



**MFAS**  
Programme



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**2016**



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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Debt Management and Financial Analysis System  
Programme  
Annual Report 2016



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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 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 include Germany, Ireland, the Netherlands, Norway and Switzerland.

**Debt Management and Financial Analysis System Programme  
Annual Report 2016**

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## EXECUTIVE SUMMARY

This annual report describes the activities, achievements and financial situation of the DMFAS Programme of the United Nations Conference on Trade and Development (UNCTAD) in 2016 and provides an overview of the implementation of the Programme's 2016–2019 strategic plan. It is intended for the Programme's donors, its development partners and its beneficiary countries, and for all others interested in debt and development issues.

Since its inception, in synergy with UNCTAD policy, research and analytical work on debt issues, the Programme has provided country assistance to 107 institutions in 69 developing countries.

The development status of DMFAS clients is as follows: 21 least developed countries, 16 landlocked developing countries and 3 small island developing States. Currently, 38 DMFAS country clients have either low-income or lower middle-income development status. Additionally, half of all countries with heavily indebted poor country (HIPC) status received DMFAS support.

The focus of the Programme's 2016–2019 strategic plan is on the delivery of debt management assistance in its areas of comparative advantage (the downstream activities) at the country level, including in some cases working at the subnational and regional levels. Its overall objective is to help countries to manage their debt effectively and sustainably in support of poverty reduction, development and good governance.

Under the first objective, that focus countries have improved “the technical and functional capacity of debt management offices to record, process, monitor, report and analyse public debt”, the Programme focused in 2016 on providing direct solutions to the debt management needs of developing countries. To meet Objective 2 “Improve the capacity of the the DMFAS Programme to deliver effective, efficient and sustainable responses to country needs”, the Programme concentrated on meeting internal challenges to deliver the solutions of the first objective, such as strengthening the portfolio of public goods it provides, its methods of delivery of those goods and services, and the sustainability and predictability of its financing.

The UNCTAD DMFAS Programme, in support of good governance and poverty reduction, offers developing countries a set of proven solutions to improve their capacity to manage public debt and consequently public resources.

As a leading provider of technical cooperation and advisory services in debt management, it strengthens the capacity of countries to handle the day-to-day management of public liabilities and produce reliable debt data for policymaking purposes.

The Programme works in close cooperation with other international bodies, such as the World Bank, the International Monetary Fund and regional institutions, to enhance coordination and avoid duplication.



The downstream activities relate to functions most commonly associated with back and middle debt management offices, considered the foundations for effective debt management. They include the maintenance of debt databases, debt data validation, debt operations, internal and external debt reporting, debt statistics and basic debt analysis, and building system links between debt management and other financial software. They complement more upstream activities such as medium-term debt strategy and debt sustainability analysis undertaken by other providers such as the World Bank and the International Monetary Fund (IMF). Additionally, the Programme is increasingly helping countries to establish links between the DMFAS and other governmental software (for example, software used for budgeting, cash management and aid management) or within complex integrated financial management systems as part of the overall public financial management efforts of countries.

2016 is the first year of implementation of the new strategic plan. For DMFAS client countries, concrete and sustainable results in 2016 include improved external and domestic debt data recording, enhanced reporting and improved debt analysis capacities in line with the recording and reporting components of the Public Financial Management (PFM) value chain as defined under the Public Expenditure and Financial Accountability (PEFA) Programme.

The DMFAS Programme continued to pay particular attention to helping countries produce clearly identifiable outputs through well-designed technical assistance projects. Key outcomes from the DMFAS technical and functional missions were DMFAS installations/upgrades, the creation of links with other systems and debt officials being trained in DMFAS use. In 2016, outputs from the capacity-building activities included the drafting of two debt portfolio reviews, eight data validation calendars and one procedures manual.

The majority of DMFAS clients use the DMFAS software for day-to-day debt operations and for producing internal managerial reports. In 2016, 35 countries regularly published official statistical bulletins, and 24 countries produced a debt portfolio report at least once during the year.

Also, as a result of the Programme's assistance in helping countries in their reporting requirements, 98 per cent of DMFAS client countries with low or middle income level effectively reported to the World Bank's Debtor Reporting System. Of these, 80 per cent are reporting to a good quality standard. In 2016, 65 per cent of DMFAS clients were participating in the quarterly external debt statistics database (QEDS) of the IMF and World Bank (37 countries; of which 89 per cent timely providing data).

The web-enabled DMFAS 6 software caters to the evolving institutional and operational needs of debt management offices and their changing debt portfolios. In January and December 2016, the Programme released DMFAS 6.1.1 and 6.1.2, containing a large number of enhancements and new functionalities. Nineteen countries had linked the DMFAS to other government financial systems. Progress has also been made in developing the link to the Medium-Term Debt Strategy (MTDS) tool, and to debt portfolio review and debt sustainability analysis reports. The Programme continued to work closely with its clients, learning where the new DMFAS 6 software could be strengthened and refined, as well as assisting with any difficulties. In addition, the Programme initiated the analysis of the needs and requirements for the next major version, DMFAS 7.

In line with its strategy, the Programme focused on finalizing three new learning products on the basics of government securities market and financial calculations, basic debt concepts for DMFAS users and on debt reorganization.

Active cooperation between the Programme and other technical assistance providers in public debt management included contributions to the implementation of the second phase of the Debt Management Facility (DMF) and participation in four DMF missions. DMFAS also continued collaboration with the Inter-agency Task Force on Finance Statistics (TFFS). In 2016, the Programme participated in eight events organized by other technical assistance providers, including IMF and the World Bank. The Programme also continued to regularly share the DMFAS Programme's mission calendar with other technical assistance providers to enhance overall mission coordination in countries. Building on the recommendations of the DMFAS business model review conducted in 2015, the Programme and the Commonwealth Secretariat have started to collaborate on the development of a data quality framework to assess country databases.

As part of its efforts to strengthen monitoring of results, the Programme aligned its result-based management framework at Programme and project levels with the new framework introduced by UNCTAD.

In 2016, the number of donors to the Programme was stable compared to the previous year and included Germany, Ireland, the Netherlands, Norway and Switzerland. The Programme continued its fundraising effort to secure commitments from past, current and new donors for funding the implementation of its new strategic plan for 2016–2019.

The DMFAS Advisory Group has repeatedly stressed the importance of the Programme obtaining the funding necessary to enable it to continue to respond effectively to the evolving demands of developing countries and countries with economies in transition.

The continued high level of participation by DMFAS beneficiary countries in the Programme's cost-sharing mechanism is a good indicator of the Programme's importance to countries. This indicator is reinforced by the increasing number of middle-income countries that are fully financing their national projects.

Finally, continued relevance of the DMFAS Programme's work was highlighted again by UN member States by extending UNCTAD's mandate on debt management related technical assistance and policy research in the Nairobi Maafikinao adopted during the fourteenth session of the Conference (UNCTAD XIV) that took place in July 2016.

Overall, 2016, despite some challenges that need to be addressed in the following year, was a very good start for the implementation of the 2016–2019 strategic plan.

## ACHIEVEMENTS IN FIGURES

In 2016, the DMFAS Programme supported:

- 86 DMFAS-user institutions in 57 client countries.
- 21 active national projects.

Thanks to DMFAS technical assistance support, the following results were achieved by DMFAS client countries in 2016:

### *Improved debt coverage*

- 82 per cent had comprehensive and reliable debt databases in respect of external government and government-guaranteed debt.
- 62 per cent of DMFAS 6 user institutions responsible for domestic debt were using DMFAS to capture it.
- 15 central banks monitor private external debt using DMFAS.

### *Improved transparency and debt reporting*

- 98 per cent of low or middle-income countries reported to the Debtor Reporting System of the World Bank.
- 65 per cent were participating in the IMF–World Bank quarterly external debt statistics database (QEDS).
- 42 per cent were participating in the Quarterly Public Sector Debt Statistics database (QPSD).
- 8 drafted or revised data validation calendars.
- 35 regularly produce statistical bulletins on debt.

### *Improved operational risk management*

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

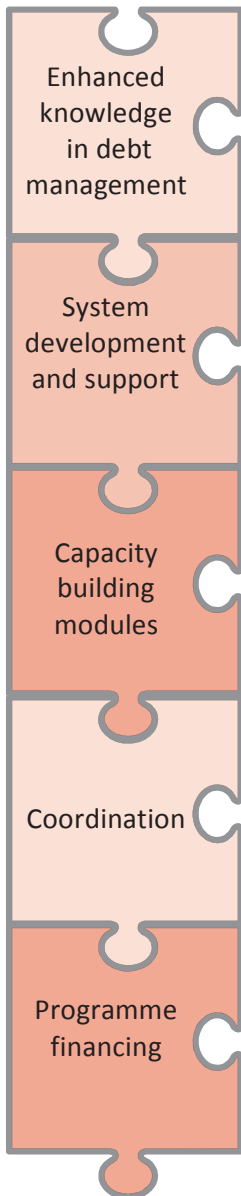
### *Facilitated debt analysis*

- 24 regularly produce a debt portfolio analysis.
- 46 use DMFAS data for MTDS where MTDS is done.

### *Strengthened integration with PFM*

- 19 had linked the DMFAS database with other integrated systems.





The DMFAS Programme, in line with the strategic plan achieved the following results in 2016:

*Enhanced knowledge in debt management*

- 751 officers trained from 24 countries during the year.

*System Development and support*

- DMFAS 7: analysis of needs and requirements undertaken.
- DMFAS 6 developments:
  - 2 DMFAS 6 releases
  - 8 DMFAS 6 installations
  - 70 per cent of DMFAS countries and 56 per cent of user institutions are using DMFAS 6.
- DMFAS help desk received 615 requests and answered 462 of them.

*Improved cooperation with other providers*

- Participation in 8 partner events.
- Participation in 4 Debt Management Facility missions.

*Programme financing*

- 5 donors to the DMFAS central trust fund.
- 87 per cent of DMFAS institutions have signed a maintenance agreement.

## ABOUT THE DMFAS PROGRAMME

Effective debt management is an intrinsic part of sound public financial management and overall good governance. Active public debt management is also an important tool for ensuring that countries maintain sustainable levels of debt, in pursuit of their broader development objectives.

Nevertheless, debt management remains a challenge for most developing countries. In order to attain sustainable debt levels and to use debt instruments as an efficient tool for development, prudent debt management and the availability of reliable and timely debt data are essential. Many Governments lack the appropriate institutional, human and technical capacity for handling public resources and liabilities more effectively. The DMFAS Programme helps countries to build that capacity.

The availability of reliable and timely debt data is essential for prudent risk analysis and the elaboration of government strategies aimed at ensuring sustainable debt levels.

It is recognized through the Sustainable Development Goals and Millennium Development Goals that building and retaining strong national capacity in the area of debt management is essential in the fight to reduce poverty.

The overall objective of the DMFAS Programme is to strengthen the capacity of developing countries and countries with economies in transition to manage their debt in an effective and sustainable way, in support of poverty reduction, development and good governance.

The Programme's objective is supported by numerous United Nations General Assembly resolutions on debt and development, the Addis Ababa Action Agenda, the Nairobi Maafikiano and Azimio, the Doha Mandate, the Accra Accord, the Monterrey Consensus, the Sustainable Development Goals and other internationally agreed development goals.

The Nairobi Maafikiano adopted during UNCTAD XIV reaffirms, inter alia, the importance of the DMFAS Programme's role in supporting effective debt management. The Nairobi Maafikiano states that UNCTAD should "Continue its analytical and policy work and technical assistance on debt issues, including the Debt Management and Financial Analysis System Programme, [...] complementing the work done by the World Bank and the International Monetary Fund and other stakeholders, as appropriate" (paragraph 38(h)). See annex 9 for a summary of United Nations and international mandates relevant to the work of the Programme.

**Helping developing countries to strengthen their debt management capacity...**

**... in the context of United Nations resolutions and international global initiatives**

**Long experience in assisting countries**

The Programme has been successful in helping Governments improve their capacity to manage debt since the early 1980s. It has thus far supported 69 countries and 107 institutions. As the debt situation of developing countries has evolved over the past three decades, the DMFAS Programme has adapted its technical assistance to the changing debt-management needs of countries. The vast majority of these countries – 57 in total – are active DMFAS clients.

The DMFAS Programme is now a leading world provider of technical cooperation and advisory services in the area of capacity-building in debt management. It is also a concrete example of how a United Nations programme and the donor community can build capacity at the country level, in support of good governance, development and poverty reduction.

**A set of proven solutions for improving debt-management capacity**

The DMFAS Programme offers countries a set of proven solutions for improving their capacity to handle the management of public liabilities and the production of reliable debt data for policymaking purposes. This includes its specialized debt-management software – the DMFAS software – which greatly facilitates the work of the debt office, as well as advisory services and training activities in debt management.

The capacity-building solutions that DMFAS provides are as follows:

- Provision of specialized debt-management and financial analysis software (the DMFAS software), which is designed to meet the operational, statistical and analytical needs of debt managers and bodies involved in elaborating public debt strategies. This includes training in the use of the software;
- Advisory services, including needs assessments and advice on technical, administrative, legal and institutional debt-management issues. This includes assistance in software installation and maintenance;
- Capacity-building in debt-management skills through the Programme's modules on debt-data validation, statistics and debt analysis.

**DMFAS software**

The Programme's core product is its DMFAS software, which can be used for the purposes of recording, monitoring and analysing debt information.

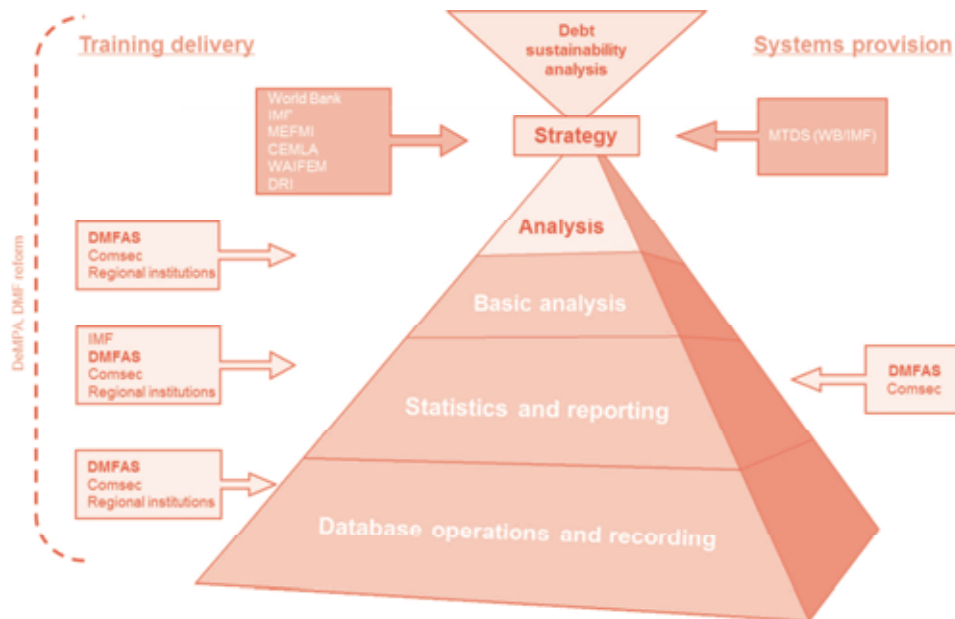
Usually installed in a country's finance ministry and/or central bank, the DMFAS software supports the management of both external and domestic public debt (loans and debt securities), whether this be short-, medium- or long-term debt. It can also be used for private debt, grants and on-lent loans.

