth Secretariat and DMFAS Debt-DQA framework was published in August. It provides comprehensive and peer-reviewed guidelines for assessing the quality of data in debt databases. Additionally, the Programme localized and adapted the module on debt office procedures into English to meet increasing demands for this product in new projects. In relation to self-learning material, the Programme also released new basic debt concept

fact sheets in English and in French as well as a new tutorial on how to record a treasury bond in DMFAS 6.

In terms of *improved service delivery*, the Programme introduced a new portal containing all available technical documentation directly accessible from the DMFAS Website. In addition, several technical guides were updated and released to database administrators. Approximately half of DMFAS 6 user countries were fully or partially teleworking during the lockdown. Hence, the Programme has received, through its help desk, an unforeseen number of requests for support from user countries which required debt office staff to work remotely to sustain their debt operations. The help desk was a key interlocutor for countries to ensure continued access to the system. To this end, the Programme increased its remote support and developed guidelines on the configuration of remote connections to DMFAS.

*Active cooperation* with partners continued in 2020 and included participation in six partner events. In particular, the Programme contributed to the delivery of two events on public debt statistics organized by the International Monetary Fund's regional technical assistance centers for Asian and Latin American countries. The Programme also engaged with the World Bank to continue its role as an implementing partner in the Debt Management Facility through a new agreement for phase III.

In terms of *financing of the Programme*, DMFAS 7 software development and fund raising are priorities under the new strategic plan. The Programme worked actively with current donors to agree on new multi-year commitments and reached out to potential new donors. In the context of the 2020 COVID-19 crisis, the DMFAS Programme made swift and successful adjustments to its budget while still prioritizing its primary strategic plan objectives and fulfilling the needs of beneficiary countries. The postponement of a number of project activities resulted in reduced cost-sharing and cost recovery. However, in response to this the Programme has been successful in reducing costs while still prioritizing DMFAS 7 software development and providing support to countries for remote access to DMFAS and remote training activities. In 2020, donors to the Programme were Germany, Ireland, the Netherlands, Switzerland, all of which made new commitments to the Programme during the year, and the European Union which continues its previously agreed committed support.

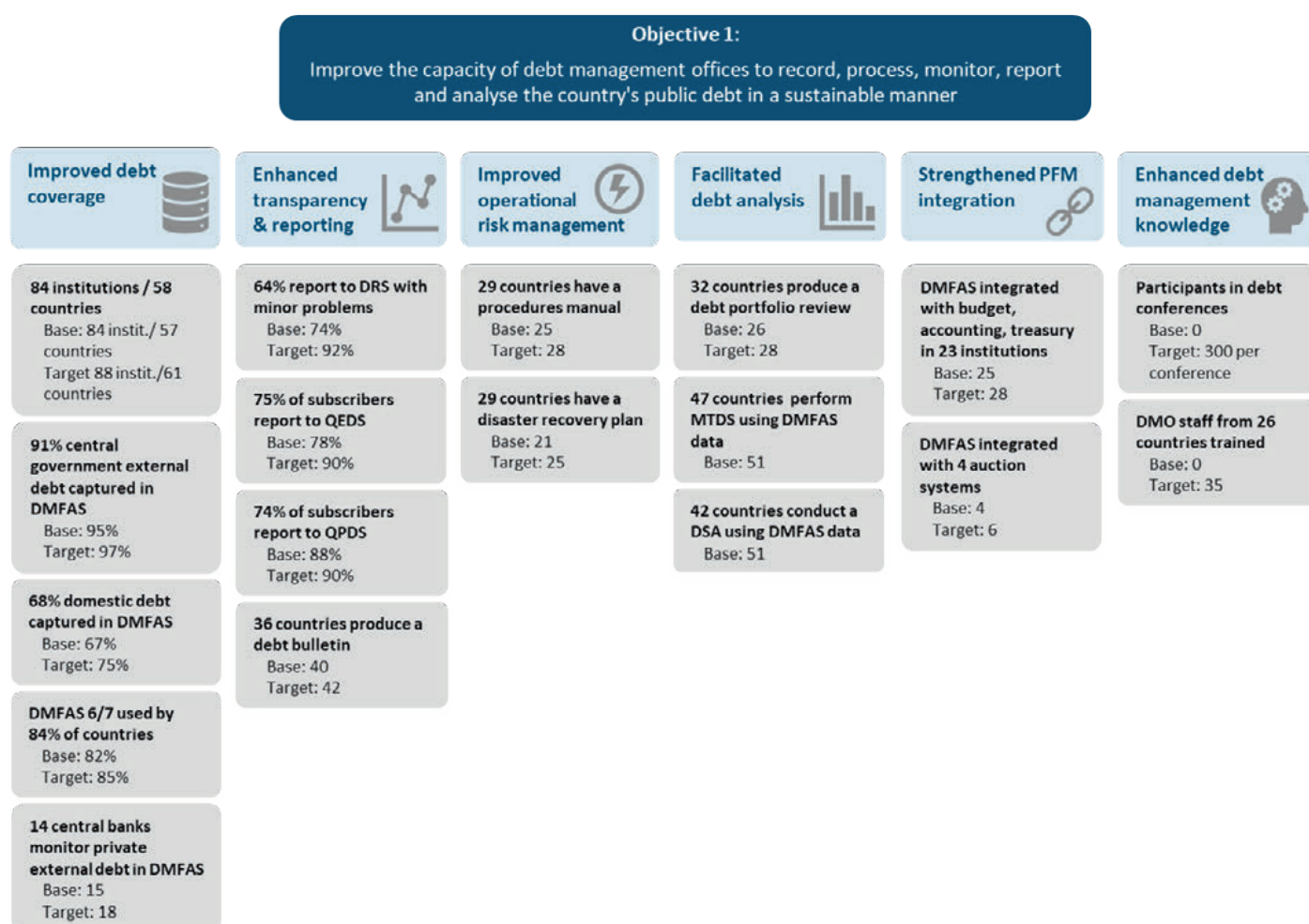
In conclusion, developments during 2020 underscored the continuing relevance of the Programme. The new financial vulnerabilities and increased risks of debt distress faced by developing countries, particularly the poorest, as a result of the COVID-19 health and economic crises, reinforce the need for effective debt management as an intrinsically important component of public financial management. The international community broadly recognizes that an effective response to COVID-19 by governments requires effective management of a country's public finances, including its public debt. Built to address concerns about the outlook for external debt sustainability and debt data transparency, the DMFAS strategic plan 2020–2023 remains highly relevant in the context of the COVID-19 crisis.

## OVERVIEW OF PROGRESS IN THE IMPLEMENTATION OF STRATEGIC PLAN 2020–2023, AT THE END OF 2020

Most of the period covered by this report was affected by the COVID-19 pandemic related measures. Results achieved in the first eleven months of implementation of the strategic under objectives 1 and 2 are summarized in figures 1 and 2.

Under objective 1, progress has been observed in the area of facilitated debt analysis while other indicators remained stable.

Figure 1. Summary of indicators under objective 1 of the 2020–2023 strategic plan at the end of 2020



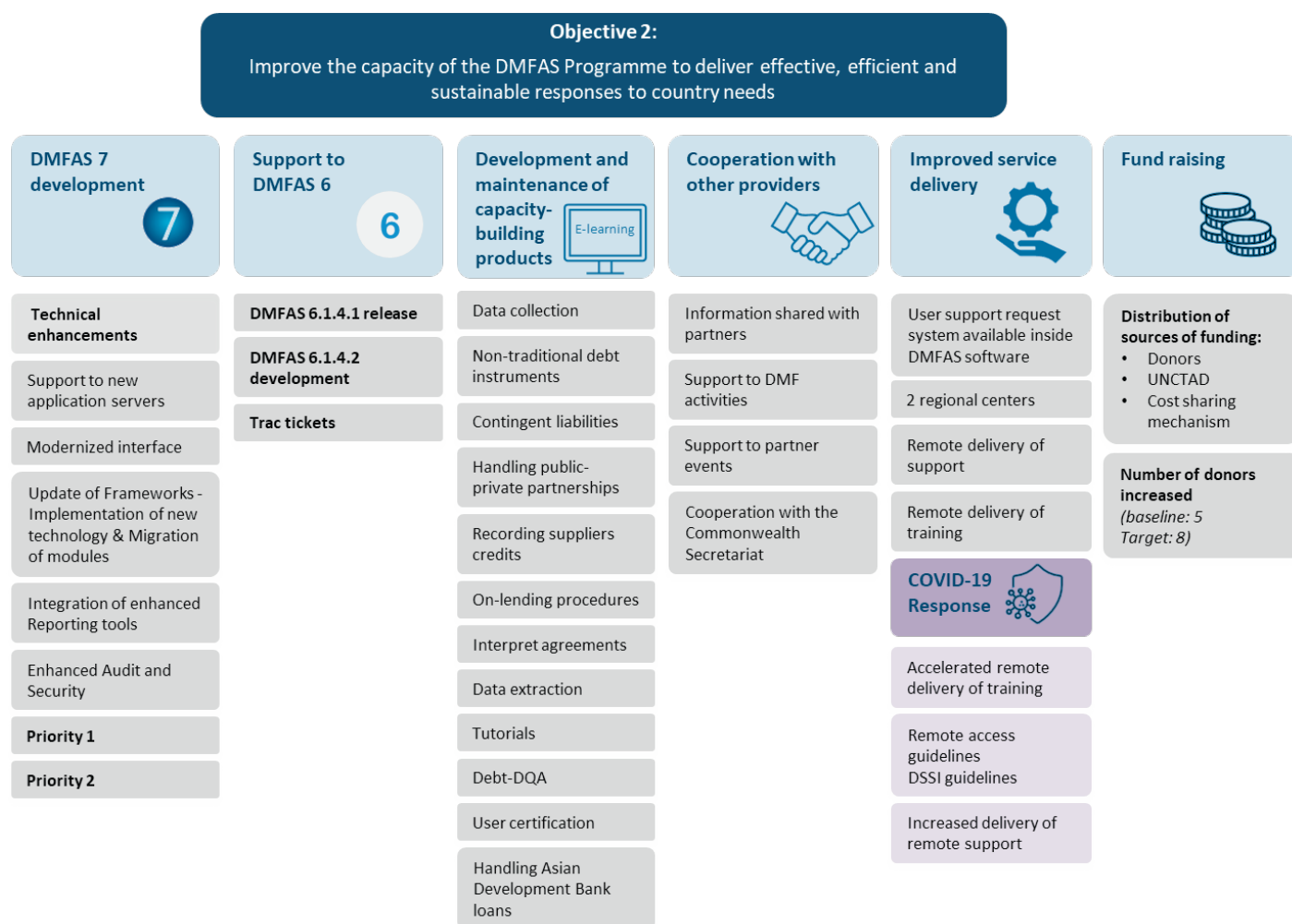
Source: UNCTAD

## DMFAS Programme Annual Report 2020

Under objective 2, results achieved are summarized in figure 2. Major progress has been made in the development of DMFAS 7, in adapting training curriculum to the exceptional circumstances that prevailed during most of the period and in fundraising.

Figure 2 also includes information related to the Programme’s response to the pandemic situation.

Figure 2. Summary of achievements under objective 2 of the 2020–2023 strategic plan at the end of 2020



Source: UNCTAD

## PROGRESS IN IMPLEMENTING STRATEGIC PLAN

### 1. Overview of strategic plan 2020–2023

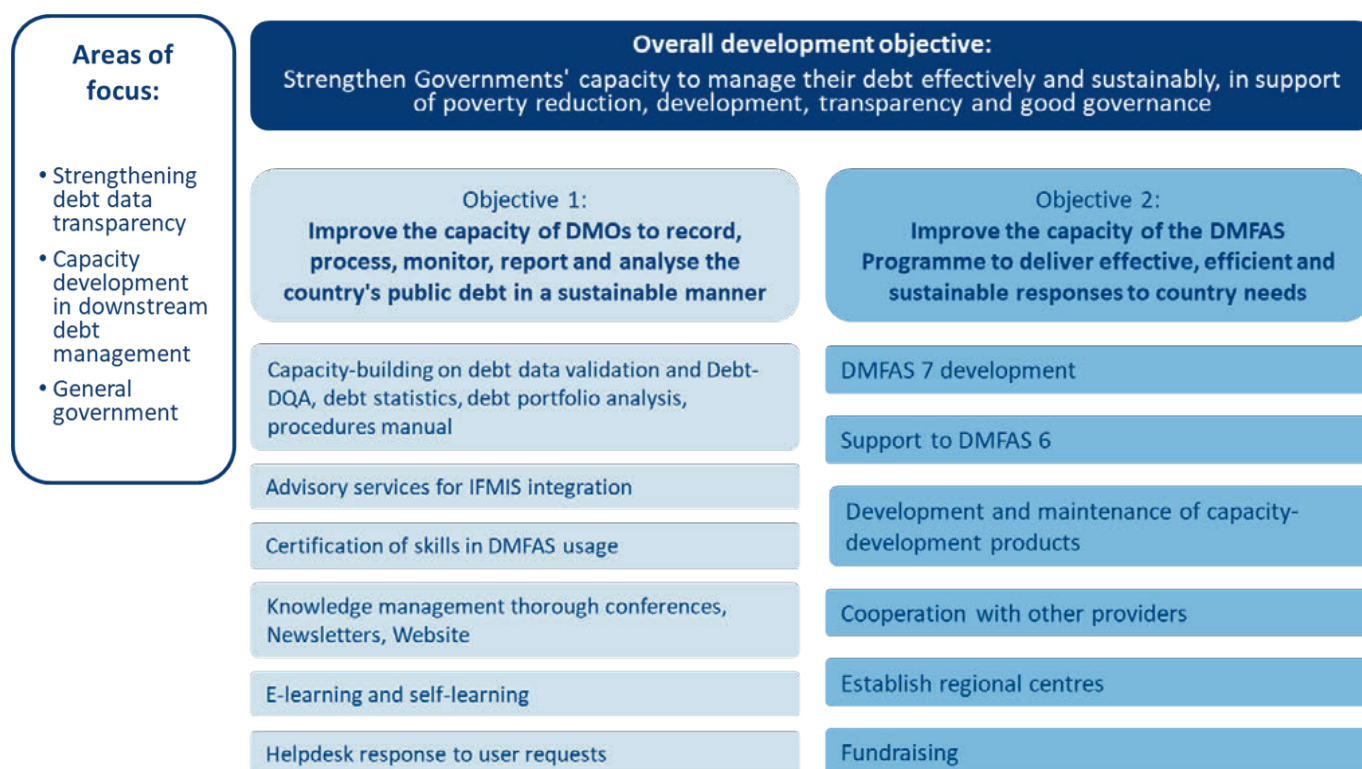
Approved by the DMFAS Advisory Group in November 2019, the new four-year strategic plan for the DMFAS Programme started in January 2020. It sets a forward-looking plan for the Programme to continue to deliver high-quality, relevant assistance to developing countries in response to their debt management needs.

The overall purpose of this strategic plan 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 and address the concerns raised by the international community about the overall outlook for external debt sustainability and the related problems with debt data transparency.

The development objective of the strategic plan is to strengthen Governments' capacity to manage their debt effectively and sustainably, in support of poverty reduction, development, transparency and good governance.

In line with the development objective and the Programme's comparative advantages, the plan concentrates on two main objectives. The first objective focuses on improving the technical and functional capacity of debt management offices to record, process, monitor, report and analyse the country's public debt in a sustainable manner. The second objective concentrates on improving the capacity of the Programme to deliver effective, efficient and sustainable responses to country needs. Figure 3 shows an overview of the DMFAS strategic plan 2020–2023.

Figure 3. Overview of the DMFAS strategic plan 2020–2023



Source: UNCTAD



As in previous plans, the 2020–2023 strategic plan includes performance indicators that will allow monitoring the progress throughout its implementation. See annex 1 for the result framework of the strategic plan.

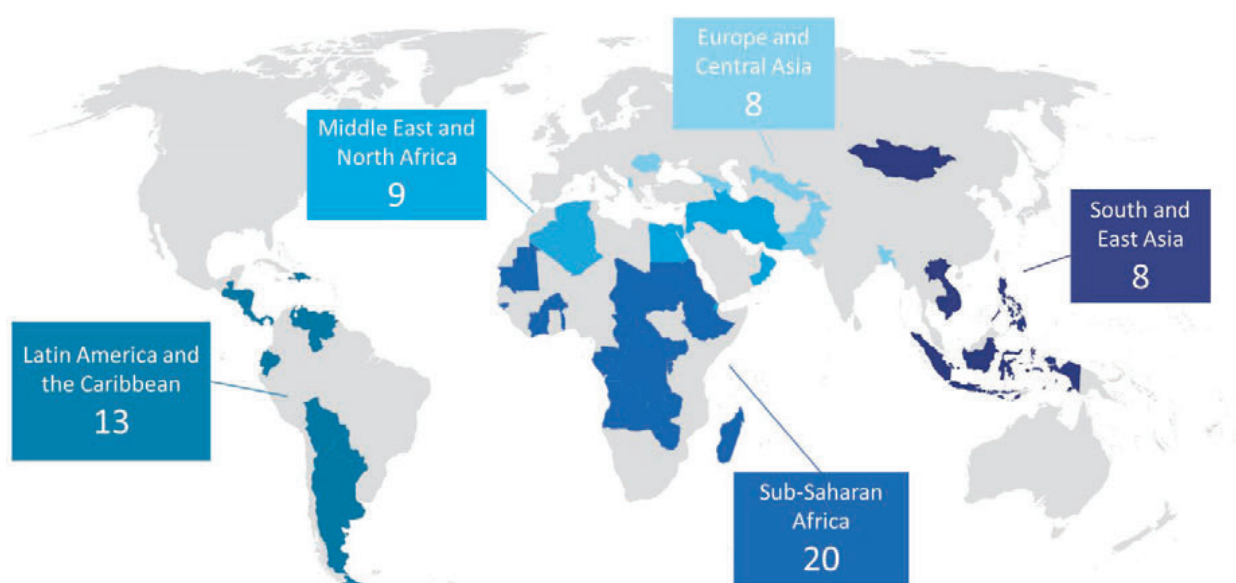
*DMFAS user countries*

Since its inception in 1981, the Programme has provided technical assistance to 110 institutions in 72 countries. The increasing number of DMFAS clients together with a fidelity rate of 80 per cent since the Programme’s establishment shows the continued relevance of the system to developing countries.

In 2020, the DMFAS community is strong with 58 countries.

The majority of user countries are in Africa and Asia. Figure 4 shows the geographical distribution of active countries.

Figure 4. Geographical distribution of DMFAS user countries, 2020



Source: UNCTAD

## 2. Key results achieved in 2020

This report contains information on the indicators at the end of 2020. Annex 1 provides a summary table of the objectives and expected results, as well as overall achievements in 2020.

*Results under objective 1*

The indicators under *facilitated debt analysis* show progress in the area of debt portfolio reviews. Results for objective 1 include:

- Government information systems established for effectively managing complete, up-to-date and reliable debt databases. At the end of 2020, **58 countries, including one new country, Azerbaijan, and 84 institutions, were actively using DMFAS.** At the end of 2019, the Central Bank of Chile discontinued the use of DMFAS.

91% of external central government debt recorded in DMFAS



68% of domestic debt recorded in DMFAS



- 91 per cent of countries had developed comprehensive, reliable debt databases in respect of central government and government-guaranteed external debt. Two countries, Azerbaijan and Uzbekistan, completed data recording in DMFAS.
- 68 per cent of DMFAS 6 user-countries whose debt management office is responsible for monitoring domestic debt, were using DMFAS to manage their entire domestic debt portfolio. This shows continued efforts of DMFAS countries to improve external and domestic debt records, such as Eritrea, Mongolia, Paraguay and the Plurinational State of Bolivia.
- 14 central banks were monitoring private external debt using DMFAS, including one new in 2020, the Central Bank of Sudan.

In relation to *enhanced transparency and reporting*, 2020 was a challenging year for countries that faced difficulties to report debt on a timely basis:

- 85 per cent of low- or middle-income countries reported to the Debtor Reporting System of the World Bank, and 68% with no or minor issues.
- 63 per cent of DMFAS user countries were participating in the IMF-World Bank Quarterly External Debt Statistics database (QEDS), 75 per cent of which timely provided data for the third quarter of 2020.
- 74 per cent of DMFAS user institutions that subscribed to report to the IMF-World Bank Quarterly Public Sector Debt database (QPSD) reported.
- 36 countries produced debt statistics bulletins. Countries that produced a debt bulletin for the first time included Azerbaijan, Chad, Mauritania and Rwanda. As part of the new strategic plan, this indicator has been strengthened by adding the publication of the bulletin as a success criterion.

36 countries publish debt statistics bulletins



*Improved results in operational risk management* include:

- 29 countries have an up-to-date procedures manual for back office operations.
- 29 DMFAS user countries have a disaster recovery plan for the DMFAS software.

Procedures manuals in 29 countries



DRPs in 29 countries



For *facilitated debt analysis*, medium-term debt strategy and debt sustainability analysis targets, progress has been made in basic analysis and include:

- 32 countries were regularly preparing debt portfolio reviews.
- DMFAS is the main source of debt data for preparing a medium-term debt strategy (MTDS) in 47 countries and for debt sustainability analysis in 42 countries.

32 countries produce regularly debt portfolio reviews



Under *integration with public finance management (PFM)*, 23 institutions in 18 countries had linked the DMFAS database with other integrated systems, 19 of which with treasury systems and four with auction systems. During 2020, the interface with the auction system in Angola was further improved. The importance of linking DMFAS with national integrated financial management systems is recognized by countries as underlined by the countries such as Angola and Côte d'Ivoire which continued to progress on the development of their interfaces despite the restrictions linked to the COVID-19 crisis.

23 interfaces



For *enhanced debt management knowledge*, the number of trained persons is lower compared to previous years due to the postponement of a large number of activities since March 2020. The Programme trained **361 officers from 26 countries** during traditional classroom or remote training activities, **45 per cent of which were women**. After the complete suspension of normal mission activities in March 2020, training activities were conducted remotely, but in reduced number.

45% of trained officials are women



### Results under objective 2

Below is the list of expected results for immediate objective 2, with a description of progress made by the end of 2020:

- **Major new DMFAS version developed: DMFAS 7** – The DMFAS 7 development team is now fully operational with the completion of the recruitment of a team of developers in Togo, and development activities continued throughout the period.
- **DMFAS 6 enhanced**. At the end of 2020, **DMFAS 6 was installed in 60 institutions in 48 countries**, representing 70 per cent of DMFAS user institutions and 84 per cent of DMFAS countries, including one installation in a new country, Azerbaijan, and in the Ministry of Finance of Egypt. In addition, DMFAS release 6.1.4.1 was distributed in March 2020 and development advanced on two subsequent releases, 6.1.4.2 and 6.2. They contain a large number of enhancements, including the interface with the medium-term debt strategy tool of the World Bank /IMF and calculations of nominal value.



*In relation to development and maintenance of capacity building products*, the Programme continued to develop learning products aiming at responding to the needs of users for personalized training. This year, the Programme published the **Debt-DQA framework** in collaboration with the Commonwealth Secretariat, as well as additional **basic debt concepts fact sheets** in English and in French. In addition, the **module on debt management office procedures**, originally developed in French has been adapted to English.

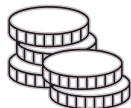


*In the area of cooperation with other providers* the Programme has participated in **six partners events**. Collaboration has been particularly active with the **International Monetary Fund regional training centers** in public debt statistics with joint delivery of two virtual regional workshops, with the South Asia Regional Training and Technical Assistance Center (SARTTAC) and with the Central America, Panama, and the Dominican Republic Regional Technical Assistance Center (CAPTAC-DR). Cooperation with the World Bank also continues with the **Debt Management Facility** phase III as well as by encouraging countries to report to the international databases including the DRS and QEDS/QPSD. Cooperation with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) included capacity building workshops.



In the area of *improved service delivery*, the Programme adapted to the pandemic situation by accelerating the adaptation of its training and capacity building material to remote delivery and strengthening its remote support to countries. The Programme provided effective support to user countries through its help desk, which responded to 223 requests. It supplied country-specific technical assistance by delivering 29 capacity building workshops and other support activities. The Programme actively managed 15 technical assistance projects and signed three new projects: with Kyrgyzstan and with Lao People's Democratic Republic for the implementation of DMFAS 6, and with Guinea for a needs assessment mission. Two addenda were signed to extend projects due to the COVID-19 crisis.

In relation to *fundraising*, the Programme has worked with current donors on new multi-year commitments and has reached out to new potential donors. In addition, the Programme prepared new material for fund raising purposes in line with its fundraising strategy, including a new brochure for potential donors.



With regard to overall financing, the Programme succeeded in revising its budget to focus on priority areas while taking account of reduced income from cost recovery resulting from the pandemic-related travel ban that prevented implementation of its mission plan. Priority was given to expenditures on key strategic areas such as the development of DMFAS 7, and lower priority activities were postponed to a later date. A particularly positive development was that cost sharing continued strongly in the period with countries continuing to pay yearly maintenance fees and the collection of arrears. In 2020, donors to the Programme were Germany, Ireland, the Netherlands, Switzerland, all of which made new commitments to the Programme during the year, and the European Union which continues its previously committed support.

### 3. Activities implemented in 2020

This section describes the activities implemented by the Programme in 2020, including the solutions offered in response to the pandemic.

It also describes the status of the Programme's capacity building activities at the country project level in 2020.

#### 3.1 DMFAS response to COVID-19 pandemic

With a general ban on international travel from mid-March 2020 and restrictions such as lockdowns world-wide, the Programme had to quickly adapt its support to countries' changing requirements as they faced the challenges of the COVID-19 crisis. It rapidly analyzed the needs of countries and aligned its operations accordingly, including:



- Increased support in capacity building in debt reporting as preparation for debt reorganization and debt relief negotiations
- Increased support in recording, reporting and monitoring COVID-related debt reorganization initiatives using DMFAS
- Increased support for remote access to DMFAS in countries because the pandemic required debt office staff to work remotely to sustain their debt operations e.g. requests from Angola, Dominican Republic, Ecuador, Panama, Philippines, Uganda.
- Continued delivery of capacity-building activities when traditional face-to-face training is impossible due to travel restrictions. This was the case in Argentina (province of Rio Negro), Azerbaijan, Côte d'Ivoire, Philippines, Uganda.

The Programme monitored the operational status of debt management offices in user countries to assess their needs during the COVID-19 crisis on a weekly basis, adapting its support accordingly. Specifically, DMFAS activities included:

- Help desk and advisory services
- Remote delivery of training, seminars and support
- Support for debt reorganization related to COVID-19
- Support for remote working
- Adaptation of the DMFAS software as required
- Synergies with other technical assistance providers
- Signing two amendments to existing projects to extend the project duration to complete the implementation of activities that were delayed due to the COVID-19 crisis.

#### 3.2 Country project activities

Despite the pandemic, discussions with countries for the Programme's products and services continued and the DMFAS Programme signed new project agreements with the Ministry of Finance of Kyrgyzstan and with the Ministry of Finance of the Lao People's Democratic Republic, and an agreement with Guinea for a needs assessment mission.

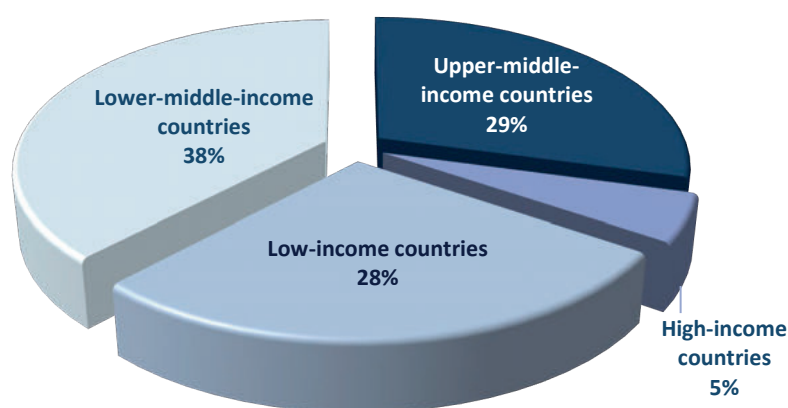
*Respond to the changing nature of countries' needs for services in different areas of debt management.*

DMFAS clients range from low-income, structurally weak economies to more advanced middle-income developing economies. This variety in client type further accentuates the diversity and scope of the technical assistance provided by the Programme. Figure 5 provides a breakdown of the countries using DMFAS at the end of 2020. As shown, the vast majority of DMFAS clients belongs to the low-income and lower-middle-income categories. See annex 4 for a breakdown by country.

Over 2/3 of DMFAS user countries have a low-income level

DMFAS projects are tailored to the different situations of countries and their income status. In addition to the current crisis, one major difficulty many low-income countries still face is the capacity to recruit and retain qualified staff, requiring repeated technical training as well as capacity building in the fundamentals of debt management, including debt recording and reporting. Middle-income countries are usually stronger at maintaining an updated and validated database and are therefore more interested in receiving technical assistance to improve their capacity in producing debt statistics, in debt reporting and in basic debt analysis.

Figure 5. Active users of DMFAS by income group, 2020



Source: UNCTAD

Several trends in debt management are shaping the range of services of the DMFAS Programme:

- The growing importance of domestic financing: capacity building in domestic debt management is now included in all DMFAS projects.
- The need to integrate DMFAS into the larger financial or public finance management system: most of the new projects include an integration component. The main focus of the Programme with regard to these interfaces is to provide technical assistance in designing, building and maintaining the relevant links.

- The international focus on improving debt recording and debt reporting to enhance debt data transparency: the Programme continues to focus on debt reporting and debt statistics, in collaboration with other stakeholders.

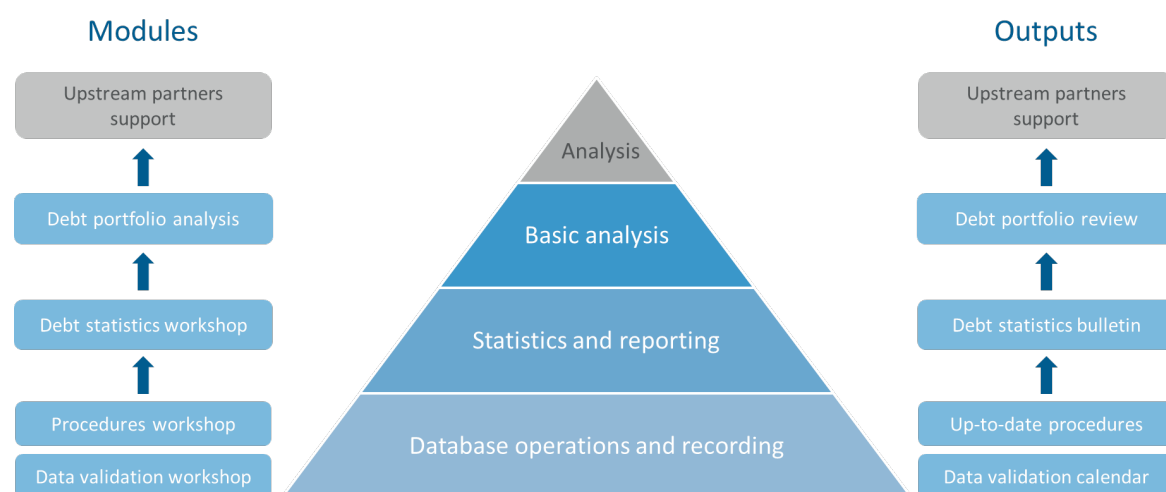
In addition, in 2020, the COVID-19 pandemic accelerated certain changes in the modes of delivery for DMFAS support, in particular by developing the capacity to deliver its support remotely. The pandemic has reinforced the need for remote access to debt databases to ensure continuous recording, reporting and monitoring of public debt in exceptional circumstances.

### 3.3 Implementation of capacity-building activities in 2020

#### DMFAS capacity building approach

As described in the strategic plan, the Programme focuses on supporting countries in building sustainable capacity in the downstream areas of debt management. Therefore, it emphasizes on the results of capacity building by focusing on delivering concrete outputs at the end of each workshop. The outputs of the DMFAS capacity building modules build upon each other (see figure 6). They are complementary to the activities of other international organizations at more advanced levels of debt analysis and debt strategy.

Figure 6. DMFAS capacity-building approach



Source: UNCTAD

#### Capacity building activities in times of pandemic

Due to the COVID-19 crisis, official travel was suspended from mid-March 2020, heavily impacting the delivery of DMFAS capacity building activities. After an initial period of adaptation to revise its capacity building products for remote delivery, the Programme offered online activities to its user countries. For example, the first online workshop took place in May with Côte d'Ivoire on the design of the interface.

Remote delivery of capacity building

However, even if the Programme has extensive capacity to deliver its activities remotely, several countries declined this option, mainly due to technical difficulties (internet

connection with weak bandwidth; limited capacity to work from home; etc.), preferring to wait until planned missions can be organized.

#### Gender balance in DMFAS training

In 2020, the Programme organized or co-organized 29 capacity building events, including technical and functional on-the-job training and a project evaluation mission. In addition, the Programme participated in six partner training events including two IMF regional workshops on public debt statistics with SARRTAC and CAPTAC-DR. In 2020, 361 officers from 26 countries were trained, of which 45 per cent were women.

Table 1 provides a breakdown of how DMFAS capacity building activities were distributed by region in 2020. Of these, nine were related to DMFAS functional training (of which three were delivered online), and another nine to DMFAS 6 installations and technical training, including four workshops on the development of links with integrated financial management systems in Angola, Côte d'Ivoire and the Philippines. Two data validation activities were organized as part of conversion tasks in Egypt and the Philippines and two webinars were offered on handling DSSI in DMFAS.