The products and services offered by the DMFAS Programme are continuously updated in line with countries' new requirements and in accordance with best practices in debt management.

The Programme's approach to capacity-building in debt management is based on the DMFAS capacity-building pyramid, as described in figure 1.

**Capacity-building approach**

**Figure 1. DMFAS Programme capacity-building framework and main actors providing technical assistance in debt management**



Capacity-building in debt management must take a holistic approach, as presented in the pyramid. To formulate effective debt strategies, it is necessary to first build a comprehensive debt database, in order to then be able to produce reliable reports and statistics, after which the relevant analysis can be carried out. These three layers are the building blocks towards strategy and policymaking, and they must be supported by the appropriate systems, structure and staffing.

Capacity-building takes place at different levels, and no single institution can adequately provide support in all areas. Figure 1 also shows where the DMFAS Programme fits into this international capacity-building framework, based on its comparative advantages.



The DMFAS Programme is one of the principal providers of downstream activities, which include the maintenance of debt databases, debt-data validation, day-to-day debt transactions, reporting, debt statistics and basic debt analysis. Consequently, assistance includes the implementation of debt-management software and the provision of related training and ongoing support.

**Providing technical assistance through the implementation of country projects**

The Programme's capacity-building activities aim to support countries by strengthening their capacities to generate high quality debt information and produce meaningful statistical and analytical reports on public debt in a sustainable, consistent and periodic manner. Its technical assistance to countries is mostly channeled through the implementation of country projects, which are managed by project managers. Where possible, the DMFAS software and its related services are provided in any of the following five languages: Arabic, English, French, Russian and Spanish.

DMFAS country projects encompass the wide range of products and services provided by the Programme. Activities include installation of the DMFAS software and training in its use, assistance in database creation, data validation, statistical reporting and support for debt analysis. Many projects also assist Governments in the development of appropriate legal, administrative, technical and organizational environments in support of debt management. Additionally, they may cover assistance in establishing appropriate communication and information flows, or in linking the debt database to different information systems such as payment, budgeting, treasury and accounting systems or to an integrated financial management information system. The Programme also organizes country participation in national and regional workshops, as well as study tours and international meetings.

The length of each individual country project will vary, depending on the number of activities involved and the funding available. It is important to emphasize that the Programme's technical cooperation with each country does not stop with the completion of each project. The Programme provides an ongoing support service beyond project activities which includes the provision of system updates and enhancements to keep pace with the rapid developments in international financial practices and information technology, as well as documentation, the help desk and other services.

**DMFAS strategic plan**

The DMFAS Programme normally follows four-year strategic plans, based on a performance framework that clearly states the outputs, activities and indicators of achievement for each of the Programme's objectives. The current strategic plan was built using the conclusions and recommendations of the 2013 midterm review, positive results and lessons learned from the 2011–2015 strategic plan, the changing needs of DMFAS beneficiary countries and the

experience accumulated by the Programme over 30 years. The 2016–2019 plan focuses on the Programme's comparative advantages in relation to other providers of technical assistance, particularly in the area of operational debt management, from debt data recording and statistical reporting up through basic debt analysis.

The Programme is largely funded thanks to the generous support of bilateral donors. Since 2000, these have included the European Union, France, Germany, Ireland, Italy, the Netherlands, Norway, Sweden and Switzerland.

## Funding

Support is also provided by beneficiaries through a cost-sharing mechanism and by the regular budget of UNCTAD.

**The Nairobi Maafikiano, which is the outcome document\* from the fourteenth session of the United Nations Conference on Trade and Development (UNCTAD XIV), in July 2016, states that UNCTAD should:**

Paragraph 38 (h): "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): "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"

\* UNCTAD (2016), Nairobi Maafikiano, TD/519/Add.2, September 2016

## PROGRESS IN IMPLEMENTING STRATEGIC PLAN

### 1. Overview of the 2016–2019 Strategic Plan

**A new 4-year strategic plan**

The new four-year strategic plan for the DMFAS Programme, began implementation in January 2016. It establishes a forward looking programme for the DMFAS Programme to continue to deliver high quality, very relevant assistance to developing countries in response to their debt management needs over a period of four years. Coinciding with the launch of the post-2015 development agenda and sustainable development goals (SDGs) and increased focus by the international community on debt, the plan defines how the Programme will support countries to achieve good debt management. The strategic plan was endorsed by the 10th meeting of the DMFAS Advisory Group in November 2015. Its overall objective is to strengthen Governments' capacity to manage their debt effectively and sustainably, in support of poverty reduction, development and good governance.

**Two immediate objectives**

In line with the overall objective and the Programme's comparative advantages, the plan concentrates on two main areas: improving the technical and functional capacity of debt management offices to record, process, monitor, report and analyse the country's public debt (immediate objective 1); and improving the capacity of the Programme to deliver effective, efficient and sustainable responses to country needs (immediate objective 2). The logical framework for the strategic plan for 2016–2019 includes performance indicators that will be measured throughout the implementation of the strategic plan. Baseline statistics were defined in order to set benchmarks, through questionnaires and surveys with client institutions.

**Includes performance indicators**

The first objective concentrates on providing concrete solutions to the problems faced by developing countries in debt management.

#### **Objective 1:**

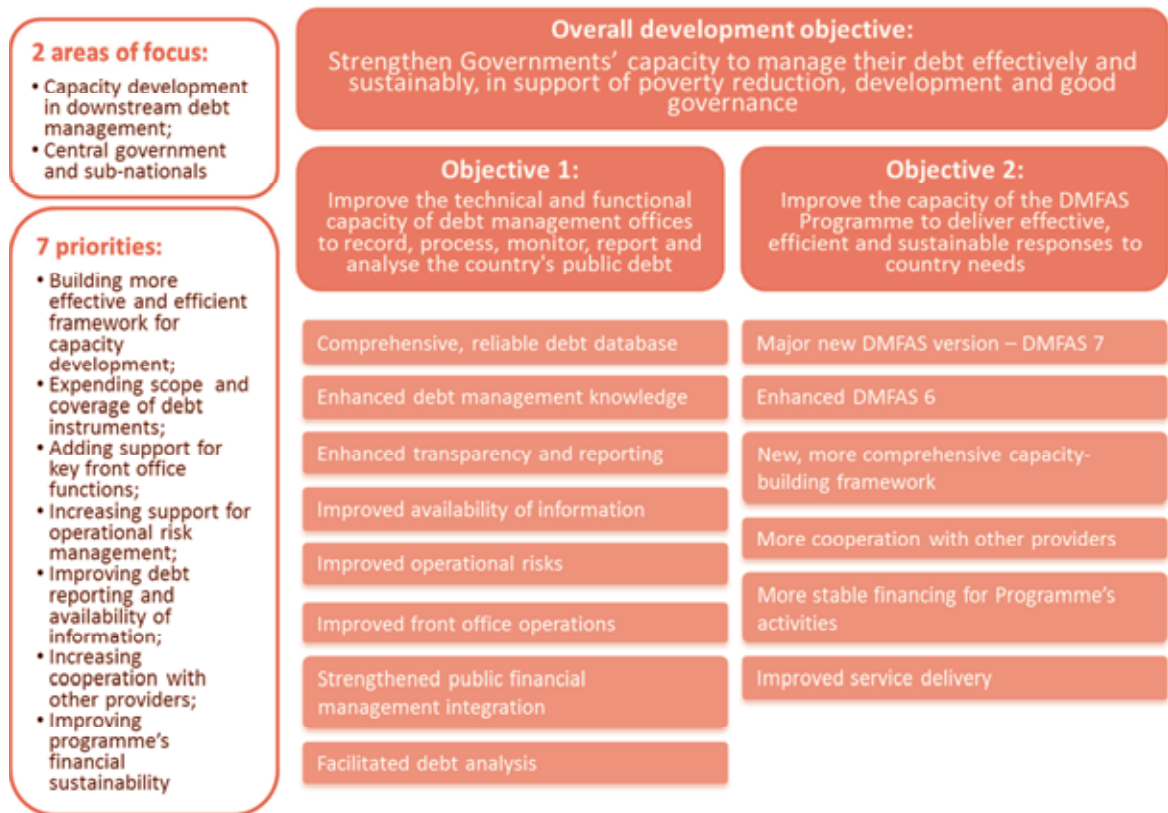
Improve the technical and functional capacity of debt management offices to record, process, monitor, report and analyse the country's public debt

The second objective focuses on improving its internal functioning to improve its capacity to deliver the results expected under immediate objective 1. Under this objective, the Programme focuses on meeting internal challenges that it faces in delivering the solutions of the first objective.

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

Figure 2 shows an overview of the focus of the strategic plan, its overall objective, its two immediate objectives as well as the seven priorities for the period 2016–2019.

**Figure 2. Overview of DMFAS strategic plan 2016–2019**



## 2. Key results achieved at the end of 2016

Annex 1 provides a summary table of the objectives and expected results, as well as achievements in 2016.

Below is the list of expected results for immediate objective 1, with a description of progress made in 2016 to achieve them:

57 user countries -  
86 user institutions

Comprehensive  
debt databases

Qualitative debt  
reporting

DMFAS linked in 19  
countries

- **Government information systems established for effectively managing complete, up-to-date and reliable debt databases.** In 2016, one new country and one new user institution compared to the beginning of Strategic Plan, namely of the Ministry of Finance of Uzbekistan, adopted DMFAS 6, bringing to 57 countries and 86 institutions that actively use DMFAS. As a measure of the progress countries have made in debt recording assisted by DMFAS, 82 per cent of countries have developed comprehensive, reliable debt databases in respect of government and government-guaranteed external debt. Sixty-two 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. Fifteen central banks were monitoring private external debt using DMFAS.
- **Enhanced knowledge of debt management procedures and best practices.** During the period, a total of 751 officers (373 men and 378 women), from 24 countries benefited from DMFAS training activities.
- **Enhanced transparency through effective debt reporting and improved accessibility/availability of debt information.** With regard to reporting, 98 per cent of low or middle-income DMFAS user countries were reporting effectively to the World Bank Debtor Reporting System (only one country not reporting), and 65 per cent of DMFAS user countries participate in the quarterly external debt statistics database (35 countries out of 57). Eighty-nine percent of the DMFAS user countries that subscribed to the Quarterly External Debt Statistics (QEDS) effectively reported for quarter 3 in 2016. Finally, 42 per cent of DMFAS countries subscribed to the Quarterly Public Sector Debt database (QPSD), of which all reported on time except one.
- **Improved operational risk management.** At the end 2016, 26 countries had procedures manuals up-to-date. Fifteen DMFAS user countries had a disaster recovery plan for the DMFAS system.
- **Strengthened integration of debt management within Public Finance Management (PFM).** Nineteen countries had linked the DMFAS database to other information system, of which 13 with

treasury systems. In addition, three countries had developed links with their auctions platforms.

- **Facilitated debt analysis.** At the end of the period, 24 countries were regularly publishing a debt portfolio review. Furthermore, DMFAS data was used for preparing a medium term debt strategy (MTDS) in all DMFAS user countries where MTDS is done.

Below is the list of expected results for immediate objective 2, with a description of progress made in 2016 to achieve them:

- **Major new DMFAS version developed - DMFAS 7.** The analysis of needs and requirements for DMFAS 7 was initiated.
- **DMFAS 6 enhanced.** At the end of 2016, DMFAS 6 was installed in 40 countries and 48 institutions representing 55% of DMFAS user institutions and 70% of DMFAS countries. During the year, eight additional institutions in seven countries adopted this version. Two releases of DMFAS 6 were distributed to client countries.
- **New, more comprehensive capacity-development framework.** The capacity-building modules developed by the Programme and delivered through in-country and regional training courses yielded tangible results. In 2016, three debt portfolio analysis workshops resulted in the production of draft debt portfolio analysis reports. In addition, ten data validation workshops resulted in the production or the update of a data validation calendar. Finally, one capacity-building workshop resulted in the refinement of draft procedures manual and one debt sustainability analysis workshop for market access countries in cooperation with the International Monetary Fund resulted in the production of a draft report.

In line with its strategy, the Programme is finalizing three new learning products; the basics of government securities market and financials calculations, basic debt concepts for DMFAS users and debt reorganization. The new learning approach is aimed at answering the needs of users for personalized training, making learning material accessible when and where it is needed.

- **More cooperation with other providers:** The strategic plan placed considerable importance on coordination with other stakeholders (see figure 1), and the Programme continued to pursue this objective. By increasing its coordination with other providers, DMFAS has adopted a policy of avoiding duplication, sharing best practices and maximizing support to other providers. A key result has been the alignment of the Programme's work within its areas of competitive advantage. This was fully achieved by redefining the Programme's scope within the debt

**DMFAS 6 enhanced**

**Comprehensive capacity-development framework**

**Strong cooperation with other providers**

management capacity-building pyramid model (see figure 1) to cover debt recording, operations, statistics and basic analysis layers, also referred to as downstream activities. All Programme activities during the period conformed to these areas of comparative advantage. Cooperation involved providing support to the activities of other providers in the upper layers of the debt management pyramid model in figure 1, i.e. risk analysis, debt strategy and debt sustainability analysis.

In avoiding duplication, the Programme's initiative of systematically sharing its mission calendar with other providers continued to be very useful. In 2016, cooperation with other providers involved participation as resource persons in eight joint events organized by international and regional partners. For example, it participated in the Asian Regional Public Debt Management Forum, in the annual meeting of the Latin American and the Caribbean Debt Group, and in activities on public debt statistics organized by the IMF.

In sharing best practices and providing active support for new international initiatives that improve coordination, the Programme was involved with other organizations in a number of areas. It continued its active contribution to the Task Force on Finance Statistics and participated in the annual Task Force meeting in Washington D.C., during which the Country Engagement Group was created. The Programme continued to be an important implementing partner of the second phase of the Debt Management Facility led by the World Bank. In 2016, the Programme participated in two debt management performance assessment (DeMPA) missions in Mongolia and Togo and two medium-term debt strategy missions (MTDS) in Togo and Zambia.

#### Improved service delivery

- **Improved service delivery:** The Programme provided effective support to user countries through its Helpdesk, which responded to 462 requests during the reporting period. It supplied country technical assistance, namely delivering 87 capacity-building workshops and other activities during the reporting period. At the end of 2016, the Programme actively managed 21 technical assistance projects and signed one new project and five addenda to existing projects.

In line with the strategic plan 2016–2019, the Programme continues to explore options towards the creation of two new regional centres in Africa, including a proposal to create an office in Zimbabwe jointly with MEFMI. However, funding was as yet insufficient to enable the Programme to make progress in this area.