Demand for capacity building continued to be high but delays in implementing some activities in 2020 were directly linked with the COVID-19 crisis.

Capacity-building activities were carried out by central staff and with the support of consultants when required. With the aim of encouraging South–South cooperation and the sharing of best practices, the Programme regularly hires proficient DMFAS users from debt offices in developing countries as consultants to train new users in the debt offices of other developing countries.

**Table 1. Regional distribution of DMFAS capacity building and other activities, 2020**

	East Asia and the Pacific	Europe and Central Asia	Latin America and the Caribbean	North America	Middle East and North Africa	South Asia	Sub-Saharan Africa	Total
DMFAS functional training		2	3		1		3	9
Information and communications technology: installations/training/links	3	1			2		3	9
Capacity building in data validation, debt statistics, debt portfolio analysis and other	1				1		2	4
MTDS, DeMPA and reform plan								0
Needs assessments								0
Project management			1					1
Partner coordination		1	1	3		1		6
<b>Total</b>	<b>4</b>	<b>4</b>	<b>5</b>	<b>3</b>	<b>4</b>	<b>1</b>	<b>8</b>	<b>29</b>

Source: UNCTAD

Table 2 lists the total number of capacity building activities implemented in countries in 2020. Results of these workshops included validated databases and design documents for interfaces.



Table 2. Implementation of capacity building modules, 2020

Capacity-building modules	2016	2017	2018	2019	2020
Debt portfolio analysis	3	3	2	3	
Debt statistics		3	5	3	
Data validation	10	6	9	5	2
Other capacity-building modules	2	2	4	3	2
<b>Total</b>	<b>15</b>	<b>14</b>	<b>20</b>	<b>14</b>	<b>4</b>

Source: UNCTAD

## Status of new learning products

In addition to the adaptation of existing material to deliver remotely capacity building support, the Programme continued to develop new learning products as described below.

### *Debt-DQA*

The joint initiative between the Commonwealth Secretariat (COMSEC) and the DMFAS Programme reached its culmination with the publication in August of a comprehensive, peer-reviewed document detailing the Debt-DQA framework and how it can be used to assess the quality of data in debt databases, identify gaps and implement corrective plans and measures to improve the reliability, transparency and efficiency of their debt data. The Debt-DQA was distributed to DMFAS user countries and is available in the client area of the DMFAS website.

Publication of Debt-DQA

### *Procedures module in English*

The new learning product on Procedures was finalized in 2019, following the first workshop at the Ministry of Economy and Finance of Togo in 2018. The objectives of the course are to provide debt offices with the keys to sound decision-making and to the right choices in the area of procedures, to foster ownership of the methodology for developing procedures and to promote best practices for producing efficient and sustainable procedures.

It targets officers involved in the drafting or the revision of procedures. The training addresses first the fundamentals of procedures with hands-on exercises and is followed by a drafting period by the institution, with remote support from the Programme. A follow-up workshop helps the institution to finalize procedures.

Procedures module in English

As the original Procedures module was developed in French, a work group was set up in 2020 to quickly localize and adapt it into English to meet increasing demands for this product.

The supporting material (including presentations, quizzes, exercises and surveys) were produced over an intense six-month period. All material was subsequently peer reviewed and made available for use.

### *Basic Debt Concepts (Fact Sheets)*

In 2020, the Programme completed the set of 25 fact sheets that are part of the new course on basic debt concepts. As a result, the fact sheets have been published in the client area of the Programme's website in November. A first set consisting of 16 facts

sheets has been localized in French and published in October in the client area of the website.

New self-learning  
content

The learning goal of this self-learning material is for new staff of the back office to grasp the basic and essential concepts of debt management related to the quality and accuracy of data they record in DMFAS and to help avoid common mistakes. The debt management offices can use this material to address staff turnover and rely on staff with the required knowledge of basic debt concepts.

#### *Mastering the Basics of Government Securities Market and Financial Calculations*

This learning product has been migrated for technical reasons to the new Blackboard platform and is currently under testing.

This course is delivered through a mix of distance learning (online course) and face-to-face instruction during workshops. The main objective is to strengthen the capacity of national debt offices to assess and select the most beneficial/cost-effective terms of debt securities and to issue these through an issuance policy in line with their debt strategy.

To do so, it equips front and middle office staff with basic knowledge and skills in the field of capital markets and government securities (debt securities characteristics, market players, basic financial calculations, issuance mechanisms and international standards). Learners thus become familiar with commonly used debt securities and issuance mechanisms and are able to perform securities-related calculations.

### 3.4 Systems management

Debt management capacities and borrowing choices have changed over the years and DMFAS constantly evolves both functionally and technically to serve countries' needs. Cutting-edge system development is therefore one of the main objectives of the Programme, whether this be through updates to the current versions or through the development of entirely new versions of the system.

In line with the Programme's strategic plan, systems management focused in particular on the following areas during the year:

- Development of version 7 included design of the DMFAS 7 user interface and user experience and screen definitions for core modules and migration of several DMFAS 6 modules to the new platform.
- DMFAS 6 development on releases 6.1.4.1, 6.1.4.2 and 6.1.4.3 which contain a large number of enhancements in reporting, calculations and data exports, and of new functionalities including the medium-term debt strategy interface and calculation of nominal value and of interest based on real outstanding.
- Support in integration.
- Support and maintenance.
- Remote implementation of DMFAS 6 and updates in countries.

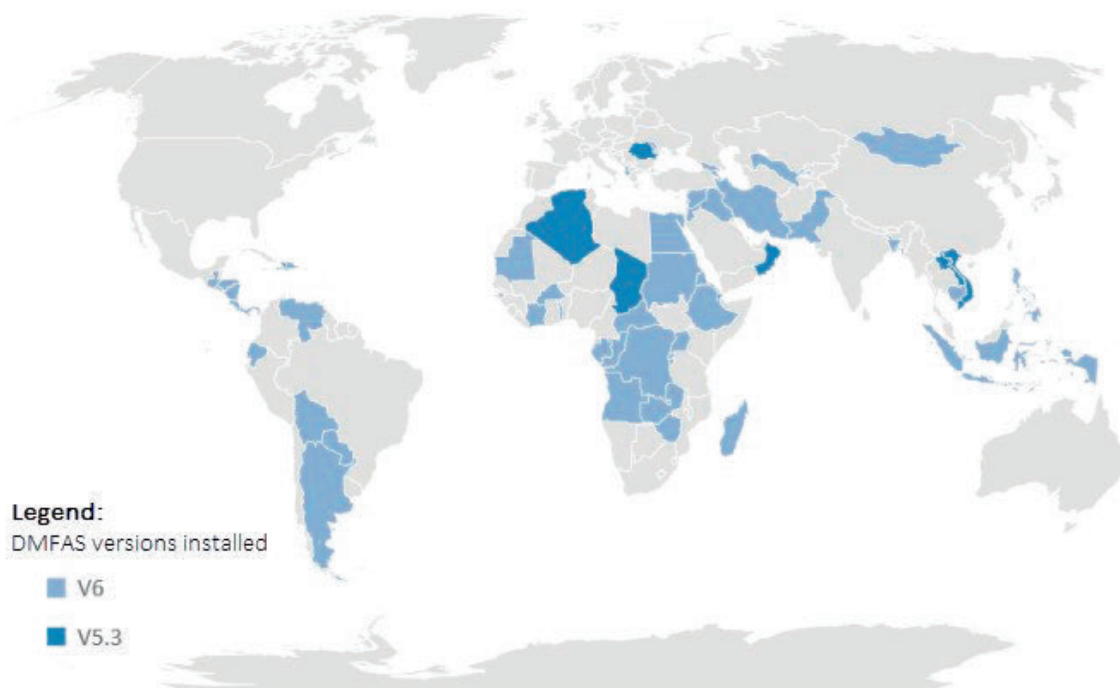
## Overall DMFAS installations

DMFAS 6 is installed in 60 institutions in 48 countries, including one new country in 2020, Azerbaijan, and DMFAS 5.3 is used in nine institutions in eight countries (see figure 7 and annex 2 for more details). The installation of DMFAS 6 at the Central Bank of the Philippines, at the Ministry of Finance of the Lao People’s Democratic Republic and at the Ministry of Finance of Tajikistan have been postponed to early 2021 due to the COVID-19 crisis.

84 per cent of countries use DMFAS 6

In 24 user countries, the system was being used by more than one institution. In about half of these, the system was shared by two institutions. Otherwise, each institution had its own database. Sharing between institutions is an option selected more and more often by DMFAS clients, mainly because of the advanced security functions of DMFAS 6, which manages access rights for the institutions involved and facilitates coordination in public finance management. More details can be found in annex 2.

Figure 7. DMFAS installations, 2020



Source: UNCTAD

*Note: The boundaries on this map do not imply official endorsement or acceptance by the United Nations.*

**DMFAS 6 users:** Albania, Angola, Argentina, Armenia, Azerbaijan, Bangladesh, Bolivia (Plurinational State of), Burkina Faso, Burundi, Cambodia, Central African Republic, Congo, Democratic Republic of the Congo, Costa Rica, Côte d’Ivoire, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Ethiopia, Gabon, Georgia, Guatemala, Guinea-Bissau, Honduras, Indonesia, Iran (Islamic Republic of), Iraq, Jordan, Lebanon, Madagascar, Mauritania, Republic of Moldova, Mongolia, Nicaragua, Pakistan, Panama,

*Paraguay, Philippines, Rwanda, Sudan, Togo, Uganda, Uzbekistan, Venezuela (Bolivarian Republic of), Zambia, Zimbabwe.*

*DMFAS 5.3 users: Algeria, Chad, Djibouti, Haiti, Lao People's Democratic Republic, Oman, Romania, Syrian Arab Republic, Viet Nam.*

## Development of DMFAS 7

Despite some setbacks arising from the Covid pandemic, development work on DMFAS 7 continued uninterrupted throughout the year in line with the priorities of the 2020–2023 strategic plan. In early 2020, the development team was completed through the addition of six developers from Togo and based in Lomé. The new group of developers joined with existing DMFAS 7 development team, composed of Programme staff in Geneva, experts based in Argentina and the Philippines and a group of international consultants.

During 2020, the team redesigned the DMFAS 7 user interface and user experience. With the support of an external company, a new Interface Style Guide was created to ensure that users will benefit from the latest industry-wide best practices and standards in user interface design. Similarly, a Wireframe (a visual guide) was developed that defines the structure and functionality of the interface and helps to ensure a consistent experience for users of the new version.

Using the new Style Guide and Wireframe, a User Interface Library ('front end') was developed, providing the principal interface ('front end') components needed for the development of the individual modules of the system. Subsequently, screen definitions were designed for core modules, which are serving as the base for programming and technical documentation.

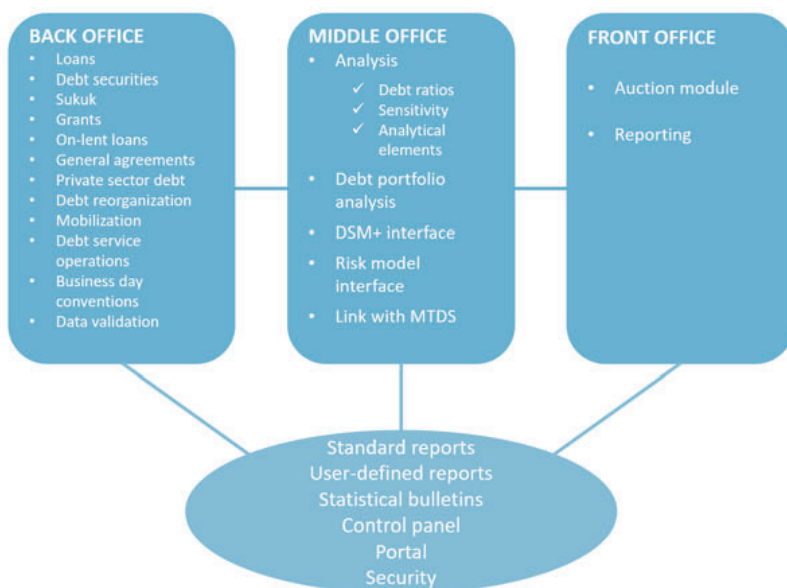
In parallel to the development of the front end, a library of processing ('back end') components was developed. This includes reusable business functions, validation and database mapping.

A number of DMFAS 6 modules were migrated to the new platform during the year and this work will continue into 2021. The migration process includes the design and programming of enhancements to some existing modules such as Loans, Reference files, Utilities and Control Panel. With regard to new functionalities, user requirement definitions were prepared, or updated where requirements have changed since the initial definition was done, for key system modules such as 'New Debt Instruments', new calculation methods and interfacing with the Debt Sustainability Framework (DSF).

## DMFAS 6 developments in 2020

DMFAS 6 is available in four United Nations languages: English, French Spanish and Russian. Figure 8 summarizes its functionalities.

Figure 8. DMFAS 6 functionalities



Source: UNCTAD

A new update of DMFAS 6, release 6.1.4.1, was distributed in March 2020 as a sub release of version 6.1.4 which contains a large number of enhancements and new features.

Version 6.1.4.1 includes:

- A new code for variable rates: the Shanghai Interbank Offered Rate (SHIBOR) 6 M.
- Enhancement in the behaviour of the system at the tranches level, when saving irregular interest schedules.
- Enhancements to Web Services, in particular for the recording of debt service and real disbursements, the recording debt securities information and the inclusion of the username in all web services calls (to facilitate the security configuration).

New enhancements  
in DMFAS 6

In addition, corrections were implemented related to the user-defined and standard reports, the payments, the calculation of amortization table, the application of business day conventions, the closing dates, and the search facility.

Finally, testing of release 6.1.4.2 is ongoing and its release is planned for early 2021, shortly followed by release 6.1.4.3. These new releases will contain a large number of enhancements and new features including:

- New functionalities:
  - Recording commission refund
  - Interface with the medium-term debt strategy (MTDS) tool
  - Calculation of nominal value
  - Calculation of interest based on real outstanding
- Enhancements:

- Reports (access to new tables, layout, performance, cleaning working tables)
- Calculation of amortization table, including new calculation method “Annuity with variable rate”
- Enhancements in Data Export
- Enhancements in Security
- Update to Russian online help

### Links with other systems

The DMFAS application has in-built web services to support and facilitate the integration with other applications and the Programme provides support to countries wishing to link DMFAS with other systems, including integrated financial management systems.

In 2020, 23 DMFAS installations in 18 countries were linked with other financial management systems, including 19 with treasury systems and 4 with auction systems (see annex 5). Angola was the latest country to integrate its auction platform with DMFAS and further improved the interface in 2020.

Despite the exceptional circumstances in 2020, the Programme supported three countries in their efforts to build or improve the interfaces between their own system and DMFAS 6, namely Angola, Côte d’Ivoire (online workshop) and the Philippines.

### Improved service delivery

In 2020, help desk support became more important than ever as it received specific requests for remote access due to lockdowns. Support was provided on a wide range of functional and technical issues through the Trac system, e-mails, remote access and through the UNCTAD FTP server. In 2020, the DMFAS help desk received a total of 358 client tickets on DMFAS 6. Of these, 223 requests were satisfactorily closed, and the remainder (135) was being processed (see annex 6).

During the pandemic the use of video conference and remote access services to provide support became a standard practice. In line with this, the help desk received increasing number of requests for technical support through remote access. This included interventions to resolve technical issues within the system, as well as other remote sessions to support the installation and verification of updates and other minor interventions providing database support.

In order to support countries in the implementation of lockdown measures, the Programme prepared and provided a set of guidelines for the configuration of remote services in using DMFAS. These guidelines proved to be useful to many institutions implementing (for the first time) remote access services for their debt offices as part of their effort to continue with operational activities.

### User documentation

#### *Guidelines on Handling the Debt Service Suspension Initiative (DSSI) in DMFAS*

This new document briefly explains how agreements resulting from the Debt Service Suspension Initiative can be recorded in DMFAS. The guidelines are intended primarily

Increased remote support

DSSI guidelines, a response to COVID-19 crisis

for DMFAS users. The document is also available in French. Two webinars in French were delivered to complement the guidelines to show users how to record the suspension in DMFAS and respond to their questions.

### *Recording a Bond in DMFAS*

A new tutorial on recording Treasury bonds in DMFAS 6 was produced and tested. This tutorial covers the use of both the Debt Securities module and the Auctions module. It was subsequently released in early 2020.

### *Documentation in Russian*

This year saw a special focus on DMFAS 6 documentation in Russian for which significant progress was made.

In February, the online help in Russian was delivered and integrated into DMFAS version 6.1.3.3.

The following documentation was also translated into Russian:

- DMFAS 6 Calculation Methods
- DMFAS 6 Reports
- Query Tool tutorial
- DMFAS 6 Basics tutorial

## Technical Documentation

### *New Portal for Technical Documentation*

A new portal containing all available technical documentation was created to enable online access directly from the DMFAS Website. Introduced with version 6.1.4.1, this HTML5 interface provides resources intended for the DMFAS administrator or technical users of DMFAS. These include the installation guides, the installer program, database administrator guides, recent release notes and other useful material.

New portal with  
DMFAS technical  
documentation

### *Updates*

The following guides were updated during the first quarter of 2020:

- Hardware, Software and Training Requirements for DMFAS 6 in English, French, Spanish
- The DMFAS 6 Installation Guide 11g, English
- The DMFAS 6 Installation Guide 12c, English
- The DMFAS Installer Program, English

Two new technical guides were also produced for database administrators:

### *The Application Server Installer*

This guide provides instructions on the Application Server Installer, the purpose of which is to automate the update of the application server.

### *Post Installation*

This guide covers post installation tasks involving database packages, database privileges and synonyms.

### 3.5 Partner coordination

In recent years, technical assistance providers have improved coordination in their capacity building efforts using a more holistic approach to meeting the multifaceted challenges that developing countries face in building their debt-management capacities. The DMFAS Programme actively supports this coordinated and harmonized approach.



The Programme pursued this objective by increasing its coordination with other providers, and adopting a policy of avoiding duplication, sharing best practices and maximizing support to other providers. Actions included the regular sharing of information on technical assistance activities such as mission schedules and reports, and the organization of joint workshops and participation in each other's events. In 2020, this collaboration included participation in six partners events. In addition, the list of DMFAS missions was distributed to stakeholders through the DMFAS Newsletter and the DMFAS website, keeping them informed of the Programme's technical assistance activities.

#### *Debt Management Facility*

DMFAS has been an implementing partner to the Debt Management Facility (DMF) since it was established in 2009. Agreements between the World Bank Group and UNCTAD formalized DMFAS' participation through DMF I and II. A new agreement is being prepared for DMF III.

To date, the DMFAS Programme has contributed to 72 DMF missions. Its participation in these activities received positive feedback from country beneficiaries and other stakeholders of DMF. In addition, the Programme participates every year in the Debt Management Facility Stakeholders Forum (cancelled in 2020), and in the meetings of the DMF Implementation Coordination Group – now the Implementing Partners Council.

#### *World Bank*

The Programme collaborates with various departments involved in debt management within the World Bank. These include the World Bank Development Data Group and the Treasury department. In 2020, collaboration with the World Bank also included the Debtor Reporting System (DRS). The Programme both encourages and assists countries technically in providing information to DRS. In 2020, 64 per cent of DMFAS user countries in low- and middle-income categories provided qualitative data to the DRS database.

DMFAS has regular exchanges on debt management issues with the Macroeconomics, Trade and Investment (MTI) Global Practice. This collaboration in 2020 focused on exchange of information on country capacity and needs in relation to COVID-19 Debt Service Suspension Initiative (DSSI).

DMF III under discussion



### *International Monetary Fund*

The Programme was also in regular contact with three main departments of the International Monetary Fund (IMF), namely, the Statistics Department, the Monetary and Capital Markets Department and the Strategy, Policy and Review Department.

The DMFAS Programme also participates in the IMF Government Finance Statistics Advisory Committee (GFSAC), a group of internationally recognized experts that advises the IMF on government finance statistics-related matters. This role originated from DMFAS' membership of the IMF-chaired Inter-agency Task Force on Finance Statistics (TFFS). The Programme takes part in all meetings and provides inputs to the work of the committee. In September 2020, it participated in the online GFSAC.

The DMFAS Programme and the IMF Statistics Department regularly participate as resource persons in each other's training events for developing countries on debt statistics (external debt statistics and public debt statistics).

The Programme also collaborates with IMF regional technical assistance centres (RTACs) with the shared objective of helping countries strengthen their human and institutional capacities to design and enact policies that promote growth and reduce poverty. In 2020, the Programme continued to participate in joint activities and partner events, including remotely in response to travel COVID-related travel constraints. This year, experts of the DMFAS Programme participated as trainers in two online regional Public Sector Debt Statistics workshops, one with IMF South Asia Regional Training and Technical Assistance Center (SARRTAC) and the other one with the Regional Technical Assistance Center for Central America, Panama and the Dominican Republic (CAPTAC-DR).

The Programme also has an ongoing agreement with the IMF Statistics Department to collaborate in debt management-related areas of the Data for Decisions (D4D). This involves regular exchange of information on activities in DMFAS-user countries receiving support from the D4D. It also involves joint missions to DMFAS-user countries, although to date no opportunities have arisen for such missions.

### *Macroeconomic and Financial Management Institute of Eastern and Southern Africa*

The Programme has ongoing collaboration with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), which includes 14 countries from this region. Five of the countries belonging to MEFMI are DMFAS user countries, namely Angola, Rwanda, Uganda, Zambia and Zimbabwe. In October 2020, MEFMI participated in the first remote DMFAS training for Uganda.

### *United Nations Development Programme and United Nations Resident Coordinators*

The DMFAS Programme's collaboration with the United Nations Development Programme (UNDP) in 2020 included logistical support and field recruitment in Argentina, the Philippines and in Togo for the DMFAS 7 development team.

In addition, in line with the United Nations reform program, the Programme exchanged information with the United Nations Resident Coordinators' offices where DMFAS is active to ensure smooth coordination between the United Nations agencies delivering technical assistance and avoid duplication.

### *Latin American and Caribbean Debt Group*

With 13 active DMFAS user countries in the Latin American and Caribbean region, UNCTAD takes a keen interest in the regional capacity building activities organized by the Latin

Increased collaboration with RTACs on public debt statistics

Collaboration with regional partners

American and Caribbean Debt Group and, where possible, coordinates activities. All user countries in the region provide timely data to the standardized debt database, which is a non-compulsory initiative of the Group.

### *Commonwealth Secretariat and the Debt Data Quality Framework*

The DMFAS Programme is committed to assisting member countries in maintaining reliable debt data and thereby improving the quality of their databases. In this regard, the DMFAS Programme and the Debt Management Unit of the Commonwealth Secretariat jointly worked on the development of a new framework for debt data quality assessment (Debt-DQA), which aims to assess the quality of the data recorded in debt management systems in conformity with international standards and best practices. The Debt-DQA is based on best practices and international standards in debt management. It was launched jointly with the Commonwealth Secretariat in the margins of the 12th UNCTAD Debt Management Conference in November 2019 and the full guidelines were published in 2020.

Debt-DQA uses a set of standardized quality indicators with the aim of identifying problems within the different components of debt instruments over their entire life cycle. In addition, Debt-DQA provides a process to analyse the sources of problems and proposes a plan with recommendations to improve the quality of the debt database. The framework is comprehensive, as it includes a guidance note that describes the process for implementation, as well as technical documentation for the use of the automated tool. The tool was finalized in 2019, incorporating comments from partners, to ensure that its framework responds to the different sizes and compositions of debt databases found in most countries. The automated tool will be incorporated within debt management systems starting with DMFAS 7.

Debt-DQA was designed to complement other assessment tools such as the debt management performance assessment (DeMPPA), the data quality assessment framework (DQAF) and the public expenditures and financial accountability framework (PEFA). Debt-DQA adds granularity to all these initiatives, as it specifically targets the countries' data recorded in debt management software. Debt management officers using the DQA tool will quickly appreciate its simplicity, practicality, speed and ease of use. A distinct aspect of the framework is that it provides automatic assessment, compared to other tools that provide manual assessment.

### **3.6 Programme management**

As part of its efforts to improve overall efficiency and effectiveness under the second objective of the strategic plan, and in order to better deliver on the first objective, the Programme implemented several improvements to its administration and communication.

#### *Results of external evaluation*

The Multilateral Organisation Performance Assessment Network (MOPAN) assessed UNCTAD, including the DMFAS Programme, in 2019 and released its report in June 2020. MOPAN collects, analyses and presents relevant and credible information on institutions' organisational and development effectiveness.

With reference to strategic management, the MOPAN assessment report concluded that *“the DMFAS Programme, strategic planning is based on both constituent priorities*

Collaboration with  
COMSEC on Debt-  
DQA

MOPAN assessment  
of DMFAS

*and informed by the latest innovation, good practice, needs to support Programme evolution and feedback from key stakeholders at other agencies”.*<sup>1</sup>

In terms of result-based management practices, the MOPAN report noted that *“at Programme and project level, some good practices of results-based planning were evident such as the use of effectiveness indicators to develop the DMFAS Strategic Plan 2016-2019”.*<sup>2</sup> It also found that the DMFAS Monitoring and Evaluation Framework is an example of good results-based management practices.

The MOPAN report further highlighted the effectiveness of the DMFAS Programme stating that *“DMFAS has contributed to more complete and transparent reporting on debt”.*<sup>3</sup> It continued by recognizing that *“UNCTAD’s DMFAS system contributes to improvements in governance by increasing data availability ...”.*<sup>4</sup>

In relation to resource mobilization, MOPAN concluded that DMFAS’ resource mobilization efforts are consistent with the core mandate and strategic priorities. It also found that the large percentage of locally (self-) funded projects under ... DMFAS are an indication of successful alignment of technical cooperation to the needs and priorities of the member states.

### *Synergies within UNCTAD*

Within UNCTAD, the DMFAS Programme and the Debt and Finance Analysis Unit (its associate unit within the Debt and Development Finance Branch) collaborate on and jointly address debt issues. In 2020, collaboration covered areas such as debt sustainability and financing for development, and the preparation of UNCTAD reports for the Trade and Development Board, the UNCTAD secretariat and the Office of the Secretary-General of UNCTAD. The DMFAS Programme also contributed to a number of UNCTAD and United Nations reports. In 2020, these included the following:

- UNCTAD Annual Report 2019
- Annual trust fund progress reports
- Report by the UNCTAD secretariat on technical cooperation activities carried out in 2019 (cluster 11<sup>5</sup> on strengthening the debt management capacity of developing countries)

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<sup>1</sup> MOPAN 2019 assessments, United Nations Conference on Trade and Development, June 2020, MI 7.5, p. 108.

<sup>2</sup> MOPAN 2019 assessments, United Nations Conference on Trade and Development, June 2020, MI 7.2, p. 104-105

<sup>3</sup> MOPAN 2019 assessments, United Nations Conference on Trade and Development, June 2020, MI 9.3, p. 120

<sup>4</sup> MOPAN 2019 assessments, United Nations Conference on Trade and Development, June 2020, MI 9.6, p. 124

<sup>5</sup> The Trade and Development Board decision 492 (LIV) of 2007 established thematic trust funds within and among divisions of UNCTAD. There are 17 thematic clusters and cluster 11 relates to technical cooperation in debt management. The DMFAS Programme plays an active role in the implementation of this cluster through strengthening the debt management capacity of developing countries.

*Improved efficiency and effectiveness of the Programme's administration*

In line with the second objective of the strategic plan, the DMFAS Programme continued to monitor and improve its efficiency. It systematically applied its monitoring and evaluation framework included in the strategic plan 2020–2023. This includes the systematic development of logical frameworks with verifiable indicators of progress for all projects and the more transparent and inclusive involvement of stakeholders. In 2020, the Programme continued to implement and improve the monitoring of progress at the country level using its monitoring and evaluation framework based on refined DMFAS performance indicators and conducted an end of project evaluation mission in the Plurinational State of Bolivia.

The move to remote working caused by the COVID pandemic was greatly facilitated by the efforts made in previous years to streamline the Programme's administration and to digitize documentation. As a result, remote working was quickly implemented and without major disruption.

In addition, the Quality Assurance and User Support Unit continued to implement tight quality-control and testing procedures for new deliverables of DMFAS 6 (release 6.1.4.1 and coming release 6.1.4.2).

*Communications and information sharing, within and outside the Programme*

In October 2020, the DMFAS website was successfully migrated to a new technological platform simultaneously with the UNCTAD website. This migration was necessary to align to the United Nations Information and Communication Technology policy. During the period, the number of DMFAS users registered in the client area continued to increase, with 86 per cent of active DMFAS countries having at least one user registered in the client area (79 per cent of institutions). The website, fully available in English and in French, contains up-to-date information on DMFAS activities, documentation and releases of the software. Among the most downloaded pages are the UNCTAD Debt Management Conference documents, DMFAS IT documents and the DMFAS brochures. The information on DMFAS' COVID emergency response page has been consulted over 1000 times. Among the documents available in different languages, 35 per cent are downloaded in English, 32 per cent in French and 33 per cent in Spanish.

In addition, the Programme modernized the format of its newsletter using more modern tools and distributed it at the end of April, August and December in three languages (English, French and Spanish). They were posted on the Programme's website.

Modernization of  
the newsletters

## 4. Funding and expenditures in 2020

This section presents an overview of the Programme's financial situation at the end of 2020. The information presented here is not an official financial statement from UNCTAD. It is based on available data at the time of writing and subject to change.

DMFAS activities are financed through a central trust fund and various country project trust funds. The central trust fund finances the core activities of the DMFAS Programme, such as the help desk, training and documentation, system maintenance and development, quality assurance and user support and Programme management. The country project trust funds finance national activities, which are defined and agreed with beneficiary countries through a project document.

### 4.1 Central trust fund of the DMFAS Programme

The resources of the central trust fund can be classified under the following four main categories:

- Donor contributions
- Cost sharing by beneficiary countries and institutions
- Cost recovery for project activities and services
- Support from UNCTAD

Table 3 provides an overview of the income for the DMFAS central trust fund in 2020.

Table 3. Income of DMFAS central trust fund, 2020

(dollars)

Balance as of 1 January 2020	322 735
<b>Donor contributions</b>	<b>3 182 240</b>
Germany	657 109
Ireland <sup>1</sup>	118 483
Netherlands	896 057
Switzerland <sup>1</sup>	769 231
European Union	741 360
<b>Cost sharing</b>	<b>1 089 714</b>
Maintenance fees	698 208
Development contributions	100 000
From country projects funded by governments	291 506
<b>Cost recovery</b>	<b>225 341</b>
From country projects funded by donors	225 341
<b>UNCTAD contribution</b>	<b>991 170</b>
In kind	878 933
Financial	112 237
<b>Interest and other Adjustments</b>	<b>173 611</b>
<b>TOTAL INCOME</b>	<b>5 987 812</b>

Source: UNCTAD

<sup>1</sup> Additional disbursements from Switzerland and Ireland received in December 2020 will be documented as 2021 contributions.

*Note: The statement covers the core DMFAS Trust fund, trust funds for specific purposes, as well as payments from projects for specific services for which the source is country project trust funds. Based on current actual costs and subject to change related to currency fluctuation as well as changes in the UN conditions of service.*

### 4.1.1 Donor contributions

For 2020, donor support received amounted to \$3.2 million, as shown in table 3, with contributions from Germany, Ireland, Netherlands, Switzerland, and the European Union. A history of donor contributions since the implementation of the central trust fund in 2002 is available in annex 7.

### 4.1.2 Cost sharing and cost recovery

A particular feature of the DMFAS Programme compared with other technical cooperation programmes is that it generates a large part of its income for the DMFAS central trust fund from cost sharing with beneficiaries. The following two mechanisms have been designed to ensure effective cost sharing and to cover part of the Programme's running costs: maintenance fees and development contributions. Annual maintenance fees and development contributions are graduated according to the income level of beneficiary countries.

#### **Maintenance agreements and fees**

Maintenance agreements are offered to new beneficiary institutions when DMFAS is installed. Agreements are signed on a voluntary basis. They contribute to the financing of help desk support provided by the Programme at the request of the client. As shown in table 4, maintenance fees are highly relevant as a source of constant and regular income for the Programme.

The year 2020 marked the nineteenth year of implementation of maintenance fees have been implemented. Thanks to concerted efforts to collect arrears, the Programme collected \$698,208 in 2020. The trend in the number of signed agreements on maintenance fees remained stable in 2020, as approximately 90 per cent of the institutions that benefit from DMFAS had signed an agreement. Annex 8 shows the evolution of signed maintenance agreements and the payments of maintenance fees since the implementation of the cost-sharing mechanism.

#### **Development contributions**

Development contributions were created to contribute to the enhancement of the DMFAS software. These contributions are made by the beneficiary institution when DMFAS is installed. In 2020, development contributions were received from the Philippines (central bank) and Tajikistan for a total of \$100,000.