In its efforts to further improve its efficiency and effectiveness, the Programme aligned its results-based management framework with the new framework introduced by UNCTAD, further strengthening its practices in this area.

- **More stable financing for Programme activities.** With respect to the Programme's financing, the following three mechanisms have been designed to ensure efficient cost sharing and to cover part of the running costs of the Programme: maintenance fees, development fees and project management cost recovery. The maintenance fees for DMFAS 6 has been adjusted to the income levels of client countries based on the World Bank income group classification, better reflecting the abilities of countries to share costs. This graduated maintenance fee policy was recommended by the DMFAS Advisory Group in 2009. In 2016, in line with the objective of the strategic plan, all new DMFAS 6 project documents included a maintenance agreement with the new graduated annual fees. Project management cost sharing is a standard mechanism in technical cooperation programmes and will continue to be systematically included in all project proposals in the coming years. Projects will fully cover the cost of resources used to implement them.

**More stable  
financing for  
programme activities**

### **3. Activities implemented in 2016**

This section describes the status of the Programme's capacity-building activities at the country project level at the end of 2016. It also describes how capacity-building is provided by means of relevant training activities, and summarizes the implementation and operational status of DMFAS in the countries during the reporting period.

#### **3.1 Country project activities**

In line with the priorities of the Programme in 2016 in delivering its services, it implemented its work plan as follows:

***Respond to increasing demands from DMFAS clients.*** In response to the increase in requests from user countries for the Programme's products and services, the DMFAS Programme signed a new project agreement with one country (Central African Republic), and signed five addenda to existing projects (Angola, Honduras, Indonesia, the Philippines and Venezuela). In addition, the Programme signed a memorandum of understanding with the Ministry of Finance of Morocco to establish a cooperation partnership between the two institutions.

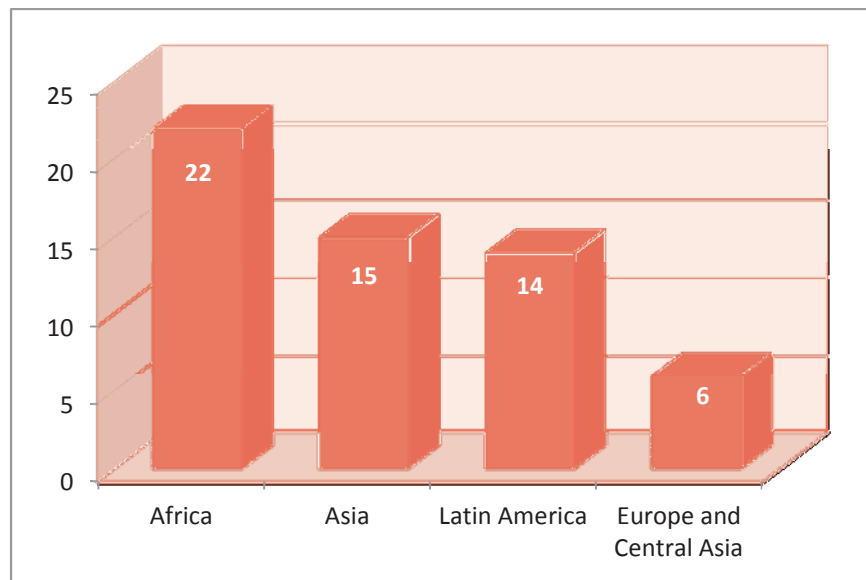
**Operational status of  
DMFAS in countries**



83% of client countries supported by DMFAS are still active users

Since its inception in 1981, the Programme has provided technical assistance to 69 countries and 107 institutions. The vast majority of these countries – 57 in total – are active DMFAS clients. It represents a fidelity rate for countries of 83 per cent over 30 years, showing the continued relevance of the system to developing countries. Figure 3 shows the geographical breakdown of active countries.

**Figure 3. Geographical distribution of active DMFAS users, 2016**



***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 4 provides a breakdown of the countries that were using DMFAS at the end 2016. As is shown, the vast majority of DMFAS clients belongs to the low-income and lower middle-income category. See annex 4 for a breakdown by country.

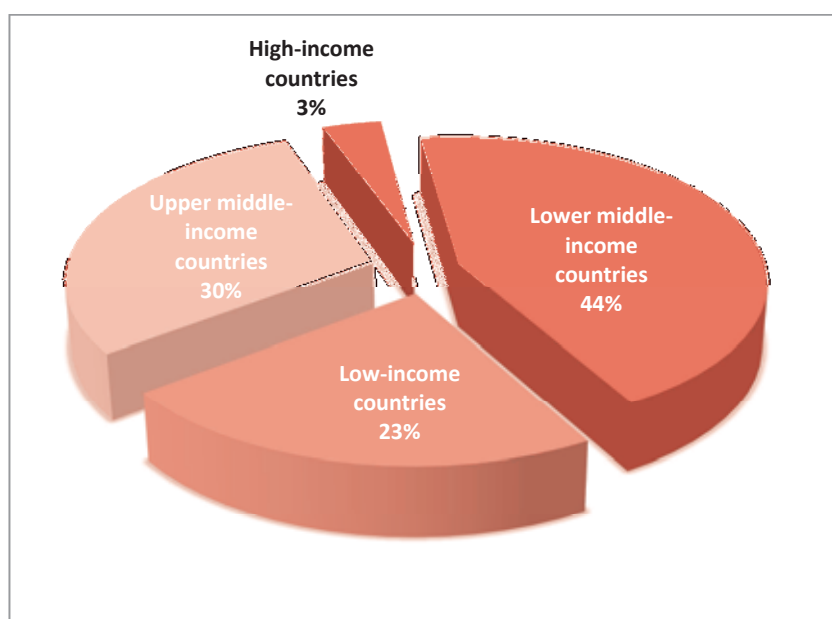
Countries needs vary with the level of development

DMFAS projects must take into account the different situations that countries find themselves in and their income status. One example of a major difficulty still facing many low-income countries is the capacity to recruit and retain qualified staff. This difficulty is manifested in a need for repeated training in the fundamentals of debt management, including debt recording and the introduction of appropriate information flows on debt data. Achieving and maintaining level one of the DMFAS pyramid (the creation of an updated and validated debt database, as illustrated in figure 1) is therefore a major

challenge in itself. Middle-income countries are usually stronger at the lower levels of the pyramid, and are therefore more concerned with receiving technical assistance from the Programme to improve their capacity at the higher strata of the pyramid (statistics, reporting and basic debt analysis).

The Programme continued to pay particular attention to the needs of heavily indebted poor countries. Of the 39 countries eligible for debt relief under the HIPC initiative, 20 were DMFAS clients. DMFAS assistance in helping countries build comprehensive debt databases actively contributed to their ability to reach completion point, as having a debt management software was one of the triggers for arriving at completion point.

**Figure 4. Active users of DMFAS by income group, 2016**



Two trends in debt management have shaped the range of services of the DMFAS Programme: the growing importance of domestic financing, and the need to integrate DMFAS into the larger financial or public finance management system. First, capacity-building in domestic debt management is increasingly being included in DMFAS projects. Significant improvements in the ability of DMFAS to manage domestic debt are included in DMFAS 6. Second, linking debt management to general financial management as well as aid management has become essential. The main focus of the Programme with regard to these interfaces is to provide technical assistance in designing, building and maintaining the relevant links.

### 3.2 Training activities and capacity-building modules

Table 1 provides a breakdown of how DMFAS capacity-building activities were distributed by region in 2016. Altogether, the Programme organized or co-organized 87 capacity-building events, including on-the-job training, national and regional workshops, study tours and interregional seminars, as well as needs assessments and project evaluation missions.

**Table 1. Regional distribution of DMFAS capacity-building and other activities, 2016**

	EAST ASIA AND THE PACIFIC	EUROPE AND CENTRAL ASIA	LATIN AMERICA AND THE CARIBBEAN	MIDDLE EAST AND NORTH AFRICA	NORTH AMERICA	SOUTH ASIA	SUB- SAHARAN AFRICA	TOTAL
DMFAS functional training	3	7	4	2			4	20
Information and communications technology : installations/ training/ links	4	8	5				5	22
Capacity-building in data validation, debt statistics, debt portfolio analysis and other capacity-building workshops	3	5	1	1			5	15
MTDS, DeMPA and reform plan Needs assessments	1						3	4 0
Project management	1	2		2			2	7
Partner coordination		2	1		3		2	8
Other, study tours and training of trainers	4	1		1			5	11
<b>TOTAL</b>	<b>16</b>	<b>25</b>	<b>11</b>	<b>6</b>	<b>3</b>	<b>0</b>	<b>26</b>	<b>87</b>

Of these, 20 were related to DMFAS functional training and another 22 to DMFAS 6 installations, technical training and the development of links with integrated financial management systems. Demand for the capacity-building modules continued to be high. Fifteen training events were organized on advanced capacity-building in debt portfolio analysis, debt statistics, data validation and procedures manuals. They comprised seven data validation workshops in Albania, Angola, Côte d'Ivoire, the Islamic Republic of Iran, the Philippines, the Republic of Moldova and Uzbekistan and three follow-up workshop in Albania, Gabon and the Bolivarian Republic of Venezuela; three workshops on debt portfolio review in Angola, Côte d'Ivoire and Indonesia; one capacity-building workshop on the elaboration of procedures manuals in

the Republic of Moldova; and one market access debt sustainability analysis workshop in Indonesia in collaboration with the International Monetary Fund.

DMFAS missions are carried out by consultants and/or central staff. With the aims 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. Advisers can be fielded for longer periods for certain projects to provide continued on-site support and debt management advisory services.

### **DMFAS capacity-building approach**

As described in the strategic plan 2016–2019, the strategy is to focus on supporting countries in their efforts to develop sustainable capacity in the downstream area of debt management, that is: debt recording, debt data validation, debt operations, debt reporting and statistics and debt portfolio analysis. Hence, the Programme places emphasis on the results of capacity-building, using more objectively verifiable indicators. This is reflected in the focus on outputs at the end the capacity-building workshops. The production of these outputs is made possible through the delivery of workshops, as the initial activity, followed by support provided directly from UNCTAD headquarters or through missions. Assistance is also extended to ensure that the products are sustainable. They are complementary to the activities of other international organizations at more advanced levels of debt analysis and debt strategy.

**Focus on concrete results and outputs**

The outputs of the DMFAS capacity-building modules correspond to the different layers of the Programme’s pyramid-based capacity-building framework and also build upon each other (see Figure 1). Based on the validated database resulting from a validation workshop, for example, a debt statistics workshop can be conducted, resulting in the drafting of a comprehensive and relevant statistical bulletin. Sound and comprehensive data sets and relevant debt statistics data can be then analysed during a debt portfolio analysis workshop, which is the first step in debt analysis. The output of this capacity-building workshop is a portfolio review and the results can be used to perform risk analysis and debt sustainability analysis, for which support is provided by other international institutions (Figure 5).

**Figure 5. DMFAS capacity-building approach**



Table 2 lists the total number of capacity-building modules implemented in countries in 2016. The results were the production of statistical bulletins on debt, which may be used internally by the country or disseminated externally (see box below for examples of debt statistical bulletins).

**Table 2. Implementation of capacity-building modules, 2016**

	<b>2016</b>
<b>TOTAL</b>	<b>15</b>
Debt portfolio analysis	2
Debt portfolio analysis: follow-up	1
Debt statistics	
Debt statistics: follow-up	
Data validation	7
Data validation: follow-up	3
Other capacity-building workshops	2
<b>REGIONAL WORKSHOPS</b>	<b>-</b>
Debt portfolio analysis	
Debt statistics	
Data validation	
<b>NATIONAL WORKSHOPS</b>	<b>15</b>
Debt portfolio analysis	2
Debt portfolio analysis: follow-up	1
Debt statistics	
Debt statistics: follow-up	
Data validation	7
Data validation: follow-up	3
Other capacity-building workshops	2

These capacity-building events have also led to the production of procedures for validation of debt data and improved the sustainability of the project results in the long term.

#### Examples of debt statistical bulletins produced by DMFAS user countries

- A quarterly bulletin for Bangladesh
- An annual statistical bulletin for Ethiopia
- A joint Ministry of Finance–Bank of Indonesia monthly statistical bulletin on external debt for Indonesia and a quarterly central government debt bulletin by the Ministry of Finance
- Yearly, quarterly and monthly bulletins for Paraguay
- A bulletin for external debt for Rwanda
- A half-yearly bulletin for Sudan
- A bulletin for external and domestic debt for Togo
- An annual statistical bulletin for Viet Nam
- A half-yearly bulletin for Yemen

### Final development phase of new learning products

In 2016, the Programme progressed with the development of a new course on “Basic Debt Concepts”, to be delivered in the form of self-study fact sheets so as to make it accessible on an as-and-when needed basis. Most of the content was developed and ready to go through the revision, formatting and validation phases. The course will consist of around 25 fact sheets, 7 of which have been finalized. The course targets new staff performing back-office functions in the debt office, who are involved in recording data in DMFAS 6. These can be junior staff or experienced staff recently reassigned to the debt office. The learning goal of the course is for new staff to grasp the basic and essential concepts of debt management, which will help them improve the quality and accuracy of data they record in DMFAS and avoid common mistakes. The debt management offices will therefore be able to rely on staff with the required knowledge of basic debt concepts to manage and record effectively debt-related data and operations in DMFAS.

**Self-study module  
on basic debt  
concepts**

The Programme reached the final stage of development of its new course on debt reorganization, to be made available in PowerPoint format and intended for use as self-guided instruction. The course consists of four modules: the first module introduces the main concepts of external debt reorganization while the next two modules review the specificities of the Paris Club and the London Club, the last module focusing on the steps for sovereign debt reorganization.

**New course on  
debt reorganization**

**Blended learning:  
basics of  
Government  
securities market**

Development also reached its final stage for the new learning product called “Mastering the basics of Government securities market and financial calculations”. This course will be delivered through a mix of distance learning (on-line course) and face-to-face instruction during workshops. Of the five modules of the distance learning component, four have already been developed and deployed on the learning management system (LMS) selected to deliver the distance learning part of the course. The LMS selected is a free application, which offers all the features of such platforms, such as wikis and forums. The remaining module is expected to be completed by the beginning of 2017.

The main objective of this course 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 will first equip front/middle office staff with basic knowledge and skills in the field of capital markets and government securities, including characteristics of debt securities, market players, basic financial calculations, issuance mechanisms and international standards. Learners will thus become familiar with commonly used debt securities and issuance mechanisms and will be able to perform securities related calculations.

Despite the progress made, the development of these modules was slower than expected due to the need to prioritize support activities to countries and reassign resources accordingly.

**Box 1. Improved debt management in Côte d'Ivoire**

Côte d'Ivoire adopted DMFAS in 1998, and, with the support of UNCTAD technical assistance, the country strengthened its debt management competencies. The scope and quality of the debt database has improved over the years in line with international best practices as attested by international assessment frameworks such as DeMPA and PEFA. The latest version of DMFAS is installed at the Ministry of Finance. The debt database is comprehensive, covering both external and domestic debt, and is validated on a regular basis.