Table 4. Income from cost sharing and recovery, 2002-2020  
(Dollars)

Year	Maintenance fees	Development contribution	Staff time recovery
2002	9 967	-	-
2003	104 933	-	-
2004	150 689	-	374 230
2005	189 709	183 000	396 742
2006	226 379	32 000	200 003
2007	198 636	50 000	386 000
2008	199 526	117 910	256 455
2009	268 232	210 000	513 246
2010	263 491	225 000	349 715
2011	290 470	712 500	889 606
2012	242 464	262 500	907 600
2013	399 785	200 000	640 884
2014	501 363	162 500	707 041
2015	393 941	346 128	583 444
2016	517 029	224 975	1 388 499
2017	513 348	212 500	909 377
2018	563 602	161 237	945 858
2019	464 750	248 709	954 256
2020	698 208	100 000	516 847
<b>Total</b>	<b>6 196 522</b>	<b>3 448 959</b>	<b>10 919 803</b>

Source: UNCTAD

Note: 2014 and 2020 were exceptional years due to the payment by numerous countries of back payments; 2011 was an exceptional year for development contributions due to the launch of DMFAS 6 and its installation in many countries.

### Recovery from project activities

In accordance with the Programme's cost-recovery policy, the time dedicated by DMFAS staff to projects is recovered from project budgets. This recovery is considered as cost sharing when the projects are funded by the budget of beneficiary Governments, and as cost recovery when they are funded by direct contributions from donors. In 2020, several missions were postponed due to COVID-19 related travel restrictions. While some missions were replaced by remote activities, the overall level of recovery was lower than projected for the year. Staff resources originally planned for missions were reallocated to assisting beneficiary countries with remote access to the DMFAS software, developing remote training activities, and other COVID-19 related support. The overall amount recovered for DMFAS staff time dedicated to project activities (undifferentiated between cost sharing and cost recovery) in 2020 reached \$516,847.

#### 4.1.3 Institutional support from UNCTAD

UNCTAD supports the DMFAS Programme by financing five posts and a part-time position from its regular budget. The professional category staff members supported by the regular budget of UNCTAD are the chief of the Programme, one programme officer, one communications officer and 40 per cent of the time of an associate economics affairs officer. Two general services staff members are also employed in the Administration and Communication Unit.

## 4.2 Expenditures of the central trust fund

Expenditures are divided into two main categories, personnel and non-personnel (see table 5). Personnel expenditures include core staff of the Programme financed by regular budget and extrabudgetary sources. Non-personnel expenditures include travel, system development, consultancy services, training, conference costs, equipment, and miscellaneous items.

Overall, expenditures in 2020 compared with those of 2019 reflected a slight decrease. Non-staff expenditures showed a more significant increase as a result of increased investment in DMFAS 7 development.

Table 5. DMFAS Programme expenditures, 2020  
(Dollars)

<b>Personnel</b>	4 788 918
Central team	3 909 985
Regular budget staff	878 933
<b>Non-personnel</b>	319 998
Joint partner activities *	-19
IT Systems development	309 479
Capacity building	10 323
Programme monitoring & evaluation	-
Miscellaneous	215
<b>Total expenditures</b>	5 108 916
<b>Closing balance</b>	875 896

Source: UNCTAD

\* Negative due to adjustment from 2019 Joint partner activities

## 4.3 Budget

DMFAS Programme budget needs were based on the full implementation of the strategic plan 2020–2023. Financing all of these needs would have been an ideal situation wherein all foreseen activities in the strategic plan would have been achieved. Table 6 compares the full financing of the strategic plan (scenario 1) with a reduced budget (scenario 2). The strategic plan was not fully financed in 2020 due to the initial shortfall in budgeted donor funding and a reduced number of project activities due to the COVID-19 crisis affecting cost recovery and cost sharing income.

Table 6. Budget for DMFAS strategic plan, 2020–2023  
(Thousands of dollars)

Scenario 1	2020	2021	2022	2023
Personnel	6 285	6 401	6 122	6 235
Joint partner activities	58	59	60	61
Capacity building	1 035	1 107	1 075	1 149
IT Systems development	650	641	367	232
Monitoring & evaluation	34	35	35	36
Miscellaneous	33	33	21	21
<b>Total</b>	<b>8 095</b>	<b>8 275</b>	<b>7 680</b>	<b>7 735</b>



Scenario 2	2020 (actual)	2021	2022	2023
Personnel	4 789	4 933	5 031	4 790
Joint partner activities	0	27	27	28
Capacity building	10	261	212	269
IT Systems development	309	419	426	434
Monitoring & evaluation	-	18	18	18
Miscellaneous	0	23	24	24
<b>Total</b>	<b>5 109</b>	<b>5 680</b>	<b>5 738</b>	<b>5 564</b>

Source: UNCTAD

#### 4.4 Country-specific project trust funds

Country-specific activities (that is, those that deliver the core products and services at the country level) are mostly financed on a bilateral basis by ad hoc country trust funds.

The different sources of financing for country-project trust funds are the beneficiaries themselves, bilateral donors and other international organizations and institutions, such as the European Union, regional development banks, the United Nations Development Programme and the World Bank. Middle-income countries are increasingly fully self-financing their national projects.

As stated earlier, due to travel restrictions resulting from the COVID-19 crisis, project missions were reduced in 2020. This resulted in lower expenditures for country-specific trust funds than planned, amounting to \$659,463 to deliver technical assistance in 15 institutions. Table 7 provides a breakdown of countries' budget, expenditures and final balance available.

Table 7. Country project trust funds and project expenditures: Available funding and expenditures, 2020

(Dollars)

Country	Budgeted funds	Expenditures	Balance
Angola	78 839	54 799	24 040
Argentina, Rio Negro	44 614	6 747	37 867
Azerbaijan *	*	67 079	1 009 143
Bolivia (Plurinational State of)	53 547	22 476	31 071
Côte d'Ivoire	257 603	22 744	234 859
Egypt *	*	104 849	
Ethiopia	174 168	80 515	93 653
Guinea-Bissau	30 018	9 484	20 534
Lao People's Democratic Republic	162 317	57 857	104 460
Paraguay	261 500	43 982	217 518
Philippines (Central bank)	265 378	50 738	214 640
Philippines (Bureau of Treasury)	211 289	56 988	154 301
Sudan	23 317	17 944	5 373
Uganda	170 253	60 505	109 748
Zambia	36 760	2 756	34 004
<b>Total</b>	<b>1 769 603</b>	<b>659 463</b>	<b>2 291 211</b>

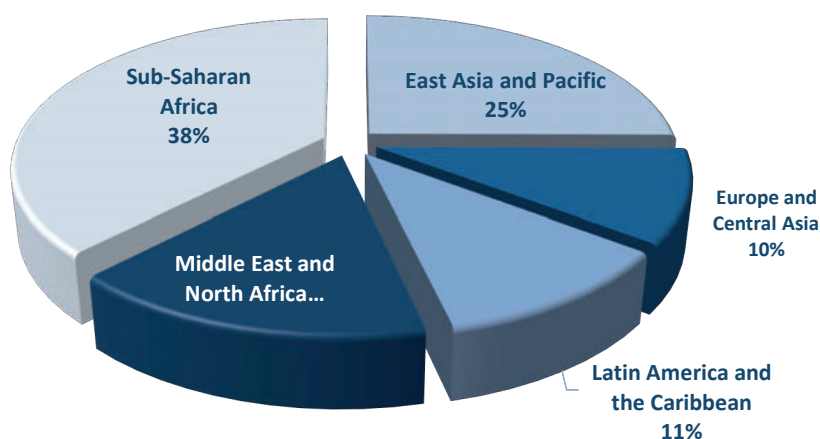
Source: UNCTAD

\* Funding for four country projects including Azerbaijan, Egypt and Tajikistan have a remaining balance of \$1 009 143.

The number of countries listed in table 7 does not necessarily coincide with the total number of countries and institutions using DMFAS. A number of these are active DMFAS users which continue to receive support without funding for specific project activities.

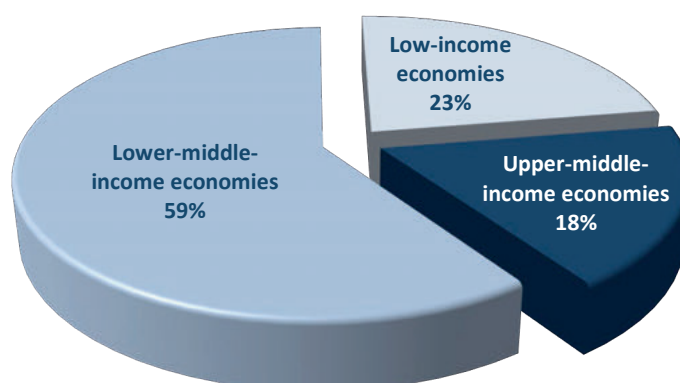
Figures 9 and 10 show the regional distribution and the income-level distribution of country project expenditures. Projects in East Asia and the Pacific accounted for 25 per cent of total expenditures, sub-Saharan Africa for 38 per cent, Latin America and the Caribbean for 11 per cent, the Middle East and North Africa for 16 per cent, and Europe and Central Asia for 10 per cent. In terms of income-group distribution, figure 10 shows that the highest portion (72 per cent) of the Programme’s project expenditures was in low-income and lower-middle-income economies.

Figure 9. Country project expenditures: Regional distribution as a percentage of total expenditures, 2020



Source: UNCTAD

Figure 10. Country project expenditures: income-level distribution as percentage of total expenditures, 2020



Source: UNCTAD

## CHALLENGES AND THE WAY FORWARD

In 2020, the biggest challenge the Programme faced was the COVID-19 pandemic and the associated world-wide restrictions on travel and movement, which directly affected the Programme and debt management offices in DMFAS user countries. This exceptional situation had both negative and positive effects.

The majority of planned technical assistance missions had to be postponed or cancelled due to the travel restrictions. As a result, many installations in new DMFAS countries had to be rescheduled.

However, the Programme adapted rapidly to the situation by providing increased remote technical support and strengthened its ability to deliver its capacity building activities remotely by accelerating the development and adaptation of DMFAS learning products.

With nearly half of DMFAS user institutions required to telework (mainly in Asia, Europe and Latin America), the Programme provided support to enable debt management offices to access, record, report and monitor public debt remotely. It also published new user documentation to facilitate the setup of remote access to the system.

The pandemic also highlighted the differences in technological development levels of countries. In more advanced countries, it was easier for debt management offices to move to teleworking as the staff had personal internet connections and sufficient home equipment. In less developed countries, in particular in sub-Saharan Africa, where teleworking was not possible, debt offices had to maintain a minimum staff presence in the office to avoid accumulating delays in recording and preparing the necessary data for the discussions with creditors. Another observation is that some countries could not move to teleworking as remote access to the debt database was not allowed by law.

In addition, technical capacities in debt offices are often limited and the Programme continued to receive high demand for remote technical support for which it was necessary to allocate additional resources. Responding to unplanned clients' requests required the Programme to frequently adjust its work plan. This had an impact on the delivery of other services and activities, although work on priority areas continued.

The Programme reviewed its training and capacity building material to adapt them for remote delivery as well as to provide more opportunities for self-learning. After a transition period, the Programme is now fully capable to serve its user countries remotely. However, not all the user countries feel yet comfortable with a remote assistance model. In exploring options with countries, it appeared that some of the countries are reluctant to move to virtual activities as they face technical difficulties, particularly in sub-Saharan Africa (no home equipment nor personal connections; insufficient band-width, difficulty to motivate users, etc.). Other debt management offices prefer to wait until planned face-to-face training activities can be resumed.

It has also been observed that online training activities require longer duration. In the traditional field activities, participants spend between six to eight hours a day in the classroom with the trainer. In the case of online training, it is difficult to exceed four hours of training per day, even if delivered in two sessions. Consequently, the implementation of remote activities is about twice longer than a traditional activity.

In the case of new countries that never used DMFAS, the initial installation and basic training is not recommended to be delivered remotely. The presence of the trainer with

Remote access to  
DMFAS software

Remote capacity  
building

the new users is essential to validate the installation of the system in the institution and ensure effective transfer of knowledge to the new users so they feel confident working with DMFAS. In this case, a field mission is highly important to allow an institution to start on solid ground with the system.

We expect that this pandemic will have a long-term impact in the way debt offices work, access and use the DMFAS software. The investments made by the Programme during the period would therefore serve countries beyond the current crisis. The lessons learned this year indicate that, in the future, capacity building and technical assistance will be based on a blended-approach combining face-to-face and virtual activities.

Despite the pandemic, both user countries and the Programme managed to adapt to the situation and key observations include:

- Countries maintained a minimum level of staffing to ensure recording debt data and maintaining the quality of the databases (remote or in presence).
- Despite the difficulties, a few countries used this time to complete recording of their debt database.
- A number of countries implemented work from home including remote access to DMFAS. This practice will probably partially continue after the crisis.
- The Programme was able to quickly deliver COVID-19 specific responses to DMFAS users (e.g. publication of several guidelines including on how to record the debt suspension initiative in DMFAS; extended support to remote access; etc.)
- The Programme remained fully effective and, despite some setbacks and delays resulting from the pandemic, work on the development of DMFAS 7 continued throughout the period.
- Strong synergies were established with new partners, in particular with IMF regional technical assistance centers in the area of public debt statistics.

However, as a consequence of pandemic, technical assistance missions that could not be replaced by remote activities had to be rescheduled to an unknown future date when travel is resumed. This situation also required the Programme to adjust its resource management and budget in 2020 and will have implications for future planning.

In addition to the pandemic, recurrent challenges also include deterioration in the security situation in some countries, which directly affected the implementation of DMFAS projects.

Setting up DMFAS regional offices would help the Programme to outreach more effectively to user countries. Despite the pandemic, the Programme continued its efforts to seek funding for the creation of a regional office.

In 2020, the importance of debt data transparency was higher than ever for the international community, in particular in the context of the current crisis and rising debt levels around the globe. This further highlights the key role of the DMFAS Programme as a technical assistance provider in the downstream area of debt management.

### Key findings in times of pandemic

### Impact of the pandemic on DMFAS financing

# ANNEX 1. DMFAS PROGRAMME RESULTS FOR 2020–2023

Objective	Expected results	Results at the end of 2020	Impact	SDGs of focus
<p>1. Improve the capacity of debt management offices (DMOs) to:</p> <ul style="list-style-type: none"> <li>record</li> <li>process</li> <li>monitor</li> <li>report</li> <li>analyse</li> </ul> <p>the country's public debt in a sustainable manner</p>	<p>1.1 Government information systems established for effectively managing complete, up-to-date and reliable debt databases</p> <p>1.2 Increased knowledge of debt management procedures and best practices</p> <p>1.3 Enhanced transparency through effective debt reporting and improved accessibility/availability of debt information</p> <p>1.4 Strengthened operational risk management</p> <p>1.5 Increased integration of debt management within Public Finance Management</p> <p>1.6 Facilitated debt analysis</p>	<ul style="list-style-type: none"> <li>91 per cent of user countries capture central government and government guaranteed external debt</li> <li>68 per cent of DMOs responsible for domestic debt record it in DMFAS</li> <li>Over 360 participants from 26 countries trained</li> <li>84 per cent of user countries report to DRS, of which 64 per cent provided qualitative reports</li> <li>63 per cent of user countries report to QEDS and 47 percent to QPSD</li> <li>36 DMFAS countries produce a debt statistics bulletin</li> <li>29 user countries have a procedures manual</li> <li>29 user countries have a disaster recovery and business continuity plan</li> <li>23 institutions have linked DMFAS with another system, including four with auction systems</li> <li>32 user countries produce a debt portfolio review at least once a year</li> <li>47 user countries use the system to produce MTDS</li> <li>42 countries use the system to produce DSA</li> </ul>	<p>Governments manage their debt effectively and sustainably, in support of poverty reduction, development and good governance</p>	 <p>Direct: Goal 17: Target 17.4: Assist developing countries in attaining long-term debt sustainability through coordinated policies (Indicator 17.4.1: Debt service as a proportion of exports of goods and services)</p>
<p>2. Improve the capacity of the DMFAS Programme to deliver effective, efficient and sustainable response to country needs</p>	<p>2.1. Major new DMFAS version developed – DMFAS 7</p> <p>2.2 More comprehensive capacity development framework</p> <p>2.3 Improved coordination with other providers</p> <p>2.4 Improved service delivery</p> <p>2.5 More stable financing for Programme's activities</p>	<ul style="list-style-type: none"> <li>Progress in DMFAS 7 development</li> <li>Progress in DMFAS 6 enhancement: 6.1.4.1 release and testing of 6.1.4.2</li> <li>Debt DQA: new course on debt management procedures; 23 fact sheets on basic debt concepts produced, one new tutorial and DSSI guidelines released</li> <li>Cooperation in 6 partner events and collaboration DMF III</li> <li>Regional centres: pending funding</li> <li>Progress in cost recovery</li> </ul>		 <p>Indirect: Goal 1</p>

## ANNEX 2. USE OF DMFAS INSTALLATIONS IN COUNTRIES, IN 2020

Abbreviations: AR, Arabic; CB, central bank; EN, English; FR, French; MoF, Ministry of Finance; RU, Russian; SP, Spanish.