Furthermore, Côte d'Ivoire now publishes a debt statistical bulletin, independently prepares its annual debt strategy and conducts every year its debt sustainability analysis. Moreover, in December 2016, a mission was fielded in Côte d'Ivoire to conduct an advanced workshop on debt portfolio analysis mainly to strengthen the Middle Office. The activity recapped the major macroeconomic concepts that have an effect on public debt, such as refinancing, interest and exchange rate risks. It resulted in an in-depth study and in the production of the most important debt ratios, as well as the calculation of value-at-risk and cost at risk. At the end of the activity, the staff of the debt office designed the first draft debt portfolio analysis report using DMFAS 6 tools. This draft is currently being reviewed at the debt department and it is expected to be completed, and shared with the Ministry of Finance's stakeholders, within the first semester of 2017.

### **3.3 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, the systems management focused in particular on the following areas during the year:

- System development, including refining the new version of DMFAS – version 6 – in response to country needs;
- Implementation of the new version of DMFAS and updates in countries;
- Support and maintenance.

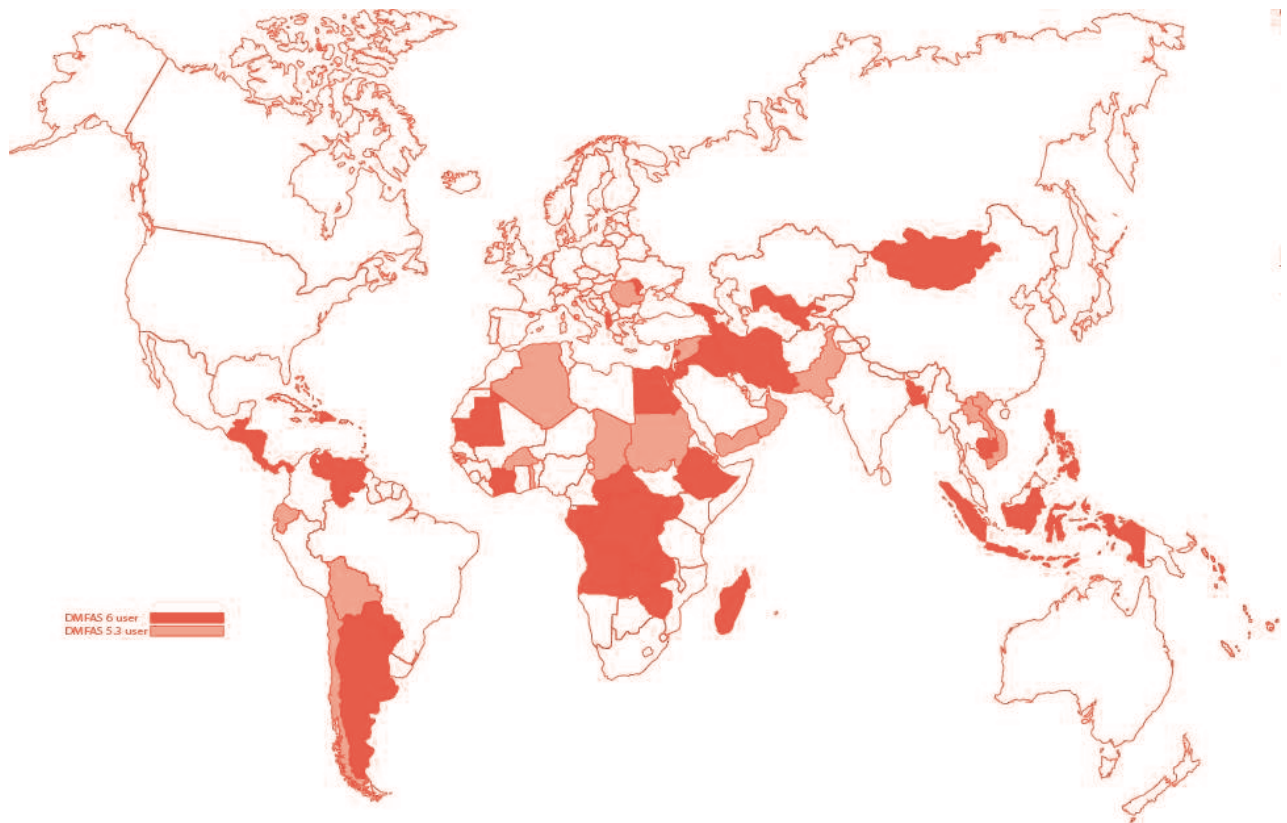
#### **Overall DMFAS installations**

All institutions operating DMFAS in client countries have adopted one of the latest versions of the software (DMFAS 5.3 or 6) and 68 per cent are using the latest version. Of the 72 main installations, DMFAS 6 was installed in 48 institutions in 40 countries, and DMFAS 5.3 was used in 25 institutions in 21 countries (see annex 2).

In 23 client countries, the system was being used by more than one institution. In about half of these cases, the system was shared by the 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 function of DMFAS 6, which manages access rights for the institutions involved and enables complete coordination in public financial management. More details can be found in annex 2.



**Figure 6. DMFAS installations<sup>1</sup>**



**DMFAS 6:** Albania, Angola, Argentina, Armenia, Bangladesh, Burundi, Cambodia, Central African Republic, Congo, Democratic Republic of the Congo, Costa Rica, Côte d'Ivoire, Dominican Republic,

Egypt, El Salvador, Ethiopia, Gabon, Georgia, Guatemala, Honduras, Indonesia, Iran (Islamic Republic of), Iraq, Jordan, Lebanon, Madagascar, Mauritania, Moldova (Republic of), Mongolia, Nicaragua, Panama,

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

**DMFAS 5.3:** Algeria, Bolivia (Plurinational State of), Burkina Faso, Chad, Chile, Djibouti, Ecuador,

Guinea Bissau, Haiti, Lao People's Democratic Republic, Oman,

Pakistan, Romania, Syrian Arab Republic, Togo, Viet Nam, Yemen

<sup>1</sup> The boundaries on this map do not imply official endorsement or acceptance by the United Nations.

## DMFAS 6

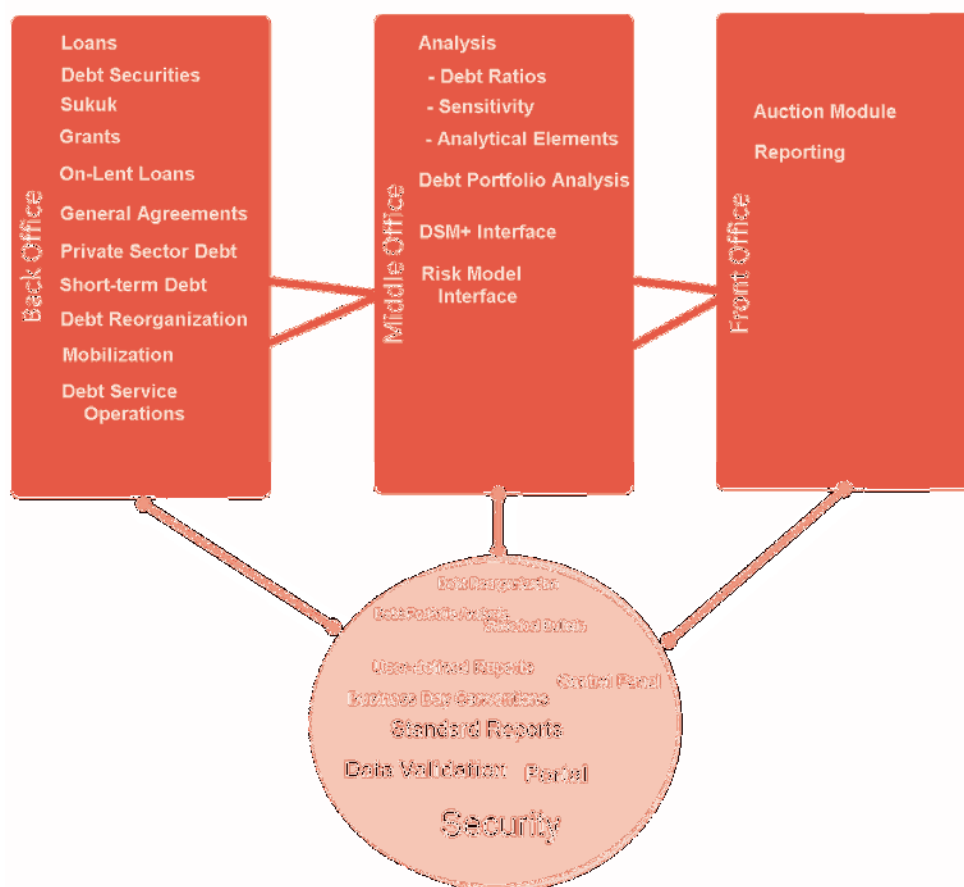
Launched in 2009, DMFAS 6 was refined during the implementation of the 2011–2015 strategic plan. The development of DMFAS 6 was the largest project that the Programme has ever undertaken. The high quality and relevance of the software is attested to by client institutions using DMFAS 6 for their day-to-day operations, specifically debt recording and reporting. This is also highlighted in the findings of the 2013 Midterm Review.

DMFAS 6 offers many functionalities, as described in figure 7. In particular, DMFAS 6 offers the following benefits:

### DMFAS 6 benefits

- Performs back office functions such as recording debt contracts, handling transactions and dealing with payment requirements;
- Facilitates interfaces with other analytical software, such as debt sustainability and risk analysis models;
- Facilitates data sharing by providing utilities for exporting data into other database software vendors and spreadsheets;
- Supports analysis activities such as determining the impact of future new borrowings, debt restructurings and assessing the risk of exchange and interest rate volatility;
- Facilitates debt portfolio analysis, runs simulations and sensitivity analysis and produces debt ratios directly from the database;
- Performs auctions or permits the transfer of detailed results from a country's specific auction software;
- Provides managerial information to front office officials in a consolidated and user-friendly manner;
- Allows use of the system through a web browser, on intranets and/or through the Internet, thus opening an entirely new range of possibilities for users, such as linking several institutions through the Internet;
- Uses powerful system security and offers an auditing module (reporting transactions at a given closing date and recording of extended amendments) and enhanced control panel components.

**Figure 7. DMFAS 6 functionalities**



DMFAS 6 is available in four United Nations languages: English, French Spanish and Russian. Its functionalities include:

**DMFAS 6 functionalities**

- a) Increased scope of instruments: DMFAS 6 offers modules on private external and short-term debt, sukuk, and extended amendments and operations. The extended debt reorganization module is partially completed as the module requires additional developments under consideration.
- (b) Increased scope of transactions include: enhancements to the prepayment and buy-back modules (including new transactions types such as suspension) and new modules for the recording of drawing requests and issuance authorizations.
- (c) Data quality improvements achieved through the extended auditing module and the new module on data validation at recording level is being finalized and shall be released in 2017.

(d) Reporting and analysis: implementation of enhanced analytical reporting and risk indicators. Further new modules, namely for the automatic generation of QEDS reports, the standard interfaces with the medium term debt strategy and for the debt sustainability framework reporting are under testing and will be completed in 2017.

(e) Standards features for integration facilitated through the module on centralized authentication service, full use of open source libraries, generic interfaces and standard DMFAS 6 module to integrate debt management functions with budget, accounting and/or treasury systems (which were implemented as web services). In addition, standard interfaces for IFMIS integration and auction interface were partially completed.

### **DMFAS 6 developments undertaken in 2016**

With the release of versions 6.1.1 in January, and 6.1.2 in December 2016, many functional and technical enhancements were introduced to DMFAS 6, including:

- Administration module: various enhancements to the recording of data in the Short-term External Debt (STED) and Private Non-guaranteed External Debt (PNED) modules to facilitate the import process.
- Data Export features: a number of modifications to the module, allowing users to export data sets to be used on other databases for reporting purposes.
- Query Tool: enhancements to facilitate exporting information into MS Excel. More tables were added to the list of tables available for data validation queries.
- Automatic recording of swaps: based on a request from some countries, this new option was added to the list of operations in the "Automatic Recording of Operations" utility.
- Reporting: a number of technical and functional enhancements to speed up the generation of reports. A "%" column was added to Formats 3 and 4 in the user defined reports. New values were added to different list of values to facilitate reporting.
- Data sharing: a module called Drawing Interface, similar to the one used in DMFAS 5.3, was added. It makes it possible to import one or more drawings into DMFAS from another system.

- Other technical enhancements: Different adaptive and perfective enhancements to ensure the system's compatibility to newer releases of supporting tools (e.g. Java 8, Apache Tomcat 9, among others) and the inclusion of standard integration features (by means of SOAP2 web services) to facilitate the interaction with other software applications.

### **Installation of DMFAS 6 and its updates in countries**

By the end of 2016, DMFAS 6 had been installed in 48 institutions in 40 countries, and was fully operational in 47 countries.

In 2016, eight new DMFAS 6 installations took place in Albania (Ministry of Finance), Central African Republic (Ministry of Finance), Costa Rica (Ministry of Finance), Indonesia (Bank Indonesia), the Republic of Moldova (Ministry of Finance and Central Bank), Sudan (Ministry of Finance) and Uzbekistan (Ministry of Finance).

### **Development of DMFAS 7**

In line with the 2016–2019 strategic plan aiming at the development of a new major version, the DMFAS Programme conducted an analysis of the needs and requirements for the development of a major new version of the DMFAS system (DMFAS 7). The overall development plan, containing the list of features and enhancements to be included in the new version is expected to be completed by March 2017, with the design following this.

### **Links with other systems**

The Programme provides support to countries wishing to link DMFAS with other systems, including integrated financial management systems. Starting with the release 6.1.1 in 2016, the DMFAS application now provides a set of web services as part of the new features to support and facilitate the integration with other applications.

As of December 2016, 19 countries had linked DMFAS with other financial management systems, including 13 with treasury systems and 3 with auction systems (see annex 5). In the absence of specific requests from user countries, no link between aid management systems and DMFAS had been developed.

In 2016, the Programme supported six countries in the development of a link between their own system and DMFAS 6 through workshops on creating interfaces in Angola, Costa Rica, El Salvador and Indonesia (including validation and testing of interface workshop); through specific assistance in interface development in Albania, Angola, El Salvador and Indonesia; or through the adaptation of existing link in Nicaragua.

### **Improved service delivery**

During the previous strategic plan, the DMFAS Programme successfully implemented a new open-source help desk tool, the Trac system. The integration of the Trac into the DMFAS portal will be done during the current strategic plan.

In 2016, help desk support included assistance and advice on a wide range of functional and technical issues through fielding technical missions, the Trac system, e-mails, remote access and through the UNCTAD FTP server. Where applicable, databases were also sent by clients and installed in UNCTAD headquarters to facilitate the resolution of queries and problems. By the end of 2016, the DMFAS help desk had resolved 33 client requests on DMFAS 5.3. It had also received a total of 582 client tickets on DMFAS 6 during the same period. Of these, 429 requests were closed, 6 were reopened by the client country, and the remainder (147) were being processed (see annex 6 for details).

### **User documentation**

The localization in French and Spanish of the new online help systems for version 6.1 of DMFAS, which started in July 2015, was completed by mid-February 2016. In addition to French and Spanish languages, localization included a new target language, Russian, to provide a Russian version of DMFAS 6 to the Ministry of Finance of Uzbekistan. As for previous localization projects, the translation was outsourced to an external company and the revision and validation work performed internally. It should be noted that the localization process results in a more advanced version of the English version compared with the French and Spanish ones.

A new version of the English online help for the Control Panel was released in June 2016, corresponding to version 6.1.1 of DMFAS. The English version was released simultaneously with the localized French and Spanish versions; all three versions were aligned. The Control Panel online help contains a new documentation supplement called *DMFAS 6 Calculations Rules of Debt Totals*; it lists all the DMFAS 6 debt totals and their corresponding calculation rules.

**DMFAS available in Russian**

**Updated online help and new documentation supplement**

**Streamlining of  
documentation  
production: single  
sourcing**

As per its new documentation strategy elaborated in 2015 which aims at streamlining the development and maintenance processes, the Programme finalized its prototype of the Control Panel user documentation using single sourcing. Single sourcing is a content management method which allows creating content from one set of files and using this same content across different media and more than one time. The prototype was created in Madcap Flare and resulted in the production of various outputs: the online help in WebHelp and HTML5 formats, a reference guide, a user's guide and the Security documentation supplement. This prototype will serve as the basis for future work on DMFAS user documentation.

**New learning  
products: tutorials**

A first draft of three DMFAS 6 tutorials was produced; they relate to IDA loans, African Development Fund loans and DMFAS Query Tool. All three will be finalized during the first half of 2017.

### ***3.4 Programme management***

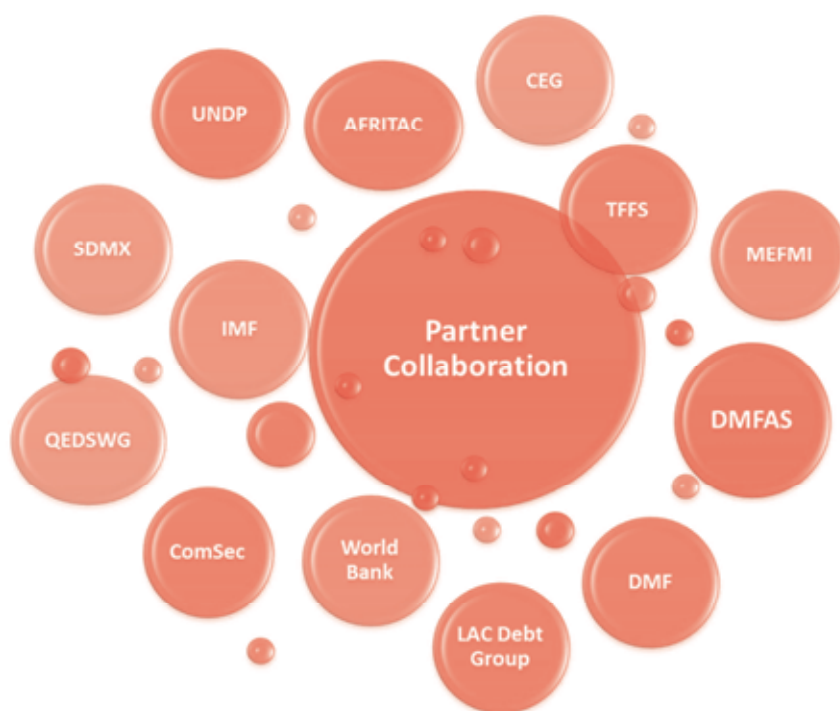
As part of its efforts to improve overall efficiency and effectiveness under the second objective of the strategic plan, and in order to better deliver on the first objective, a number of improvements by the Programme's management on administration and communication were implemented in 2016. These changes concern the following goals:

- Ensuring mutually beneficial relations and cooperation with external partners and other agencies in debt management;
- Strengthening synergies within UNCTAD;
- Mobilizing resources effectively and improving the efficiency and effectiveness of the Programme's administrative processes;
- Strengthening communications and information sharing;
- Securing reliable, stable and predictable financing;
- Mutually beneficial relations and cooperation with external partners and other agencies in debt management.

In recent years, momentum has intensified among the various providers to coordinate capacity-building efforts using a more holistic approach to meeting the multifaceted challenges that developing countries face in building their debt-management capacities. Efforts have been made to clearly understand the comparative advantages of each capacity-building provider compared with others, and partnerships have been strengthened. The DMFAS Programme actively supports this coordinated and harmonized approach for the provision of debt-management capacity-building services by providers of technical assistance to countries. In 2016, Programme also provided resource persons for eight international and regional seminars organized by other technical

assistance providers. Active collaboration also helped to ensure that best practices are shared.

**Figure 8. Partner collaboration**



In 2016, efforts by the Programme to strengthen its collaboration with the other main organizations involved in providing debt management included the regular sharing of information on technical assistance activities such as mission schedules and reports, where possible, and also included organizing joint workshops and participating in each other's events. Additionally, collaboration included direct participation as an implementing partner in initiatives such as the second phase of the World Bank Debt Management Facility. Another important example is the continued participation by UNCTAD (through the DMFAS Programme) in the Inter-agency Task Force on Finance Statistics, which strives to improve the capacity of countries to produce reliable statistics.

Having contributed to the Debt Management Facility since its conception, the Programme officially became a partner of the Facility in 2009. The first phase of the Facility ended in 2014 and a new grant agreement was signed between the World Bank and UNCTAD to allow the Programme to support activities of the second phase of the Facility. The downstream activities of the Programme are complementary to the upstream work of the Facility, and there is a clear interdependency between the activities of the Facility and those of the

**Debt Management  
Facility (2<sup>nd</sup> phase)**



**Four collaborations  
under the DMF in  
2016**

Programme. Since 2009, the DMFAS Programme has contributed to 62 missions. The Programme's participation in these Facility activities received positive feedback from the stakeholders of the Facility as well as the country beneficiaries. In 2016, the following three Debt Management Facility missions were completed: two debt management performance assessment missions (Mongolia and Togo); and two medium-term debt strategy (MTDS) missions in Angola and Togo. In addition, the DMFAS Programme participated in the Debt Management Facility Stakeholders Forum held in the Zambia at the end of May 2016, and to the meetings of the Implementation Coordination Group of the DMF.

**World Bank**

The Programme collaborates with various departments involved in debt management within the World Bank. These include the World Bank Development Data Group, the Treasury, the Banking and Debt Management Group and the Economic Analysis and Debt Department. The Programme meets with each of these departments at least once a year to discuss modalities of cooperation.

In 2016, collaboration with the World Bank also included the Debtor Reporting System (DRS): the Programme both encourages and assists countries technically in providing information to the DRS. In 2016, 98% of DMFAS user countries with LMIC level reported to the DRS database.

**International  
Monetary Fund**

The Programme is also in regular contact with two main departments of the International Monetary Fund (IMF). These are the Statistics Department and the Monetary and Capital Markets Department.

**Cooperation with  
the TFFS**

The Programme continues to represent UNCTAD in the Inter-agency Task Force for Finance Statistics whose current members held its annual meeting in Washington D.C. United States of America, in March 2016. The TFFS sets methodological standards for statistics on external debt, and on public sector debt; promotes data availability on financial stocks, particularly external and public sector debt; encourages internationally accepted statistical practices to enhance data quality; and fosters inter-agency collaboration in statistical capacity building.

Regarding the latter, during the annual meeting in March 2016, the TFFS decided to create the Country Engagement Group (CEG), composed of the ComSEC, the IMF, UNCTAD and the World Bank. The CEG's main tasks are to: i) expand the number of QPSDS reporting countries, ii) analyse the breakdown, coverage and quality of the submitted data and iii) strengthen data compilation and dissemination practices. The CEG group also holds quarterly videoconferences and is currently finalizing its terms of reference and preparing an action plan which will be submitted at the TFFS meeting in 2017. If approved, the CEG is expected to effectively start its activities next year, provided adequate resources can be allocated to the work of the CEG.

**Country  
Engagement Group**

Beyond the annual meeting, TFFS members now also meet on a quarterly basis, through videoconferences, within the recently established Quarterly External Debt Statistics Working Group and the Quarterly Public Sector Debt Statistics Working Group. These Groups follow-up on the yearly action plans decided during the annual meeting. The Programme was particularly involved in identifying actions leading to increasing the number of countries reporting to the QEDS and QPSDS databases.

**Quarterly External  
Debt Statistics  
Working Group**

The Programme also collaborated, where possible, with IMF regional technical assistance centres in Central and West Africa (Central AFRITAC and West AFRITAC), with the shared objective of helping countries to strengthen their human and institutional capacities to design and enact policies that promote growth and reduce poverty.

**Regional  
cooperation**

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 client countries, namely Angola, Rwanda, Uganda, Zambia and Zimbabwe. The Programme jointly organized with MEFMI a regional DMFAS 6 workshop in Lusaka, Zambia, in August 2016.

The DMFAS Programme's collaboration with UNDP in 2016 included UNDP funding for certain country projects and information sharing with the UNDP country offices in DMFAS client countries, as well as collaboration through the "One United Nations" framework.

With 14 active DMFAS client countries in the Latin American and Caribbean region, UNCTAD takes a keen interest in the regional capacity-building activities organized by the Latin American and Caribbean Debt Group and, where possible, coordinates activities, including at the annual Group meeting in March 2016 in Panama. All DMFAS user countries in the region provide timely data to the standardized debt database, which is a non-compulsory

**LAC Debt Group**

initiative of the Group. The Programme also attended the LAC debt group forum in Washington in October.

#### **SDMX**

Statistical Data and Metadata Exchange (SDMX) standards are the result of an initiative aimed at studying business practices in the field of statistical information that would allow more efficient processes for the exchange and sharing of data and metadata. The DMFAS Programme decided to adopt the SDMX standards to follow evolving international practices. The Bank for International Settlements, the Commonwealth Secretariat (COMSEC), the European Central Bank, Eurostat, IMF, OECD and the World Bank are also participating.

#### **Commonwealth Secretariat**

Given the importance and the need for countries to maintain comprehensive, comparable and reliable debt data of quality, and in order to effectively provide the required assistance to member countries in this area, the Commonwealth Secretariat Debt Management Unit (ComSec-DMU) and the DMFAS Programme agreed in 2016 to jointly develop a framework to systematically assess the quality of the databases recorded in both debt management systems. The Debt Data Quality Assessment Methodology is based on best practices and international standards in debt management.

#### **Debt Data Quality Assessment Methodology**

A technical committee was formed in July 2016 by both institutions to design and develop this framework including a tool and user-guide to be used to assess country databases maintained respectively by CS-DRMS and UNCTAD. The implementation of the methodology was planned for the second semester of 2017. The methodology provides a uniform platform across all countries for measuring the quality of their debt databases.

The methodology aims to highlight weaknesses and related risks in the debt databases and thereby facilitate the design of tailored country specific technical assistance plans to improve the quality of their debt database. This is vital to enable policymakers, financial markets and other debt data users within and outside the government to make informed decisions on sovereign debt management. The framework will enable cross-country comparisons on debt data quality. The framework is also part of the contribution of ComSec and UNCTAD to the work of the Public Sector Debt Statistics Working Group. As part of this group, a Country Engagement Group, a technical committee, was formed to deal with data quality issues.

It is worth noting that this new framework will complement other assessment tools available, including the Debt Management Performance Assessment Tool (DeMPA), the Public Expenditure and Financial Accountability (PEFA) assessment, the Country Policy and Institutional Assessment (CPIA), in addition to the IMF quality-related initiative: the Data Quality Assessment

Framework. The joint COMSEC/UNCTAD framework adds granularity to these initiatives as it specifically targets countries' databases available in both debt management systems: the CS-DRMS and DMFAS.

### **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 and address debt issues jointly. In 2016, collaboration included the drafting of a user requirement definition for the inclusion of the responsible lending and borrowing principles into the DMFAS software with the objective of supporting those DMFAS users that are subscribers' of the principles. Additional examples of collaboration included the participation to the UNCTAD XIV Conference in Nairobi, the preparation of UNCTAD reports for the Trade and Development Board, the UNCTAD secretariat and the Office of the Secretary-General of UNCTAD. This collaboration also included the sharing of one staff member, who is responsible – among other duties – for helping to improve and for delivering the DMFAS Programme's capacity-building module in debt portfolio analysis.

The DMFAS Programme also contributed to a number of UNCTAD and United Nations reports. In 2016, these included the following:

- UNCTAD Annual Report 2015;
- Annual trust fund progress reports;
- Report by the UNCTAD secretariat on technical cooperation activities carried out in 2015 (cluster 11 on strengthening the debt-management capacity of developing countries).

In line with Trade and Development Board decision 492 (LIV) of 2007 to establish thematic trust funds within and among divisions of UNCTAD, the DMFAS Programme continued to play an active role in the implementation of a thematic cluster of technical cooperation in the area of debt management, namely cluster 11 of the 17 clusters, on strengthening the debt-management capacity of developing countries. These clusters aim to streamline UNCTAD technical cooperation.

### **Effective resource mobilization and improved efficiency and effectiveness of the Programme's administration**

In line with the second objective of the strategic plan, the Programme continued to monitor and improve its efficiency. This is reflected in the points highlighted in the following sections.

### **Quality assurance and user support**

Established in 2014, to ensure that DMFAS is of high quality and responds to clients needs, the Quality Assurance and User Support unit continued to implement tight quality controls procedures. It is also responsible for supporting clients through the help desk and Trac system. In 2016, this unit centralized all help desk queries into the Trac system which helped in providing a better service to its clients and to respond effectively and efficiently to all users. The unit has also implemented thorough testing procedures for new deliverables DMFAS 6.1.1 and 6.1.2 distributed to countries in 2016 (January and December).

### **Decentralization**

One objective of the Programme's strategic plan 2016–2019 is to establish two new regional support centres. The experience of operating two centres, in Buenos Aires and in Bamako, has provided the Programme with opportunities to improve the decentralization process, including incorporating lessons learned from the closure of the DMFAS centre in Mali in 2012 because of the security situation. Attention is placed on finding alternative solutions and reliable funding for the regional centres.

Based on lessons learned, the Programme and its regional partner, the Macroeconomic and Financial Management Institute of Eastern and Southern Africa, continued discussions to create a regional centre in Harare. However, funding in 2016 was insufficient to enable the Programme to make progress in this area.

### **Results-based monitoring and evaluation**

In line with the second objective of the strategic plan, the DMFAS Programme continued applying the monitoring and evaluation framework that was first established in 2011. It includes the systematic development of logical frameworks with verifiable indicators of progress for all projects and more transparent and inclusive involvement of stakeholders. In 2016, further improvements were made through introducing a new questionnaire for DMFAS user institutions in order to improve the monitoring of progress made at the country level. This also contributed to refined DMFAS performance indicators. In 2016, UNCTAD launched a new result-based management framework at the level of the organization and the DMFAS Programme aligned its own framework to it. Evaluation of DMFAS projects contributes to assessing the Programme's effectiveness, ensuring accountability to stakeholders and strengthening internal coordination while facilitating information sharing, workflow and learning. In addition, the Programme continued to conduct national evaluations of the effectiveness of the DMFAS 6 functional training delivered in 2016. It has been one of the pilot programmes to implement the new UNCTAD initiative on gender mainstreaming to promote gender equality and women's economic empowerment in its ongoing work.