*Note: Start date in institution refers to the year of the first project for the implementation of DMFAS and related services in the institution; type of installation indicates where the main server is located (main installation) or if remote access is used; access rights Indicates whether the institution has full or partial access rights or read-only access to the debt database (access rights depend on debt management responsibilities and the mandates of the respective institution); countries or institutions no longer using DMFAS are enclosed in parentheses and shown in italics.*

Country	Institution	Start date in institution	Type of installation		Language of software	Access rights			Version currently used	
			Main	Remote access		Full	Partial	Read only	5.3	6
Albania	MoF	1998	✓		EN	✓				✓
Algeria	CB	2005	✓		FR	✓			✓	
Angola	CB	1999		✓	SP			✓		
	MoF	2015	✓			✓				✓
Argentina	MoF	1993	✓		SP	✓				✓
	Province of Rio Negro	2000	✓		SP	✓				✓
	Province of Chaco	2001	✓		SP	✓		✓		
	Province of Buenos Aires	2011	Inactive							
	Province of La Rioja	2015	✓		SP	✓				✓
Armenia	MoF	2011	✓		EN	✓				✓
Azerbaijan	MoF	2020	✓		EN	✓				✓
Bangladesh	MoF	1992	✓		EN	✓				✓
	CB	2002		✓	EN	✓				✓
<i>(Belarus)</i>	<i>MoF</i>	<i>1994</i>	<i>Inactive</i>							
Bolivia (Plurinational State of)	MoF	1994	✓		SP	✓		✓		
	CB	1994	✓		SP	✓				✓
Burkina Faso	MoF	1997	✓		FR	✓				✓

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Country	Institution	Start date in institution	Type of installation		Language of software	Access rights			Version currently used	
			Main	Remote access		Full	Partial	Read only	5.3	6
Burundi	MoF	1987	✓		FR	✓				✓
Cambodia	MoF	2007	✓		EN	✓				✓
Central African Republic	MoF	1995	✓		FR	✓				✓
Chad	MoF	2000	✓		FR	✓			✓	
(Chile)	CB	2003								
(Colombia)	MoF	2001	Inactive							
Congo	MoF	2003	✓		FR	✓				✓
Costa Rica	MoF	1988	✓		SP	✓				✓
	CB	1988		✓	SP			✓		
Côte d'Ivoire	MoF	1998	✓		FR	✓				✓
Democratic Republic of the Congo	MoF	2005	✓		FR	✓				✓
Djibouti	MoF	1986	✓		FR	✓				
Dominican Republic	MoF	1996	✓		SP	✓				✓
	(CB)	1996	Inactive							
Ecuador	MoF	1995	✓		SP	✓				✓
	CB	1995	✓		SP	✓				✓
Egypt	MoF	2008	✓		EN	✓				✓
	CB	1986	✓		EN	✓				✓
El Salvador	MoF	1988	✓		SP	✓				✓
Eritrea	MoF	2018	✓		EN	✓				✓
Ethiopia	MoF	1988	✓		EN	✓				✓
Gabon	MoE	2001	✓		FR	✓				✓
Georgia	MoF	1998	✓		EN	✓				✓
Guatemala	MoF	1988	✓		SP	✓				✓

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Country	Institution	Start date in institution	Type of installation		Language of software	Access rights			Version currently used	
			Main	Remote access		Full	Partial	Read only	5.3	6
Guinea-Bissau	MoF	1997	✓		SP	✓				✓
Haiti	CB	1985		✓	FR		✓			
	MoF	2009	✓		FR	✓			✓	
Honduras	MoF	1988	ü		SP	ü				ü
	CB	1988		ü	SP			ü		
	Supreme Court of Accounts	2008		✓	SP			✓		
	National Electricity Company (ENNE)	2018		✓	SP			✓		
Indonesia	MoF	1988	✓		EN	✓				✓
	CB	2004	✓		EN	✓				✓
Iran (Islamic Republic of)	CB	1997	✓		EN	✓				✓
Iraq	MoF	2005	✓		EN	✓				✓
	CB	2005		✓	EN			✓		
Jordan	MoF	1998	✓		EN	✓				✓
(Kazakhstan)	MoF	1996	Inactive							
	CB	1996	Inactive							
	Exim Bank	1996	Inactive							
Lao People's Democratic Republic	MoF	2011	✓		EN	✓				✓
Lebanon	MoF	1993	✓		EN	✓				✓
	CB	1993		✓	EN			✓		
	Council for Development and Reconstruction	1993		✓	EN			✓		
(Lithuania)	MoF	1999	Inactive							
Madagascar	MoF	2001	✓			✓				✓



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Country	Institution	Start date in institution	Type of installation		Language of software	Access rights			Version currently used	
			Main	Remote access		Full	Partial	Read only	5.3	6
	CB	2001		✓				✓		
Mauritania	MoF	1995	✓		FR	✓				✓
Mongolia	MoF	2001	✓		EN	✓				✓
	(CB)	2001	Inactive							
Nicaragua	MoF	1997	✓		ES	✓				✓
	CB	1988	✓		ES	✓				✓
Oman	MoF	2010	✓		AR	✓				
Pakistan	MoF	1985	✓		EN	✓				✓
	(CB)	1985	Inactive							
Panama	MoF	1997	✓		SP	✓				✓
Paraguay	MoF	1996	✓		SP	✓				✓
	CB	1996		✓			✓			
	(Ministry of Planning)	1996	Inactive							
(Peru)	MoF	1998	Inactive							
Philippines	MoF	1987	✓		EN	✓				✓
	CB	2008	✓		EN	✓			✓	
Republic of Moldova	MoF	1997	✓			✓				✓
	CB	1997	✓			✓				✓
Romania	MoF	1993	✓		EN	✓			✓	
	CB	1993	✓		EN	✓			✓	
Rwanda	MoF	1990	✓		EN	✓				✓
	(CB)	2000	Inactive							
(Sao Tome and Principe)	MoF	1997	Inactive							
	CB	1997	Inactive							
(Senegal)	MoF	1997	Inactive							

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Country	Institution	Start date in institution	Type of installation		Language of software	Access rights			Version currently used	
			Main	Remote access		Full	Partial	Read only	5.3	6
Sudan	CB	1998	✓		EN	✓				✓
	MoF	2016	✓		EN	✓				✓
Syrian Arab Republic	CB	2001	✓		AR	✓			✓	
(North Macedonia)	CB	1999	Inactive							
Togo	MoF	1984	✓		FR	✓				✓
Tajikistan	MoF	2020	✓		RU	✓				In progress
(Trinidad and Tobago)	CB	1985	Inactive							
	MoF	1985	Inactive							
(Turkmenistan)	CB	2001	Inactive							
Uganda	MoF	1985	✓		EN	✓				✓
	CB	1985	✓		EN	✓				✓
(Ukraine)	MoF	1995	Inactive							
Uzbekistan	MoF	2016	✓		RU	✓				✓
Venezuela (Bolivarian Republic of)	MoF	1998	✓		SP	✓				✓
Viet Nam	MoF	1996	✓		EN	✓			✓	
(Yemen)	MoF	1999	Inactive							
	CB	1999	Inactive							
	Ministry of Planning	1999	Inactive							
Zambia	CB	1986		✓	EN	✓				✓
	MoF	1986	✓		EN	✓				✓
Zimbabwe	CB	1986		✓	EN	✓				✓
	MoF	1986	✓		EN	✓				✓

## ANNEX 3. SCOPE OF DMFAS USE IN COUNTRIES AT THE END OF 2020

**Coverage of DMFAS databases:** Describes what type of debt is being managed using the DMFAS installation (s) in each country.

**Reporting and analysis:** This section of the table describes whether a country is publishing a statistical bulletin, defined as the existence of a compilation of debt information published within the last 18 months which covers, at a minimum, composition and evolution of the debt stock and projection of debt services. This section also shows whether a country is producing a debt portfolio review, defined as the existence of a stand-alone compilation of debt information published within the last 18 months which covers the following: up-to-date situation of the existing debt portfolio and factors underpinning its evolution, composition and structure of the debt portfolio, debt ratios: values and trends, cost indicators and risk indicators (interest risk, currency risk, refinancing risk).

**Operational risk management:** This section of the table describes whether a country's debt management office has produced a procedures manual covering the major back office operations including, at a minimum, data entry, processing of debt transactions (disbursements, debt servicing), validation and reporting of debt, use of DMFAS and storage of agreements and transaction records. This manual has been validated by the head of the debt management office and updated within the last two years. This section also shows whether there exists within the country's debt management office a disaster recovery plan consisting of a documented set of procedures or arrangements to recover and protect the DMFAS installation in the event of a disaster. These arrangements specify actions and measures to be taken before, during and after a disaster. The relevant staff has received instructions on how to follow these procedures; these have been validated by the head of the debt management office and have been tested at least once in the last 18 months.

	Coverage of DMFAS databases			Reporting and analysis		Operational risk management	
	Central government external debt	Central government domestic debt	CB <sup>6</sup> monitoring private external debt using DMFAS	Statistical bulletin	Debt portfolio review	Procedures manual	Disaster recovery arrangements
Albania	✓	✓	No	✓	✓	✓	
Algeria	✓		Yes	✓		✓	✓
Angola	✓	✓	Yes			✓	✓
Argentina	✓	✓	No	✓	✓		
Armenia	✓	✓	No	✓			✓
Azerbaijan	✓	✓	No	✓		✓	
Bangladesh	✓		Yes				✓
Bolivia (Plurinational State of)	✓	✓	No	✓	✓		✓
Burkina Faso	✓	✓	No	✓	✓		✓
Burundi	✓	✓	No				
Cambodia	✓	✓	No	✓		✓	
Central African Republic	✓	✓	No				
Chad	✓		No	✓			
Congo	✓		No	✓	✓		✓
Costa Rica	✓		No	✓	✓	✓	✓
Côte d'Ivoire	✓	✓	No	✓	✓	✓	✓
Democratic Republic of the Congo	✓	✓	No	✓	✓	✓	✓
Djibouti	✓	✓	No				
Dominican Republic	✓	✓	No	✓	✓	✓	
Ecuador	✓	✓	Yes	✓	✓	✓	✓
Egypt	✓	✓	Yes	✓	✓	✓	✓
El Salvador	✓	✓	No		✓		
Eritrea	✓	✓	No				
Ethiopia	✓	✓	No	✓	✓		
Gabon	✓	✓	No				
Georgia	✓	✓	No	✓	✓		✓
Guatemala	✓	✓	No	✓	✓	✓	
Guinea-Bissau	✓	✓	No				
Haiti	✓	✓	No				
Honduras	✓	✓	Yes	✓	✓	✓	✓
Indonesia	✓	✓	No	✓	✓	✓	✓

<sup>6</sup> Central Banks

## DMFAS Programme Annual Report 2020

	Coverage of DMFAS databases			Reporting and analysis		Operational risk management	
	Central government external debt	Central government domestic debt	CB <sup>6</sup> monitoring private external debt using DMFAS	Statistical bulletin	Debt portfolio review	Procedures manual	Disaster recovery arrangements
<i>Iran (Islamic Republic of)</i>	✓		Yes				
<i>Iraq</i>	✓		No				✓
<i>Jordan</i>	✓	✓	No	✓		✓	
<i>Lao People's Democratic Republic</i>	✓		No		✓		
<i>Lebanon</i>	✓	✓	No	✓	✓		✓
<i>Madagascar</i>	✓	✓	Yes	✓	✓	✓	✓
<i>Mauritania</i>	✓		No	✓			
<i>Mongolia</i>	✓		No				✓
<i>Nicaragua</i>	✓	✓	Yes	✓	✓	✓	✓
<i>Oman</i>	✓		No				
<i>Pakistan</i>	✓		No	✓	✓	✓	✓
<i>Panama</i>	✓	✓	No	✓	✓		
<i>Paraguay</i>	✓	✓	No	✓	✓	✓	
<i>Philippines</i>	✓	✓	Yes	✓		✓	✓
<i>Republic of Moldova</i>	✓	✓	Yes	✓	✓	✓	✓
<i>Romania</i>	✓	✓	Yes	✓	✓	✓	✓
<i>Rwanda</i>	✓	✓	No	✓	✓	✓	
<i>Sudan</i>	✓	✓	Yes		✓	✓	
<i>Syrian Arab Republic</i>	✓		No				
<i>Togo</i>	✓	✓	No	✓	✓	✓	
<i>Uganda</i>	✓	✓	No	✓	✓	✓	✓
<i>Uzbekistan</i>	✓		No		✓	✓	✓
<i>Venezuela (Bolivarian Republic of)</i>	✓	✓	No	✓			✓
<i>Viet Nam</i>	✓	✓	No	✓	✓	✓	✓
<i>Zambia</i>	✓		Yes				
<i>Zimbabwe</i>	✓	✓	Yes			✓	✓

## ANNEX 4.

## BREAKDOWN OF DMFAS CLIENT COUNTRIES ACCORDING TO INCOME GROUP, 2020

<i>Low-income countries</i>	<i>Lower-middle-income countries</i>	<i>Upper-middle-income countries</i>	<i>High-income countries</i>	<i>Total</i>
<b>Current (16)</b>	<b>Current (22)</b>	<b>Current (17)</b>	<b>Current (3)</b>	<b>58</b>
Burkina Faso (HIPC)	Angola	Albania	Oman	
Burundi (HIPC)	<b>Algeria</b>	Argentina	Panama	
Central African Republic (HIPC)	Bangladesh	Armenia	<b>Romania</b>	
Chad (HIPC)	Bolivia (Plurinational State of)	Azerbaijan		
Democratic Republic of the Congo (HIPC)	Cambodia	Costa Rica		
Eritrea (HIPC)	Congo (HIPC)	Dominican Republic		
Ethiopia (HIPC)	Côte d'Ivoire (HIPC)	Ecuador		
Guinea-Bissau (HIPC)	Djibouti	Gabon		
Haiti (HIPC)	Egypt	Georgia		
Madagascar (HIPC)	El Salvador	Guatemala		
Rwanda (HIPC)	Honduras (HIPC)	<b>Indonesia</b>		
<b>Sudan</b>	Lao People's Democratic Republic	Iran (Islamic Republic of)		
Syrian Arab Republic	Republic	Iraq		
Tajikistan	Mauritania (HIPC)	Jordan		
Togo (HIPC)	Mongolia	Lebanon		
Uganda (HIPC)	Nicaragua (HIPC)	Paraguay		
	Pakistan	Venezuela (Bolivarian Republic of)		
	Philippines			
	Republic of Moldova			
	Uzbekistan			
	Viet Nam			
	Zambia (HIPC)			
	Zimbabwe			

Source: World Bank, available at <https://datahelp desk.worldbank.org/knowledgebase/articles/906519-world-bank-country-and-lending-groups>

**Note:** Countries in bold indicate a change in the income level during the year. For the current 2021 fiscal year, low-income economies are defined as those with a GNI per capita, calculated using the [World Bank Atlas method](#), of \$1,035 or less in 2019; lower middle-income economies are those with a GNI per capita between \$1,036 and \$4,045; upper middle-income economies are those with a GNI per capita between \$4,046 and \$12,535; high-income economies are those with a GNI per capita of \$12,536 or more. This table also indicates the countries that qualified or were eligible or potentially eligible for the HIPC Initiative.

**Abbreviation:** HIPC, heavily indebted poor countries

## ANNEX 5. AUTOMATIC LINKS BETWEEN DMFAS AND OTHER SYSTEMS

DMFAS interfaces with public financial management information systems are aimed at providing support for three key processes, namely budget preparation (1), budget execution (2) and general data sharing (3) as follows:

(1) The budget preparation interface includes:

- Budget estimation: includes screens for scheduled disbursements and scheduled debt service for external and domestic debt for active and pipeline instruments.
- Grants: These resources are not repaid and thus do not generate debt service; nevertheless, scheduled disbursement may need to be considered in the budget. This will allow the estimation of the budget as revenue.

(2) The budget execution interface covers exchange of information related to disbursements (D), payment orders (PO) and payment confirmation (PC).

(3) Reference data refers to common data exchanged between systems such as exchange rates, participants information and back accounts, and budget line descriptions and budget information by instruments.