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

The DMFAS Programme revamped its website in 2013. It offers a more relevant, modern, accessible and interactive website with new functionalities, and the number of DMFAS users registered in the client area continued to increase in 2016. At the end of the year, 65 per cent of active DMFAS countries had at least one user registered in the client area (53 per cent of institutions). The website contains up-to-date information on the DMFAS activities, documentation and releases of the software. Among the most downloaded pages are the technical and user documentation files and the capacity-building material.

**DMFAS Web site**

In addition, the Programme continued to produce its electronic newsletter, presenting in a short and attractive format the main current trends and activities in the work of the DMFAS Programme. Three issues of the DMFAS newsletter were published, in April, August and December, and were posted on the Programme's website in English and French.

**Three DMFAS Newsletters**

Periodic activity calendars were distributed to stakeholders, keeping them informed of the Programme's technical assistance activities in countries, regional events and cooperation with implementing partners. Since 2008, the Programme has been sharing its calendar of upcoming missions with its partners. This initiative has proved successful, as partners are increasing their coordination and exchanges of information. The Programme has since made this a standard communications activity, with the calendar sent to partners every two months.

**Publishing calendar of activities**

In keeping with its usual practice, the Programme produced an annual report for 2015, which presented the activities of the Programme until the end of December 2015. It is available on the DMFAS website.

## 4. Funding and expenditures in 2016

This section presents an overview of the Programme's financial situation in 2016.

The information presented here is not an official financial statement from UNCTAD. It is provided based on available data at the time of writing and is 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 activities of each project 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 three main categories:

- Donor contributions;
- Cost-sharing by beneficiary countries and institutions;
- Support from UNCTAD.

Table 3 provides an overview of income to DMFAS in 2016.

**Table 3. Income for the DMFAS central trust fund, figures for 2016**  
(In United States dollars)

<b>BALANCE AS OF 1 JANUARY 2016</b>	<b>483 885</b>
<b>INCOME</b>	
<b>Donor contributions</b>	<b>1 630 416</b>
Germany	219 285
Ireland	106 157
Netherlands	566 893
Norway	363 081
Switzerland	375 000
<b>Cost sharing</b>	<b>1 508 847</b>
Maintenance fees	521 543
Development contributions	224 975
From country projects funded by Governments	762 329
<b>Cost recovery (including payments for services)</b>	<b>687 762</b>
From country projects funded by Donors	626 170
Payments for services (DMF & other)	61 592
<b>UNCTAD contribution</b>	<b>1 169 273</b>
In kind	919 934
Financial	249 339
<b>TOTAL INCOME</b>	<b>4 996 298</b>

#### 4.1.1 Donors' contributions

At the end of 2016, overall donor support amounted to \$1,630,416, as shown in table 3. In chronological order, donors included Switzerland, Germany, the Netherlands, Norway and Ireland.

The opening balance of \$483,885 included a transfer of funds of \$199,951 from a closing project financed by Norway at the end of 2015. An opening balance of around \$500,000 allowed the DMFAS Programme to avoid liquidity problems in the first quarter of the year, while contributions from donors are often disbursed starting at the second quarter of the year.

A history of donors' contributions since the implementation of the central trust fund in 2002 is available in Annex 7. Over the past strategic plan 2011–2015,



on average the total yearly contributions from bilateral donors have been close to \$2.6 million.

#### **4.1.2 Cost sharing and cost recovery**

A particular feature of the DMFAS Programme compared to 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. They were created in 2002 to provide partial self-financing for the Programme. A graduation scheme was recommended at the November 2009 DMFAS Advisory Group meeting, and its implementation was initiated as part of the previous strategic plan. Accordingly, the annual maintenance contribution for the new system has been set according to the economic level of beneficiary countries as follows:

- \$10,000 for low-income countries;
- \$15,000 for lower middle-income countries;
- \$20,000 for upper middle-income countries;
- \$25,000 for high-income countries.

Similarly, the level of the development contribution for new beneficiary countries has been set as follows:

- \$50,000 for low-income countries;
- \$75,000 for lower middle-income countries;
- \$100,000 for upper middle-income countries;
- \$150,000 for high-income countries.

For existing DMFAS clients, the contribution has been set at \$50,000, except for high-income countries where it has been set at \$150,000.

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

Maintenance agreements are offered to new beneficiary institutions when DMFAS is installed and they 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 relatively regular income for the Programme. The year 2016 marked the fourteenth year since maintenance fees were implemented, with a total of \$3,961,128 having been collected since 2002.

The trend in the number of signed agreements on maintenance fees was stable in 2016, as 87 per cent of institutions that benefit from DMFAS have signed an agreement. Annex 8 presents the evolution of signed maintenance agreements and 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 2016, development contributions were received from the Central African Republic, Costa Rica, the Islamic Republic of Iran and Uzbekistan for a total amount of \$224,975.

#### *Recovery from project activities*

In accordance with the Programme's cost-recovery policy, the time that DMFAS staff dedicated to projects was 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 donors' direct contributions. In 2016, the overall amount recovered for DMFAS staff time dedicated to project activities (undifferentiated between cost sharing and cost recovery) amounts to \$1,388,499. This level of recovery is unprecedented in the Programme's history and is due to a combination of several factors: a policy of systematic recovery for each activity, an increase in project budgets, and the recovery in 2016 from some 2015 activities.

**Table 4. Income from cost sharing and recovery, 2002–2016**  
(In United States 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	521 543	224 975	1 388 499
<b>TOTAL FOR 2002–2016</b>	<b>3 961 128</b>	<b>2 726 513</b>	<b>7 593 465</b>

\* 2014 was an exceptional year due to the payment by numerous countries of back payments.

\*\* 2011 was an exceptional year for development contribution due to the launch of V6 and its installation in many countries.

#### *Recovery for third party services*

Income was also received in 2016 as payment for services rendered in the form of cost recovery. For example, the cost of support provided by the Programme to the Debt Management Facility managed by the World Bank amounted to \$61,592 in 2016.

#### **4.1.3 Institutional support from UNCTAD**

UNCTAD supported the DMFAS Programme in 2016 by financing five posts and a part-time position from its regular budget. The professional category staff members are the chief of the Programme, the Programme officer, one project manager and 40 per cent of the time of an associate economics affairs officer. Two general services staff members are 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. Non-personnel expenditures include travel, system development, consultancy services, training, conference costs, equipment and miscellaneous items.

Overall, the expenditures in 2016 compared to those of 2015 reflect a decrease of \$515,897. Personnel costs decreased by \$411,656 due to the freeze of four vacant posts compared to two frozen vacant posts in 2015, and a strengthened United States dollar. Moreover, non-staff expenditures were also cut by 28% in 2016 compared to 2015, following a cut of 13 % in the previous year.

**Table 5. Expenditures for the DMFAS central trust fund for 2016 (estimated)  
(In United States dollars)**

EXPENDITURES	
<b>Personnel</b>	<b>4 410 354</b>
Central team	3 490 420
Regular budget staff	919 934
<b>Non-personnel</b>	<b>264 449</b>
Joint Partner activities	60 962
IT Systems development	194 267
Capacity building	0
Programme Monitoring & Evaluation	0
Miscellaneous	9 220
<b>TOTAL EXPENDITURES</b>	<b>4 674 803</b>
<b>CLOSING BALANCE</b>	<b>805 379</b>

The closing balance at end 2016 shows an increase compared to the opening balance due to the unexpected contribution by Norway by the end of 2016. This amount would enable the Programme to keep enough liquidity to maintain its activities for the first quarter of 2017, pending contributions from donors.

## 4.3 Budget

The DMFAS Programme budget needs were based on the full implementation of the five-year strategic plan for 2016–2019. Financing all these needs would

have been an ideal situation where all foreseen activities in the strategic plan would be achieved. The full financing of the strategic plan is detailed in table 6. However, the strategic plan was not fully financed for 2016, due to the shortfall in budgeted donor funding. Scenario 2 in table 6, details the level of financing effectively reached, which resulted in delays in some core activities.

**Table 6. DMFAS budget, 2016–2019**  
(United States dollars)

	SCENARIO 1				SCENARIO 2
	2016	2017	2018	2019	2016
Personnel	5 196 008	5 351 888	5 512 444	5 677 818	4 410 352
Joint Partner activities	118 000	121 540	125 186	128 942	60 962
Capacity building	350 000	410 500	368 270	432 454	0
IT Systems development	421 000	601 980	627 012	444 822	194 266
Programme Monitoring & Evaluation	32 000	32 960	233 949	34 967	0
Miscellaneous	38 500	62 130	37 470	38 570	9 220
Contingency (4%)	246 220	263 240	276 173	270 303	
<b>TOTAL</b>	<b>6 401 728</b>	<b>6 844 238</b>	<b>7 180 505</b>	<b>7 027 876</b>	<b>4 674 801</b>

Compared to the first scenario, the implementation of DMFAS at the scenario 2 level has resulted in fewer activities and some activities being reduced in scope.

#### **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, to be used for the implementation of capacity-building activities in the country concerned, as per the project document that each country-project trust fund relates to.

The different sources of financing for country-project trust funds are the beneficiaries themselves, bilateral donors and other international organizations and institutions such as regional development banks, UNDP and the World Bank. An increasing number of middle-income countries are fully financing their national projects, paying directly for the products and services delivered by the Programme.

In 2016, expenditures from country-specific trust funds amounted to \$2,233,987 to deliver technical assistance in 21 countries. Table 7 displays the

list of countries, the budget, the expenditures and the final balance available. 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 who continue to receive support without funding for specific project activities. Income from the voluntary maintenance fee agreements signed by beneficiary countries contributes to the cost of providing help desk assistance. These maintenance agreements remain valid beyond the time frame of the initial country project through which DMFAS was made available to the country or institution.

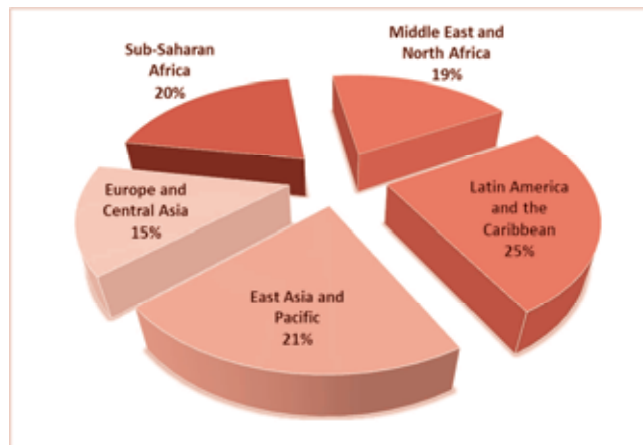
**Table 7. Country-project trust funds: Available funding and expenditures, 2016 (United States dollars)**

COUNTRY (SOURCE OF FUNDING)	BUDGETED FUNDS	EXPENDITURES	BALANCE
Albania	199,662	134,966	64,696
Angola	198,478	170,280	28,198
Argentina	500,268	127,904	372,364
Central African Republic	2,528	2,057	471
Chad	36,234	9,783	26,452
Costa Rica	156,142	132,681	23,462
El Salvador	88,051	70,250	17,802
Gabon	107,335	73,438	33,896
Honduras	252,934	21,166	231,768
Indonesia	468,614	295,340	173,273
Iran (Islamic Republic of)	610,283	252,677	357,606
Côte d'Ivoire	176,708	25,531	151,177
Jordan	1,572,611	170,432	1,424,779
Madagascar	8,116	392	7,724
Mauritania	256,438	8,223	248,215
Moldova (Republic of)	180,077	169,916	10,161
Philippines	382,505	177,786	204,719
Sudan	192,653	120,009	72,643
Uzbekistan	28,526	20,303	8,223
Venezuela (Bolivarian Republic of)	440,503	215,746	224,757
Zambia	47,208	35,107	12,101
<b>TOTAL</b>	<b>5 905 873</b>	<b>2 233 987</b>	<b>3 694 486</b>

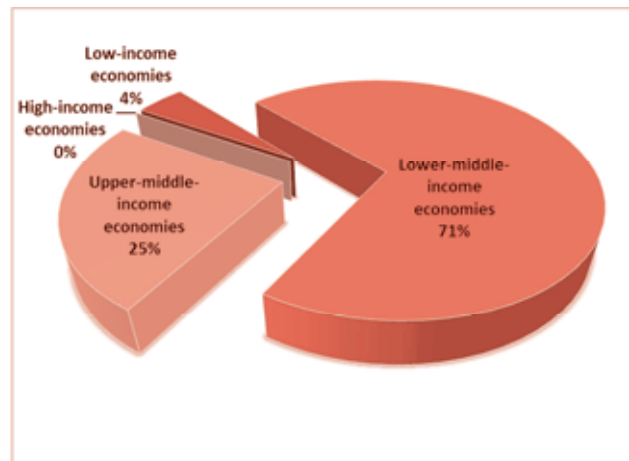
*Note: Figures in budgeted funds, expenditures and balance include the Programme support costs. Only trust funds with activities in 2016 are included.*

Figures 9 and 10 show the regional distribution and the income-level distribution of country project expenditures.<sup>2</sup> Projects in East Asia and the Pacific represented 21 per cent of total expenditures. Sub-Saharan Africa received 20 per cent, Latin America and the Caribbean 25 per cent, and the Middle East and North Africa and Europe and Central Asia received 19 and 15 per cent, respectively. In terms of income-group distribution, figure 10 shows that the highest portion (75 per cent) of the Programme’s project expenditures was in low-income and lower middle-income countries.

**Figure 9. Country-project expenditures: Regional distribution, as a percentage of total expenditures, 2016**



**Figure 10. Country-project expenditures: Income-level distribution, as a percentage of total expenditures, 2016**



<sup>2</sup> Countries are classified by income level and regional distribution according to World Bank country groupings.

## CHALLENGES AND WAY FORWARD

During the year, the Programme faced a number of challenges.

In debt management offices, a recurrent challenge faced by developing countries in managing debt is dealing with high staff turnover and the updating of skills, organizational procedures and information management systems in order to keep pace with the dynamic changes in global finance and public financial management practices. 2016 saw an increase in demand for capacity-building missions outside the scope of formal technical assistance projects. The Programme thus needed to factor these realities into its support interventions, maintaining adequate flexibility to address these needs.

**High staff turnover and need for repeated training**

The Programme continued its efforts to seek funding for the creation of two regional offices. Initial steps were taken with MEFMI to set up the joint regional office in Harare. However, funding was insufficient to enable the Programme to make progress in this area.

**Regional offices**

The Programme continued providing support for DMFAS 5.3. However, with ever-evolving technology standards, it becomes more difficult and more expensive to provide this support due to incompatibilities with new technology (de-support by third-party suppliers of the technological platform of DMFAS 5.3). Hence, DMFAS 5.3 was technologically de-supported at the end of December 2016.

**DMFAS 5.3 maintenance**

Facilitating the development of links between the DMFAS software and other financial management systems requires countries to have the capacity to program and maintain the links. However, a number of countries are still dependent upon DMFAS IT support and do not have the necessary resources to maintain the links in the long term. Requests made to the Programme to fully develop these links need to be carefully examined considering the limited resources.

**Links with other financial systems**

The Programme received an increasing number of demands for IT remote support for which it was necessary to allocate resources while retaining local capacity. Responding to unplanned clients' requests, required the Programme to continuously adjust its work plan. This impacted the delivery of other services and activities to clients.

**Increased demand for IT support**



**Multi-language software**

The DMFAS software is available in four languages, English, French, Russian and Spanish. Ensuring that the interface, the documentation (technical and functional) and the capacity-building material are translated promptly with high quality standards is also a challenge for the Programme.

**Advanced capacity-building**

The Programme received numerous requests for advanced capacity-building in debt analysis, including for more upstream activities – for example in risk analysis and linkages. Many of these demands are beyond the areas covered by the strategic plan. The challenge the Programme has is to try to fulfil these requests through coordination with partners specialized in those areas.



**Funding of the DMFAS Programme**

The funding for the strategic plan 2016–2019 is not yet fully secured. In line with the recommendations of the Advisory Group, the Programme has continued its efforts in identifying new donors and has further strengthened its cost recovery. While the measures taken in 2016 to handle the shortfall in budgeted donor funding enabled the Programme to service clients and maintain its staff, they also had a negative impact on the core activities of the Programme, including on further development of the DMFAS system and in particular in relation to version 7, and on the finalization of new capacity building products.

**Umoja**

In November 2015, the United Nations implemented a world-wide Enterprise Resource Planning (ERP) software, Umoja. It replaces the former financial system and covers human resources and procurement processes. As for any new system, there was a steep learning curve for the staff to use it and incurred some delays in the processing of requests. It is expected that next year, once the system is fully stabilized and the staff familiar with it, no further delays will be experienced.

## ANNEX 1 - DEBT MANAGEMENT AND FINANCIAL ANALYSIS SYSTEM RESULTS

Objective	Expected result	Results at the end of 2016	Impact	SDGs of focus
<p>1. Improve the technical and functional capacity of DMOs to:</p> <ul style="list-style-type: none"> <li>● record,</li> <li>● process,</li> <li>● monitor,</li> <li>● report, and</li> <li>● analyse the country's public debt</li> </ul>	<p>1.1 Government information systems for effectively managing complete, up-to-date and reliable debt databases.</p> <p>1.2 Enhanced knowledge of National Debt Management Offices (DMOs) of debt management procedures and best practices.</p> <p>1.3 More effective debt reporting and improved accessibility/ availability of debt information.</p> <p>1.4 Improved operational risk management</p> <p>1.5 Strengthened integration of debt management within Public Finance Management (PFM).</p> <p>1.6 Facilitated debt analysis.</p>	<ul style="list-style-type: none"> <li>● 82% of user countries capture public and publically-guaranteed debt in DMFAS</li> <li>● 62% of DMOs responsible for domestic debt records it in DMFAS</li> <li>● 751 participants from 24 countries were trained in 2016</li> <li>● 98% of DMFAS countries report to the DRS</li> <li>● 65% reports to the QEDS and 40% to the QPSD</li> <li>● 35 DMFAS countries produce a debt statistics bulletin</li> <li>● 26 countries have a procedure manual</li> <li>● 15 countries have a disaster recovery and business continuity plan</li> <li>● 19 countries have linked DMFAS with another system</li> <li>● 24 DMFAS countries produce a DPR at least once a year</li> <li>● 46 DMFAS countries use the system to produce MTDS</li> <li>● 42 countries use the system to produce DSA</li> </ul>	<ul style="list-style-type: none"> <li>● Governments manage their debt effectively and sustainably, in support of poverty reduction, development and good governance</li> </ul>	<p>17 PARTNERSHIPS FOR THE GOALS</p>  <p>Direct: Target 17.4 Assist long-term debt sustainability in developing countries through coordinated policies (SDG 17.4.1 Debt service as a proportion of exports of goods and services)</p> <p>Indirect:</p> 
<p>2. Improve the capacity of the DMFAS Programme</p>	<p>2.1. Major new DMFAS version developed.</p> <p>2.2 DMFAS 6 enhanced.</p> <p>2.3 New, more comprehensive capacity development framework.</p> <p>2.4 More cooperation with other providers.</p> <p>2.5 Improved service delivery.</p> <p>2.6 More stable financing for Programme's activities</p> <p>2.7 Two regional centres established.</p>	<ul style="list-style-type: none"> <li>● Progress in DMFAS 7 development</li> <li>● Progress in DMFAS 6 enhancement: DMFAS 6.1.1. released in January 2016 and 6.1.2 in December 2016</li> <li>● three new capacity-building modules under finalization</li> <li>● Cooperation in 2016: eight partner events, four DMF collaborations</li> <li>● Regional centres: pending funding</li> <li>● Progress in cost recovery</li> </ul>		

## ANNEX 2 - USE OF DMFAS INSTALLATIONS IN COUNTRIES AT THE END OF 2016

The table columns, from left to right, show the following information:

- **Country:** The country using the DMFAS system.
- **Start date in institution:** Year of the first project for the implementation of DMFAS and related services in the institution.
- **Institution:** Institution within the country that uses the DMFAS software, usually either in the finance ministry (MoF) or the central bank (CB), or other type of debt management unit.
- **Type of installation:** Indicates where the main server is located (main installation) or if a remote access is used.
- **Language of software:** The software is installed either in Arabic (AR), English (EN), French (FR), Russian (RU) or Spanish (SP).
- **Access rights:** Indicates whether the institution has full, partial access rights or read-only access to the debt database; access rights depend on debt management responsibilities and mandates of the respective institution.
- **Version currently used:** Indicates the version of DMFAS currently used by the institution.  
\* Indicates that DMFAS 6 was installed but not used in the DMO.
- **Inactive DMFAS countries:** Countries or institutions no longer using DMFAS are shown in italic.

Country	Institution	Start date in institution	Type of installation		Language of software	Access rights			Version currently used	
			Main installation	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	✓			5.2	
	Province of Buenos Aires	2011	✓		SP	✓				✓
	Province of La Rioja	2015	✓		SP	✓				✓
Armenia	MoF	2011	✓		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	✓			✓	
Burundi	MoF	1987	✓		FR	✓				✓
Cambodia	MoF	2007	✓		EN	✓				✓
Central African Republic	MoF	1995	✓		FR	✓				✓

Country	Institution	Start date in institution	Type of installation		Language of software	Access rights			Version currently used	
			Main installation	Remote access		Full	Partial	Read Only	5.3	6
Chad	MoF	2000	✓		FR	✓			✓	
Chile	CB	2003	✓		SP	✓			✓	
(Colombia)	MoF	2001	<i>Inactive</i>							
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	<i>Inactive</i>							
Ecuador	MoF	1995	✓		SP	✓			✓	
	CB	1995	✓		SP	✓			✓	
Egypt	MoF	1986	✓		EN	✓			✓	*
	CB	2008	✓		EN	✓				✓
El Salvador	MoF	1988	✓		SP	✓				✓
Ethiopia	MoF	1988	✓		EN	✓				✓
Gabon	MoE	2001	✓		FR	✓				✓
Georgia	MoF	1998	✓		EN	✓				✓
Guatemala	MoF	1988	✓		SP	✓				✓
Guinea-Bissau	MoF	1997	✓		SP	✓			✓	
Haiti	CB	1985		✓	FR		✓			
	MoF	2009	✓		FR	✓			✓	
Honduras	MoF	1988	✓		SP	✓				✓
	CB	1988		✓	SP			✓		
	Supreme Court of Accounts	2008		✓	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	<i>Inactive</i>							
	CB	1996	<i>Inactive</i>							
	Exim Bank	1996	<i>Inactive</i>							
Lao People's Democratic Republic	MoF	2011	✓		EN	✓			✓	

Country	Institution	Start date in institution	Type of installation		Language of software	Access rights			Version currently used	
			Main installation	Remote access		Full	Partial	Read Only	5.3	6
Lebanon	MoF	1993	✓		EN	✓				✓
	CB	1993		✓	EN			✓		
	CDR	1993		✓	EN			✓		
<i>(Lithuania)</i>	<i>MoF</i>	<i>1999</i>	<i>Inactive</i>							
Madagascar	MoF	2001	✓			✓				✓
	CB	2001		✓			✓			
Mauritania	MoF	1995	✓		FR	✓				✓
Mongolia	MoF	2001	✓		EN	✓				✓
	<i>(CB)</i>	<i>2001</i>	<i>Inactive</i>							
Nicaragua	MoF	1997	✓		ES	✓				✓
	CB	1988	✓		ES	✓				✓
Oman	MoF	2010	✓		AR	✓			✓	
Pakistan	MoF	1985	✓			✓			✓	
	<i>(CB)</i>	<i>1985</i>	<i>Inactive</i>							
Panama	MoF	1997	✓		SP	✓				✓
Paraguay	MoF	1996	✓			✓				✓
	CB	1996		✓			✓			
	<i>(MoP)</i>	<i>1996</i>	<i>Inactive</i>							
<i>(Peru)</i>	<i>MoF</i>	<i>1998</i>	<i>Inactive</i>							
Philippines	MoF	1987	✓		EN	✓				✓
	CB	2008	✓		EN	✓			✓	
Republic of Moldova	MoF	1997	✓			✓				✓
	CB	1997	✓			✓				✓
Romania	MoF	1993	✓			✓			✓	
	CB	1993	✓			✓			✓	
Rwanda	MoF	1990	✓		EN	✓				✓
	<i>(CB)</i>	<i>2000</i>	<i>Inactive</i>							
<i>(Sao Tome)</i>	<i>MoF</i>	<i>1997</i>	<i>Inactive</i>							
	<i>CB</i>	<i>1997</i>	<i>Inactive</i>							
<i>(Senegal)</i>	<i>MoF</i>	<i>1997</i>	<i>Inactive</i>							
Sudan	CB	1998		✓	EN			✓		
	MoF	2016	✓		EN	✓				✓
Syrian Arab Republic	CB	2001	✓		AR	✓			✓	
<i>(The former Yugoslav of Macedonia)</i>	<i>CB</i>	<i>1999</i>	<i>Inactive</i>							
Togo	MoF	1984	✓		FR	✓			✓	
<i>(Trinidad and Tobago)</i>	<i>CB</i>	<i>1985</i>	<i>Inactive</i>							
	<i>MoF</i>	<i>1985</i>	<i>Inactive</i>							
<i>(Turkmenistan)</i>	<i>CB</i>	<i>2001</i>	<i>Inactive</i>							

Country	Institution	Start date in institution	Type of installation		Language of software	Access rights			Version currently used	
			Main installation	Remote access		Full	Partial	Read Only	5.3	6
Uganda	MoF	1985	✓		EN	✓				✓
	CB	1985	✓		EN	✓				✓
<i>(Ukraine)</i>	<i>MoF</i>	<i>1995</i>	<i>Inactive</i>							
Uzbekistan	MoF	2016	✓		RU	✓				✓
Venezuela (Bolivarian Republic of)	MoF	1998	✓		SP	✓				✓
Viet Nam	MoF	1996	✓		EN	✓			✓	
Yemen	MoF	1999	✓		EN			✓		
	CB	1999		✓	EN	✓			✓	
	Ministry of Planning	1999		✓	EN			✓		
Zambia	CB	1986		✓	EN	✓				
	MoF	1986	✓		EN	✓				✓
Zimbabwe	CB	1986	✓		EN	✓			✓	
	MoF	1986	✓		EN	✓				✓
<b>57 current country users</b>	<b>86 active institutions</b>		<b>72 main installations</b>						<b>25</b>	<b>47</b>

## ANNEX 3 - SCOPE OF DMFAS USE IN COUNTRIES

**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 producing a statistical bulletin, defined as the existence of a stand-alone 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: 1) up-to-date situation of the existing debt portfolio and factors underpinning its evolution; 2) composition and structure of the debt portfolio; 3) debt ratios: values and trends; 4) cost indicators; and 5) 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 DMO and has been 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 within the DMO 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 been provided instructions on how to follow these procedures; these have been validated by the head of the DMO 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 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	✓			
Bangladesh	✓		Yes	✓		✓	
Bolivia (Plurinational State of)	✓	✓	No	✓		✓	✓
Burkina Faso	✓	✓	No	✓			
Burundi	✓	✓	No				
Cambodia	✓		No	✓	✓	✓	
Central African Republic	✓	✓	No				
Chad	✓		No				
Chile	✓		Yes				✓

	Coverage of DMFAS databases			Reporting and analysis		Operational risk management	
	Central government external debt	Central government domestic debt	CB monitoring private external debt using DMFAS	Statistical bulletin	Debt portfolio review	Procedures manual	Disaster recovery arrangements
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			✓	✓
Ethiopia	✓	✓	No	✓	✓	✓	✓
Gabon	✓	✓	No		✓	✓	✓
Georgia	✓	✓	No	✓	✓	✓	
Guatemala	✓	✓	No	✓			
Guinea-Bissau	✓	✓	No				
Haiti	✓	✓	No				
Honduras	✓	✓	Yes	✓	✓		
Indonesia	✓	✓	No	✓	✓	✓	✓
Iran (Islamic Republic of)	✓		Yes				
Iraq	✓		No				
Jordan	✓	✓	No	✓		✓	
Lao People's Democratic Republic	✓		No				
Lebanon	✓	✓	No	✓	✓		
Madagascar	✓	✓	Yes	✓	✓	✓	✓
Mauritania	✓		No			✓	
Mongolia	✓		No	✓		✓	✓
Nicaragua	✓	✓	Yes	✓		✓	
Oman	✓		No				✓
Pakistan	✓		No		✓		
Panama	✓	✓	No	✓	✓	✓	
Paraguay	✓	✓	No	✓	✓		
Philippines	✓	✓	Yes	✓			✓
Republic of Moldova	✓	✓	Yes	✓	✓	✓	
Romania	✓	✓	Yes	✓	✓	✓	
Rwanda	✓	✓	No			✓	
Sudan	✓	✓	No	✓	✓	✓	✓
Syrian Arab Republic	✓		No				



	Coverage of DMFAS databases			Reporting and analysis		Operational risk management	
	Central government external debt	Central government domestic debt	CB monitoring private external debt using DMFAS	Statistical bulletin	Debt portfolio review	Procedures manual	Disaster recovery arrangements
Togo	✓	✓	No		✓		
Uganda	✓	✓	No	✓		✓	✓
Uzbekistan	✓		No	✓			
Venezuela (Bolivarian Republic of)	✓	✓	No	✓			
Viet Nam	✓	✓	No	✓	✓	✓	
Yemen	✓	✓	No	✓			
Zambia	✓		Yes			✓	
Zimbabwe	✓		Yes				

## ANNEX 4 - BREAKDOWN OF DMFAS CLIENT COUNTRIES ACCORDING TO INCOME GROUP, 2016

Low-income countries	Lower middle-income countries	Upper middle-income countries	High-income countries	Total
<b>Current (13)</b>	<b>Current (25)</b>	<b>Current (17)</b>	<b>Current (2)</b>	<b>57</b>
Burkina Faso (HIPC)	Armenia	Albania	Chile	
Burundi (HIPC)	Bangladesh	Algeria	Oman	
Central African Republic (HIPC)	Bolivia (Plurinational State of)	Angola		
Chad (HIPC)	Cambodia	Argentina		
Democratic Republic of the Congo (HIPC)	Congo (HIPC)	Costa Rica		
Ethiopia (HIPC)	Côte d'Ivoire (HIPC)	Dominican Republic		
Guinea-Bissau (HIPC)	Djibouti	Ecuador		
Haiti (HIPC)	Egypt	Gabon		
Madagascar (HIPC)	El Salvador	Georgia		
Rwanda (HIPC)	Guatemala	Iran (Islamic Republic of)		
Togo (HIPC)	Honduras (HIPC)	Iraq		
Uganda (HIPC)	Indonesia	Jordan		
Zimbabwe	Lao People's Democratic Republic	Lebanon		
	Mauritania (HIPC)	Panama		
	Mongolia	Paraguay		
	Nicaragua (HIPC)	Romania		
	Pakistan	Venezuela (Bolivarian Republic of)		
	Philippines			
	Republic of Moldova			
	Sudan (HIPC)			
	Syrian Arab Republic			
	Uzbekistan			
	Viet Nam			
	Yemen			
	Zambia (HIPC)			
<b>Former (1)</b>	<b>Former (3)</b>	<b>Former (6)</b>	<b>Former (2)</b>	<b>(12)</b>
Senegal (HIPC)	Sao Tome and Principe (HIPC)	Belarus	Lithuania	
	Ukraine	Colombia	Trinidad and Tobago	
	State of Palestine	Kazakhstan		
		Peru		
		The former Yugoslav Republic of Macedonia		
		Turkmenistan		

Source: World Bank, available at [http://data.worldbank.org/about/country-classifications/country-and-lending-groups#Low\\_income](http://data.worldbank.org/about/country-classifications/country-and-lending-groups#Low_income).