Country	Link with treasury system		Reference data (3)	Auction/ central depository system	Other
	Budget estimations (1)	(2) Disbursements – D payment orders – PO payment confirmation – PC			
Angola CB	✓	D PC	✓	✓	
Angola (MoF)	✓	D PO PC	✓		
Argentina (MoF)	✓	PO D PC	✓		
Argentina (Province of Rio Negro)	✓	D PC	✓		
Bolivia (Plurinational State of) (MoF)	✓	D PO			
Bolivia (Plurinational State of) (CB)					Interface with reporting and SWIFT system for payments
Burkina Faso	✓		✓		
Dominican Republic (MoF)	✓	D PO PC	✓		
El Salvador	✓	D PO PC	✓		
Ethiopia (MoF)	✓		✓		
Gabon (MoF)		PO	✓		

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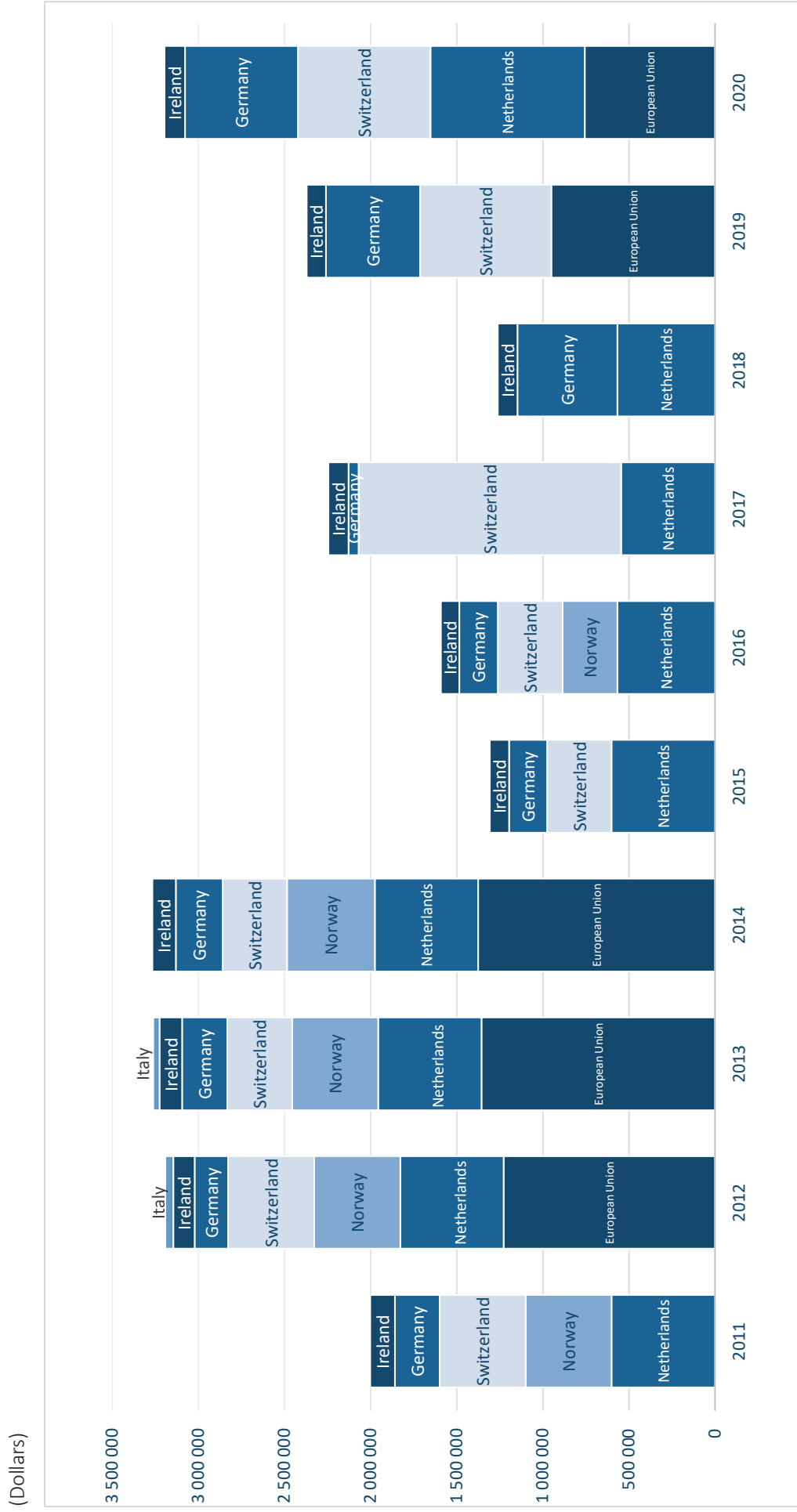
Country	Link with treasury system		Reference data (3)	Auction/central depository system	Other
	Budget estimations (1)	(2) Disbursements – D payment orders – PO payment confirmation – PC			
Guatemala (MoF)	✓	D PO PC	✓		Interface with CB's domestic debt database
Honduras (MoF)	✓	D PO PC	✓		
Indonesia (MoF)	✓	D PO PC	✓	✓	
Indonesia (CB)	✓	PO PC	✓		Internal system
Madagascar (CB)	✓	PO		✓	Internal reporting tool
Nicaragua (CB and MoF – shared database)	✓	D PO PC	✓		Link with CB's accounting system
Panama (MoF)	✓	D PO PC	✓		Internal reporting tool
Paraguay	✓	D PO	✓		
Philippines (Bureau of Treasury)			✓	✓	
Philippines (CB)			✓		Link with private debt database
Uganda	✓	PO PC		✓	
Venezuela (Bolivarian Republic of) (MoF)	✓	PO - Internal Debt only	✓		
<b>Discontinued links</b>					
Albania	Discontinued	Link not active			
Costa Rica	Discontinued	Change in version			
Iran (Islamic Republic of) (CB)	discontinued	Change in version			
Jordan (MoF)	Discontinued	Change in version – new link under development			
Mauritania	Discontinued	Link not active			
Republic of Moldova (MoF and CB)		Not a link as defined in the annex; replication environment for reporting purposes			
Madagascar (CB)	Discontinued	Transfer of responsibilities			
Paraguay (MoF)	Discontinued	Change in IFMIS version			
Viet Nam (MoF)	Discontinued	Link not active			



## ANNEX 6. DMFAS HELP DESK ENQUIRIES BY COUNTRIES, 2020

<i>Country</i>	<i>Incoming</i>	<i>Closed</i>	<i>Assigned</i>
Albania	4	1	3
Angola	32	22	10
Argentina	9	4	5
Argentina (province of Rio Negro)	4	2	2
Azerbaijan	18	14	4
Bangladesh	3	3	0
Bolivia (Plurinational State of)	15	5	10
Burundi	2	0	2
Central African Republic	1	0	1
Congo	6	5	1
Costa Rica	24	19	5
Côte d'Ivoire	5	5	0
Democratic Republic of the Congo	5	1	4
Dominican Republic	13	5	8
Ecuador	20	14	6
Eritrea	2	2	0
Gabon	6	4	2
Guatemala	8	4	4
Guinea-Bissau	2	1	1
Honduras	6	4	2
Indonesia	1	1	0
Iran (Islamic Republic of)	5	3	2
Iraq	3	3	0
Jordan	7	4	3
Lebanon	6	4	2
Madagascar	4	3	1
Mongolia	9	4	5
Nicaragua	16	8	8
Pakistan	5	4	1
Panama	3	0	3
Paraguay	5	4	1
Philippines	10	6	4
Republic of Moldova	8	4	4
Rwanda	3	2	1
Sudan	5	3	2
Uganda	11	8	3
Uzbekistan	11	8	3
Venezuela (Bolivarian Republic of)	4	2	2
Zambia	5	4	1
Zimbabwe	1	0	1
<i>Tickets reported by help desk</i>	<i>51</i>	<i>33</i>	<i>18</i>
<b>Grand Total</b>	<b>358</b>	<b>223</b>	<b>135</b>

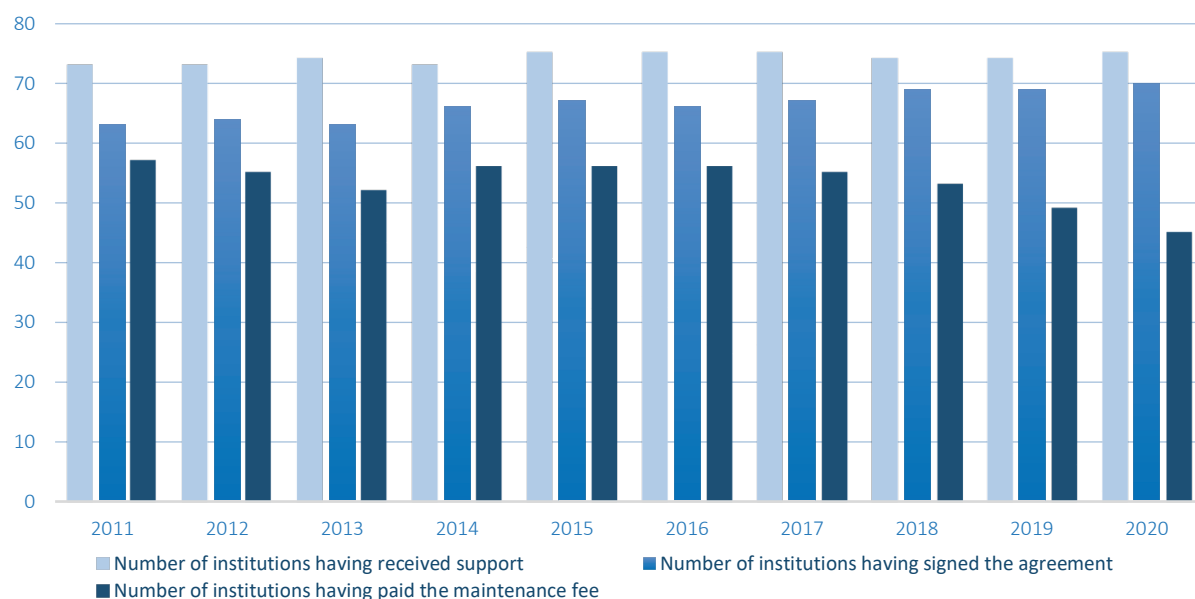
# ANNEX 7. CONTRIBUTIONS TO THE DMFAS CENTRAL TRUST FUND PER DONOR, 2011-2020



## ANNEX 8. MAINTENANCE AGREEMENTS AND FEES

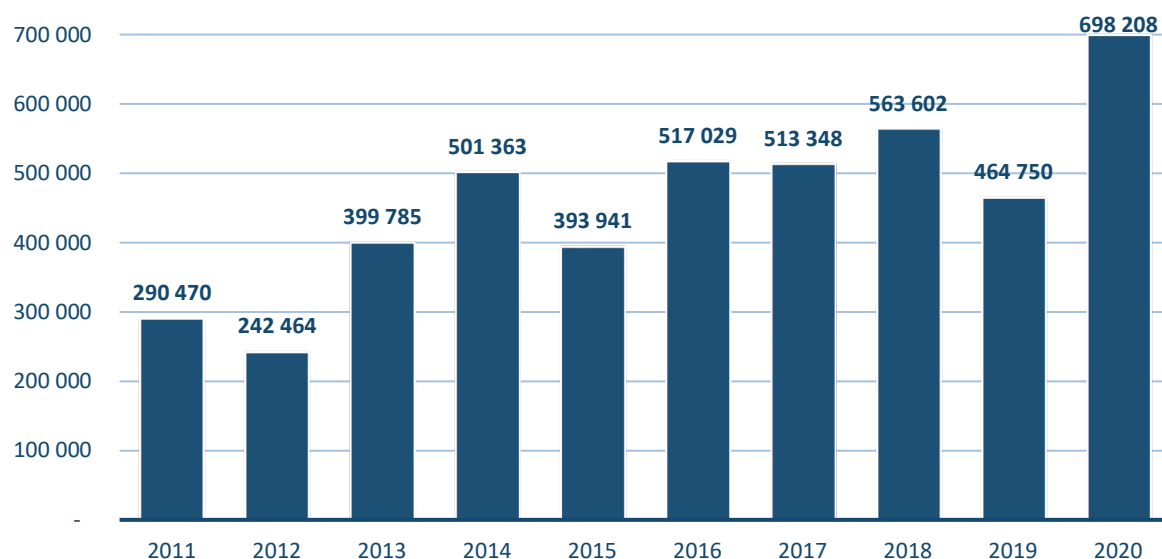
Fewer institutions appear to be paying the annual maintenance fee (see figures 1 and 2). However, this is due to some billing cycles starting late in the year for which the maintenance fees are paid the following year. Additionally, the DMFAS Programme makes a concerted effort to collect arrears.

Annex 8, figure 1. Number of institutions that signed maintenance agreements and paid maintenance fees, 2011–2020



Annex 8, figure 2. Maintenance fee payments received, 2011–2020

(Dollars)



## ANNEX 9. CURRENT UNITED NATIONS AND INTERNATIONAL MANDATES RELEVANT TO THE WORK OF THE DMFAS PROGRAMME

### United Nations General Assembly Resolution 75/205 on external debt sustainability and development (adopted on 29 December 2020)

- " *Emphasizing* that debt sustainability is essential for underpinning growth, underlining the importance of debt sustainability, debt transparency and effective debt management to the efforts to achieve the Sustainable Development Goals, and acknowledging that debt crises are costly and disruptive, including for employment and productive investment, and tend to be followed by cuts in public spending, including on health and education, affecting the poor and vulnerable in particular,"
- " *Reaffirming* that each country has primary responsibility for its own development, including through maintaining its own debt sustainability, and that the role of national policies and development strategies, including in the area of debt management, is central to the achievement of sustainable development, and recognizing that national efforts, including to achieve development goals and to maintain debt sustainability, should be complemented by supportive global programmes, measures and policies aimed at expanding the development opportunities of developing countries, while taking into account national conditions and ensuring respect for national ownership, strategies and sovereignty,"
- Paragraph 2: "*Emphasizes* the special importance of timely, effective, comprehensive and durable solutions to the debt problems of developing countries to promote their economic growth and development"
- Paragraph 7: "... stresses the need for improved data collection and quality in areas that include domestic public debt, domestic and external private debt, as well as legal and regulatory features, such as ownership, currency denomination and jurisdiction according to national priorities;"
- Paragraph 8: "*Also reiterates* that timely and comprehensive data on the level and composition of debt are necessary for, inter alia, building early warning systems aimed at limiting the impact of debt crises, calls for debtor and creditor countries to intensify their efforts to collect and release data, where appropriate, welcomes the ongoing work of relevant institutions to apply innovative tools for monitoring financial stress in developing countries and to create a central data registry that includes information on debt restructuring, and calls for donors to consider increasing their support for technical cooperation programmes aimed at increasing the statistical capacity of developing countries in that regard;"
- Paragraph 9: "*Encourages* the United Nations system, including the World Bank Group, the International Monetary Fund and other relevant stakeholders, including the Development Assistance Committee of the Organization for Economic Cooperation and Development, to continue to conduct analytical activities and to provide policy advice and technical assistance to Governments, upon request, in the areas of managing debt, and operating and maintaining databases, and in this regard recalls that the United Nations Conference on Trade and Development should continue its analytical and policy work and technical assistance on debt issues, including the Debt Management and Financial Analysis System Programme, so that this extends not only to improvements in the timeliness and accuracy of debt data recording, but also to the enhanced coverage of public sector and other relevant debt data, including, in particular,

heretofore unrecorded or hidden debt instruments, contingent liabilities and more complex debt instruments;"

- Paragraph 10: "*Stresses* the need to strengthen information-sharing and transparency among all creditors and borrowers to make sure that debt sustainability assessments are based on comprehensive, objective and reliable data, including an assessment of national public and private debt, in order to ensure the achievement of sustainable development goals, encourages further improvement of the mutual exchange of information, on a voluntary basis, on borrowing and lending among all creditors and borrowers, and takes note of the Paris Forum initiative, which is aimed at gathering together sovereign creditors and debtors to share views and information, promoting greater debt transparency and preserving debt sustainability;"
- Paragraph 11: "*Recognizes* that the long-term sustainability of debt depends on, inter alia [...] sustainable debt management,"
- Paragraph 12. "Notes with concern that some low-and middle-income developing countries that were not part of the existing debt relief initiatives ... indicating a need to consider, as appropriate, stronger debt management initiatives for those countries, ...;"
- Paragraph 14: "*Stresses* the need for the international community to remain vigilant in monitoring the debt situation of developing countries, including the least developed countries, landlocked developing countries and small island developing States, and to continue to take effective measures, preferably within existing frameworks, when applicable, to address the debt problem of those countries, acknowledges that sound debt management initiatives can play a key role in liberating resources that should be directed towards activities consistent with the eradication of poverty in all its forms and dimensions, including extreme poverty, and with the promotion of sustained economic growth and development and the internationally agreed development goals, including the Sustainable Development Goals..."
- Paragraph 19: "19. *Further recognizes* the importance of the creation of robust, nationally appropriate legal and regulatory frameworks for sustainable national and municipal borrowing, on the basis of sustainable debt management,"
- Paragraph 21: "Recognizes with appreciation the steps taken by the Group of 20, including the extraordinary leaders' summit hosted by Saudi Arabia on COVID-19, to provide a time-bound suspension of debt service payments for the poorest countries and calls for all official bilateral creditors to implement this initiative fully and in a transparent manner, while noting that more needs to be done, including to respond to the needs of countries not covered by the initiative, and in this regard reaffirms the growing urgency of dealing not only with liquidity, but also solvency risks, recommends. ... c) ... stresses the need in the medium term to strengthen information-sharing, as necessary, and long-term debt sustainability analysis, based on comprehensive, objective, transparent and reliable data"
- Paragraph 22: " *Recognizes* the role of the United Nations and of the international financial institutions, in accordance with their respective mandates, and encourages them to continue to support global efforts towards sustained and inclusive growth, sustainable development and the external debt sustainability of developing countries,..."

- Paragraph 25: "*Notes* the holding of the twelfth session of the International Debt Management Conference in Geneva from 18 to 20 November 2019, and encourages the United Nations Conference on Trade and Development, the World Bank and the International Monetary Fund to continue their analytical and policy work and technical assistance on debt issues and to promote policies for responsible, sustainable and transparent sovereign borrowing and lending, as appropriate;"
- Paragraph 32: "*Encourages* Member States, the United Nations system, the World Bank Group, the International Monetary Fund and other relevant stakeholders, and international financial institutions to scale up technical assistance in debt management, including debt data recording and reporting, and to provide greater coordination of advice, for the delivery of such technical assistance upon request, and to ensure synergies with the full spectrum of debt management mechanisms; "
- Paragraph 34: "*Invites* the international community to continue efforts to increase support, including financial and technical assistance, for institutional capacity building in developing countries to enhance sustainable upstream and downstream debt management as an integral part of national development strategies, including by promoting transparent and accountable debt management systems..."
- Paragraph 35: "*Requests* the United Nations Conference on Trade and Development, and invites the International Monetary Fund and the World Bank, in cooperation with the regional commissions, regional development banks and other relevant multilateral financial institutions and stakeholders, to continue and intensify cooperation in respect of activities relating to capacity-building and to early warning monitoring systems in developing countries in the area of debt management and debt sustainability with a view to contributing to the implementation of the 2030 Agenda for Sustainable Development;"

**Nairobi Azimio (TD/519/Add.1; adopted on 22 July 2016)**

- Paragraph 18: "We are aware of the negative effects of unsustainable debt on development, particularly for developing countries, and recognize the need to assist developing countries to achieve long-term debt sustainability through sound debt management and coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and to address the external debt of highly indebted poor countries to reduce debt distress."

**Nairobi Maafikiano (TD/519/Add.2) From decision to action: Moving towards an inclusive and equitable global economic environment for trade and development (adopted on 22 July 2016)**

- Paragraph 22: "[...] Given growing concerns about external debt sustainability, public debt management to prevent and pre-empt financial and debt crises is important. The need for a central data registry, including information on debt restructurings, has also been recognized. In this regard, the long-standing work of UNCTAD on debt issues within the United Nations, including through promotion of its Principles on Responsible Sovereign Lending and Borrowing, is recognized."
- Paragraph 38(h): UNCTAD should "continue its analytical and policy work and technical assistance on debt issues, including the Debt Management and Financial Analysis System Programme, and to promote policies for responsible sovereign borrowing and lending, complementing the work

done by the World Bank and the International Monetary Fund and other stakeholders, as appropriate;"

- Paragraph 38(i): UNCTAD should "continue its existing work, in coordination with relevant partners, including the Task Force on Finance Statistics, to contribute to statistical series and capacity in the fields of domestic debt, external private and public debt and debt composition;"

#### **External debt sustainability and development, Report of the Secretary-General (A/70/278)**

- Paragraph 52: "For debt management to be effective in meeting those challenges, countries will need to invest in building adequate capacity and implementing sustainable reforms. This will require financial resources and technical assistance. Building sustainable capacity in debt management necessitates a long-term, continuous, iterative process of learning and adapting to change. Assistance should be provided to strengthen recipients' capacities to monitor their debt profiles and reduce vulnerabilities from the excessive build-up of debt and increased market exposure. Technical assistance providers, particularly UNCTAD, IMF and the World Bank, must ensure that the products and services offered are public goods that are continuously updated in line with the new requirements of countries and best practices. Providers must also maximize coordination and complementarity to minimize duplication and adopt a cooperative, holistic approach that covers both upstream and downstream activities, thus ensuring that the full spectrum of country needs is met. Similarly, the international community must ensure that adequate financing is provided to support the implementation of national reforms and the provision of technical assistance for public debt management as an effective tool for debt crisis prevention. Donor support for downstream activities in low-income countries will be particularly important."
- Paragraph 57: "International support to ensure the effective management of day-to-day public liabilities, through financial and technical assistance and institutional capacity building for public debt management, is critical to equipping developing countries with the means to manage and assess the market-based risks to debt sustainability. [...]"

#### **Sustainable Development Goal<sup>7</sup> 17.4 on debt sustainability**

- "Assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief and debt restructuring, as appropriate, and address the external debt of highly indebted poor countries to reduce debt distress"

#### **Addis Ababa Action Agenda of the Third International Conference on Financing for Development (United Nations General Assembly Resolution 69/313)**

- Paragraph 34: "[...] We will work to strengthen debt management [...]."

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<sup>7</sup> The Sustainable Development Goals (SDGs) are a set of 17 goals to end poverty, protect the planet and ensure prosperity for all. They are part of the 2030 Agenda for Sustainable Development, which was adopted by world leaders at an historic United Nations summit in September 2015. While the SDGs are not legally binding, Governments are expected to take ownership and establish national frameworks for the achievement of the 17 goals and their 169 targets.

- Paragraph 94: “We recognize the need to assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief, debt restructuring and sound debt management, as appropriate.”
- Paragraph 115: “[...] We reiterate the importance of strengthening institutional capacity and human resource development. It is also critical to reinforce national efforts in capacity building in developing countries in such areas as public finance and administration, [...] debt management [...].”



## ANNEX 10. CONCLUSIONS OF THE DMFAS ADVISORY GROUP, NOVEMBER 2019

The DMFAS Advisory Group advises the Secretary-General of UNCTAD of the following conclusions of its 12h Meeting, held in Geneva on 21-22 November 2019. The DMFAS Advisory Group, with due regard to the continuous efforts of UNCTAD:

### *Evaluation of implementation of Strategic plan 2016–2019*

1. Recognizes the very positive results achieved by the Programme in the implementation of its 2016–2019 strategic plan.
2. Takes note of the findings and recommendations of the external evaluation (Mid-Term Review 2018) of the Programme.
3. Endorses the evaluator's conclusions that the DMFAS Programme is very relevant, that it continues to play an important role in debt data recording and reporting and that it has contributed significantly to capacity building in countries.
4. Agrees that DMFAS has had an important impact on establishing effective information systems for debt recording, debt validation and reporting, and that the performance indicators show clear improvements in debt data coverage and quality, debt data reporting and debt portfolio analysis.
5. Notes that the overall satisfaction with the Programme of donors, clients and partners is rated as very high and has improved compared with the previous evaluation in 2013.
6. Appreciates that the Programme has been rated highly in terms of cost effectiveness and timeliness of installation, adoption of necessary changes required and providing quality products and services.
7. Appreciates also that the quality rating increased for almost all areas and is particularly high for the DMFAS system, documentation, training on recording, data validation, the software and statistics.
8. Acknowledges that country needs and demand for DMFAS support remain very high, particularly for DMFAS software upgrades and its capacity building services in debt recording, reporting, transparency and operational risk management.
9. Is encouraged by the evaluator's conclusion that Programme objectives are well-delivered, that the Programme is highly effective in the areas of debt recording and reporting and that, in relation to cost-effectiveness, the overwhelming majority of beneficiaries agreed that DMFAS is a cost-effective solution for their institution.
10. Is reassured that the Programme continues to make a significantly positive impact in the long term in terms of its relevance, effectiveness, efficiency and country specific sustainability.
11. Requests donors to recognize the conclusion that the Programme's financial sustainability, future development, installation and capacity building activities will require significant contributions from current and new donors.
12. Requests UNCTAD to implement the evaluator's recommendations, particularly in making further improvements for domestic debt, portfolio analysis and linkages to analytical tools and in exploring how operational efficiency can be improved by more outsourcing, increased cooperation with partners, decentralization and more on-line usage.

*Consideration of proposed Strategic Plan 2020–2023*

13. Endorses the new Strategic Plan and corresponding implementation plan proposed by the Programme.
14. Appreciates that the new plan is a timely and very relevant response to the needs of developing and transition countries and to the concerns of the international community, including the G20 and the United Nations General Assembly, about the overall outlook for external debt sustainability in developing countries and the related problems with debt data transparency in a number of countries.
15. Welcomes that the new plan responds to the recommendations and requests of the Programme's stakeholders, including those of the DMFAS Advisory Group.
16. Considers that the new plan makes an important contribution to the achievement of the Sustainable Development Goals (SDGs) by promoting effective debt management in accordance with the Addis Ababa Action Agenda.
17. Supports the plan's focus and strategic priorities, and in particular the expanded debt coverage, the development and implementation of DMFAS 7 and capacity building.
18. Emphasises that expanding the scope and coverage of debt instruments in the Programme's products and services will respond to the increasing complexity in debt portfolios and will help to improve debt data transparency and the availability of information for debt analysis and policy-making.
19. Requests the Programme to take account of the following needs for the development of DMFAS 7 in addition to those foreseen in the draft strategic plan:
  - Template with debt balances at the end of each year to be used for reconciliation with creditors;
  - Direct Access to HelpdDesk tool from the system;
  - Coverage of all costs associated with borrowing.
20. Stresses the importance of continued synergies between the DMFAS Programme's technical assistance work and UNCTAD's research and analytical work on debt management.
21. Highlights the critical importance of continuous support from the Programme's Help desk and advisory services that provide guidance in key areas such as integration of debt management within the overall public finance management (PFM) framework.
22. Emphasises the importance of supporting DMOs with responsibilities related to Public Private Partnerships (PPPs).
23. Reiterates its recommendation that UNCTAD prioritises the establishment of DMFAS support offices in all regions to provide more effective decentralized support to countries using the DMFAS system, in accordance with the new strategic plan.
24. Appreciates that the plan includes the implementation of certification for DMFAS users which will provide many benefits for DMOs.
25. Considers that the Programme's capacity development framework will provide countries with practical solutions for meeting their capacity building needs.
26. Appreciates that the new capacity development framework includes virtual learning methods such as E-learning and Self-study options and requests that the Programme provides as much as possible of these including online video training.
27. Understands that full implementation of the plan is subject to the availability of sufficient financial resources to cover the total estimated budget of 32 million USD over 4 years.

*Best practices*

28. Recommends to DMFAS user countries the following best practices:
- Availability and implementation of a comprehensive legal framework for debt management, including the definition of responsibilities, effective coordination and information flows between institutions for the different types of public sector debt;
  - Institutional policy that promotes retention of trained staff in the Debt Management Office and provides learning opportunities when staff turnover occurs;
  - Periodic review and update, as required, of the debt procedures including those related to data processing;
  - Regular public debt management audit (compliance and performance) and external evaluations;
  - Strengthen corporate governance for state-owned enterprises (SOEs) debt management;
  - Install DMFAS in all public institutions and corporations with responsibilities for public debt or provide them with facilities for data sharing with Central government;
  - Framework defining the regional specifics regarding scope of debt, classification, and nomenclature in order to harmonise debt data of countries in the same region;
  - Implement as quickly as possible any regional instructions for data collection, management and dissemination;
  - Work collaboratively with the national Supreme Audit Institution.
29. Recommends that debt management offices have access to and follow guidelines for communicating with the public of government debt including explanation on why the government borrows.

*Public Finance Management (PFM) Integration*

30. Requests that UNCTAD provides the following support to countries integrating DMFAS with PFM systems:
- Training to enhance knowledge in DMFAS database structure;
  - Assessment of feasibility of developing interfaces;
  - Support to IT Staff for the development, providing guidance for programming, and validation of the interface before implementation;
  - Support for the maintenance of interfaces;
  - Facilitate integration through providing an application program interface (API) that follows international accounting standards;
  - Support for the use of new programming techniques, for example AGILE programming.

*DMFAS 7*

31. Emphasizes the importance of the following planned functions for DMFAS 7:
- Facilitating imports of data such as exchange rates from other systems and platforms including Bloomberg and Reuters;
  - Optimized processing time for reports;
  - Dashboard with alert on actions to be taken by the DMFAS user;
  - Coverage of contingent liabilities;
  - New instruments such as derivatives;
  - Inclusion of loans to other countries, facilitating the calculation of net debt;
  - Market value;
  - Strengthened audit functions;

- Secondary market;
- World Bank Form 4;
- World Bank statistical reports: QEDS, QPSD.

32. Welcomes the following functions planned as essential for ensuring debt data transparency:
- Improved recording and monitoring of contingent liabilities;
  - Extended debt instruments coverage & facilities;
  - Expanded public institutional coverage;
  - Enhanced reporting with templates for Public Sector debt statistics;
  - New facilities such as electronic templates and forms for data sharing and collection between institutions including for Private Non-Guaranteed External Debt, enabling analysis of that debt.
33. Requests that UNCTAD involves government auditors in the design of specific functionalities to support internal audits.

*DMFAS 6*

34. Appreciates the enhancements to DMFAS 6 and in particular the link with MTDS and the calculation of nominal value in accordance with international debt statistics standards.
35. Requests UNCTAD to integrate any urgent new functionalities into DMFAS 6 if such functionality is needed before the release of DMFAS 7, to the extent possible.

*Debt Data Quality Framework (Debt-DQA)*

36. Welcomes the new Debt-DQA framework as a valuable addition to the tools available to debt managers for improving the quality of debt data.
37. Requests UNCTAD to integrate the automatic application of Debt-DQA in the DMFAS system as soon as possible.
38. Recommends that UNCTAD provides capacity building opportunities in Debt-DQA to all DMFAS user countries.

*Capacity Development*

39. Welcomes the following planned capacity building modules in contingent liabilities including PPPs, and nominal value and calculation for accrual accounting in conformity with IPSAS.
40. Emphasises the needs for countries to receive technical assistance to improve capacities for data validation, debt portfolio analysis and data preparation for MTDS.
41. Welcomes the addition of the new capacity building module on procedure manuals.
42. Highlights the need for DMFAS to provide debt management training for auditors.
43. Recommends that UNCTAD facilitates the provision of training outside formal technical assistance projects, for example through training courses at a regional level and/or in collaboration with other providers.

*Monitoring and evaluation*

44. Requests the Programme to organize in 2022 the mid-term independent external evaluation foreseen in the strategic plan and encourages all stakeholders to participate fully in the evaluation.
45. Asks that the Programme report back to the Advisory Group at its next meeting in 2021 on progress in implementing the new strategic plan.
46. Appreciates the results-based-management approach incorporated into the new Strategic Plan, including the well-defined and measurable expected results in the Logical Framework.

*Communication/Website*

47. Appreciates the improvements made to the DMFAS Website Portal, including regular updates, the availability in French and the addition of self-learning material and information on new learning modules, and requests the Programme to continue to make learning materials available on this medium.
48. Communicates its satisfaction with the Programme's successful efforts to make the Newsletter available in English, French and Spanish and requests UNCTAD to provide it in other user languages.
49. Requests UNCTAD to establish a common platform for DMFAS users to share experiences in the use of DMFAS and debt management in general.

***Support/Quality of services***

50. Reiterates its recommendation that the Programme provides as many services as possible in the different languages of the DMFAS user community, including documentation, release notes, help desk, workshops, website, and training materials.
51. Requests that responses to help desk queries be delivered as quickly as possible.
52. Recommends that UNCTAD seeks to establish a reserve fund for urgent training activities in between and post projects and considers including a contribution to this fund in future projects.

***Cooperation and partnership***

53. Emphasises the importance for the Programme to continue cooperation with other providers of technical assistance, including the Debt management Facility, in line with its comparative advantages and in complementarity, as described in the plan.

***Business Model and Financing***

54. Reiterates the Programme's 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 transparency and debt sustainability as defined in the 2030 Agenda for Sustainable Development.
55. Stresses the importance of the Programme obtaining the funding necessary to enable it to fully implement its Strategic Plan 2020–2023 and to continue to respond effectively to the many and evolving demands of developing and transition countries for assistance in building sustainable capacity for the effective management of their public debt.
56. Conveys its appreciation for the donor communities financial support to the DMFAS Programme and encourages donors to continue their support and requests that the Programme continue its efforts to expand its donor base.
57. Expresses its appreciation for the participation of beneficiary countries in the funding of the Programme through the cost-sharing arrangements and requests all countries to make their annual maintenance fee payments in a timely manner and for UNCTAD to provide timely invoices.
58. Reiterates the need to ensure that the capacity of the poorest countries and of the ability of all DMFAS-user countries to pay is reflected in the implementation of these new cost-sharing arrangements.
59. Recommends that a financial mechanism be established to assist the poorest countries to upgrade to DMFAS 7, therefore facilitating faster upgrading.
60. Repeats its appreciation of the commitment of current donors to work together with the DMFAS Programme to promote a coordinated approach by the international community to the financing of downstream activities such as those undertaken by the Programme, highlighting the critical importance of these activities for achieving the SDGs.



**DMFAS PROGRAMME**

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