Note: Countries in bold indicate a change in the income level during the year. Economies are classified according to gross national income per capita in 2015, calculated by the World Bank atlas method: low-income countries, \$1,025 or less; lower middle-income countries, \$1,026–\$4,035; upper middle-income countries, \$4,036–\$12,475; high-income countries, \$12,476 and higher.

This table also indicates the countries that qualified or were eligible or potentially eligible for the HIPC Initiative.

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

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

(1) 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 don't 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) 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
	Estimations (1)	(2) Disbursements - D Payment orders - PO Payment confirmation -PC			
Argentina (MoF)	✓	D PO PC	✓		
Argentina (Province of Rio Negro)	✓	D PC	✓		
Bolivia (Plurinational State of) (MoF)	✓	D PO		Under analysis	
Bolivia (Plurinational State of) (CB)					Interface with reporting and SWIFT system for payments
Burkina Faso (MoF)	✓	D PO PC	✓		
Democratic Republic of the Congo	✓	D PO PC	✓		
Dominican Republic (MoF)	✓	D PO PC	✓		
Gabon (MoF)		PO	✓		
Guatemala (MoF)	✓	D PO			Interface with CB's domestic debt database
Honduras (MoF)	✓	D PO PC	✓		
Indonesia (MoF)	✓	D PO PC	✓	✓	

Country	Link with treasury system		Reference data (3)	Auction/ Central depository system	Other
	Estimations (1)	(2) Disbursements - D Payment orders - PO Payment confirmation -PC			
Indonesia (CB)	✓		✓		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 (MoF)		D PO PC			
Philippines (Bureau of treasury)			✓	✓	Link with private debt database
Venezuela (Bolivarian Republic of) (MoF)	✓	PO - Internal Debt only	✓		
Viet Nam (MoF)	✓	PO PC	✓		
<b>Discontinued links</b>					
Iran (Islamic Republic of) (CB)	discontinued	Change in version			
Jordan (MoF)	obsolete	Change in version - new link under development			
Republic of Moldova (MoF and CB)		Not a link as defined in the Annex. Replication environment for reporting purposes			
Yemen (Mo Planning and International Cooperation and CB)	discontinued	Change in version			

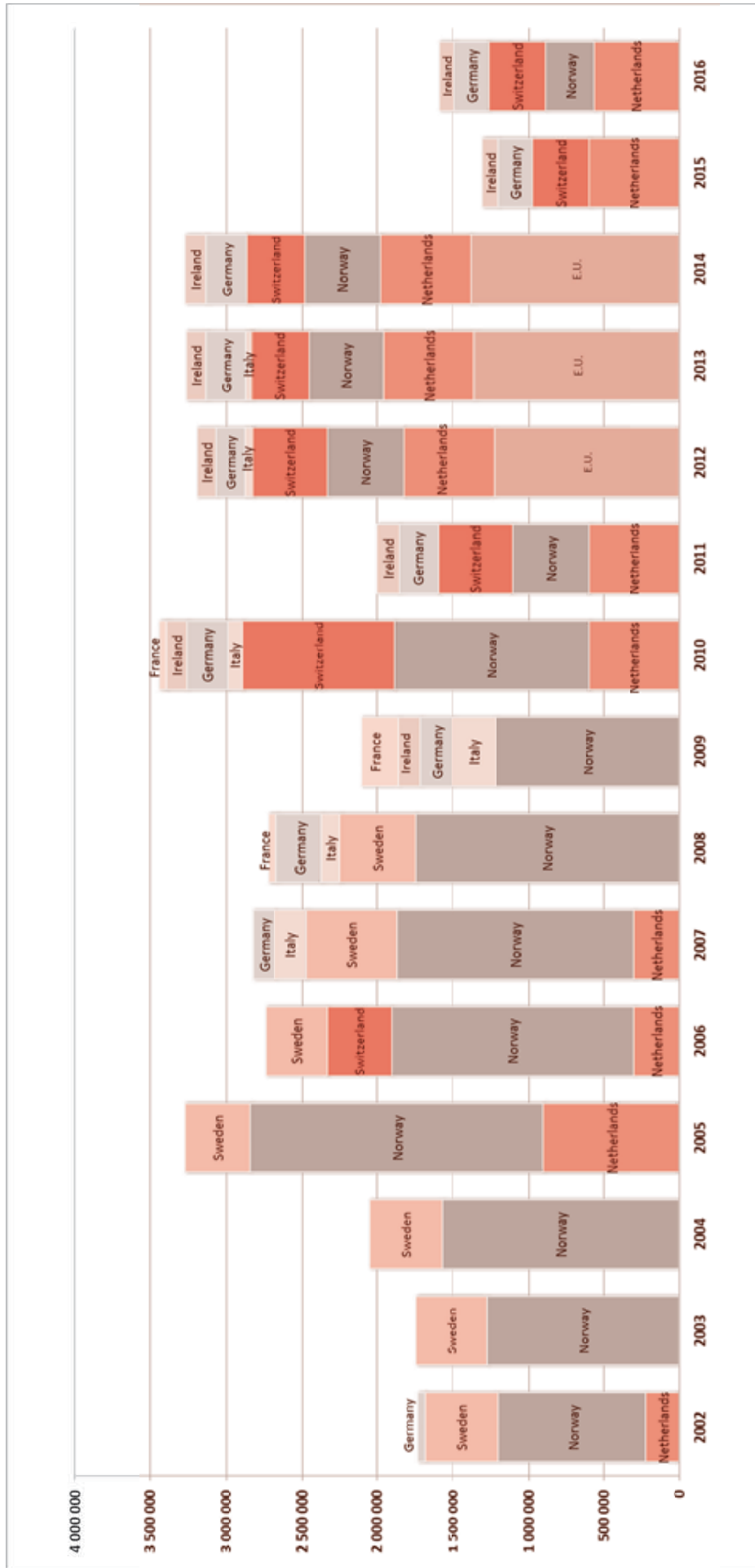
## ANNEX 6 - SUMMARY OF DMFAS HELP DESK ENQUIRIES BY COUNTRIES, 2016

Country	DMFAS 5.3		DMFAS 6			
	Incoming	Answered	Incoming	Closed	Assigned	Reopened
Albania*	2	2	60	49	11	
Algeria	1	1				
Angola*	3	3	28	19	9	
Argentina			35	31	4	
Argentina (Province of La Rioja)			3	2	1	
Armenia			4	3	1	
Bangladesh			4	3	1	
Bolivia	4	4				
Burundi			3	2	1	
Cambodia			9	9		
Central African Republic			18	9	9	
Costa Rica*	1	1	41	35	6	
Democratic Republic of the Congo			2	1	1	
Dominican Rep.			4	2	2	
Ecuador	5	5				
Egypt**	2	2	5	4	1	
Ethiopia			11	9	2	
Gabon			18	17	1	
Georgia			1	1		
Guatemala			3		3	
Honduras **	7	7	33	22	11	
Indonesia			26	19	7	
Iran (Islamic Republic of)*	1	1	22	16	6	
Ivory Coast			12	4	8	
Jordan			8	6	2	
Lebanon			14	11	2	1
Madagascar			8	7	1	
Moldova (Republic of)*	1	1	80	55	24	1
Nicaragua **	2	2	12	8	4	
Oman	1	1				
Panama *	1	1	11	8	3	
Philippines	1	1	11	6	5	
Rwanda			9	8	1	
Sudan			9	6	1	2
Uganda			36	23	11	2
Uzbekistan			2	2		
Venezuela (Bolivarian Republic of)			29	25	4	
Viet Nam	1	1				
Zambia			1	1		
Zimbabwe			10	6	4	
<b>Total</b>	<b>33</b>	<b>33</b>	<b>582</b>	<b>429</b>	<b>147</b>	<b>6</b>

\* Upgraded to DMFAS 6

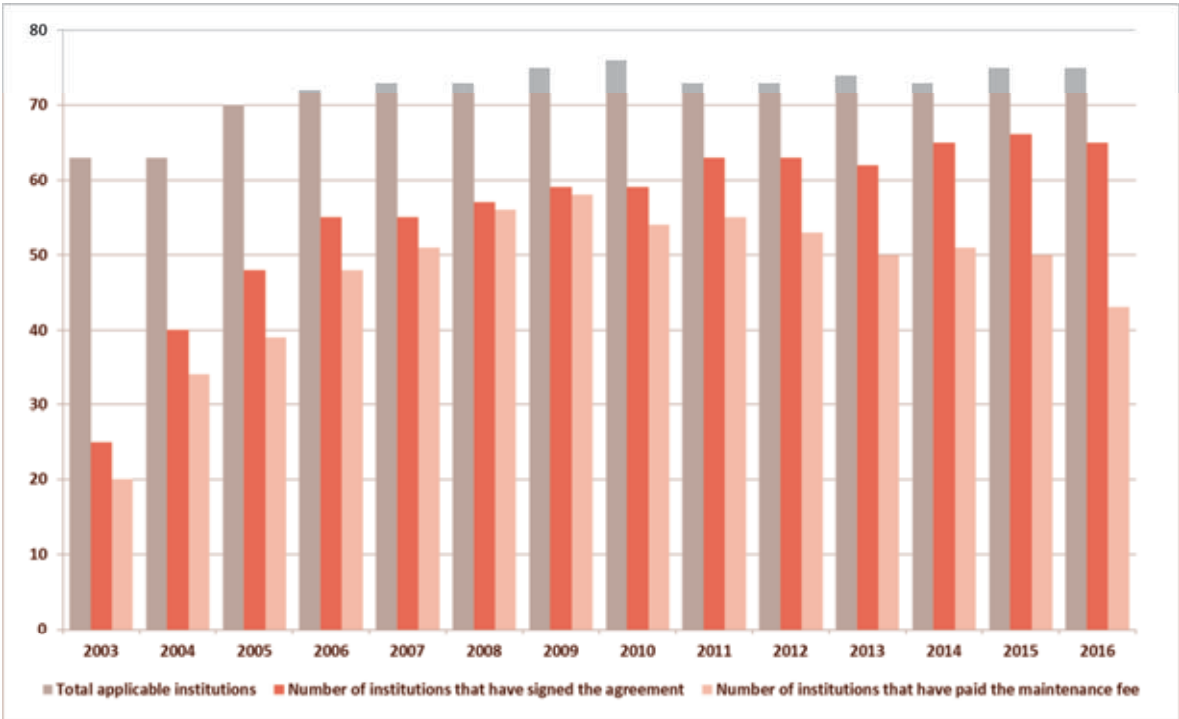
\*\* Parallel running

## ANNEX 7 - CONTRIBUTIONS TO THE DMFAS CENTRAL TRUST FUND PER DONOR, 2002–2016

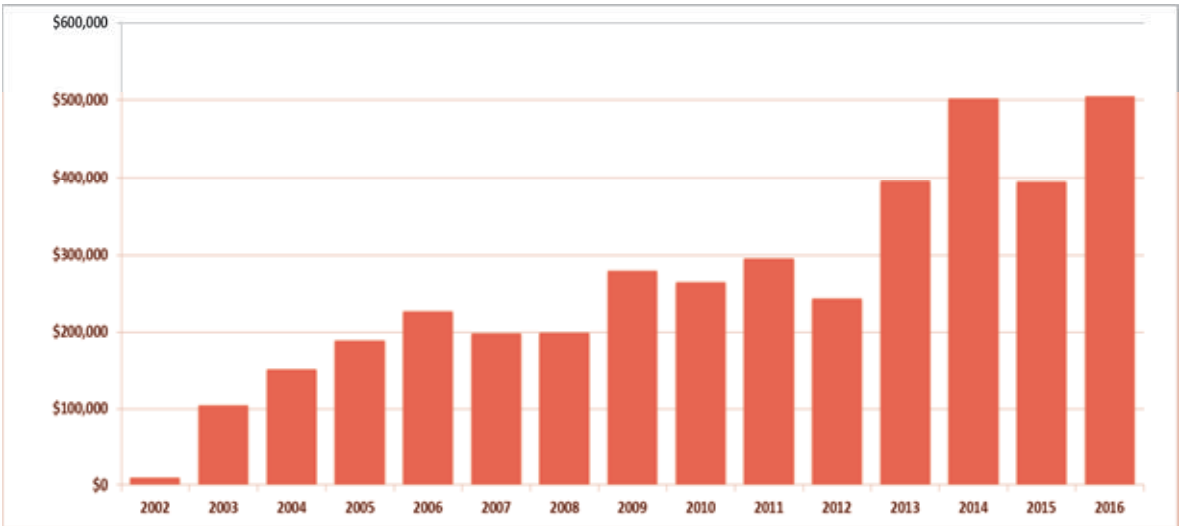


# ANNEX 8 - MAINTENANCE AGREEMENTS AND FEES

## 8.1 Signed maintenance agreements and payment of maintenance fees, 2003–2016



## 8.2 Maintenance fee payments received, 2002–2016



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

- **United Nations General Assembly resolution A/RES/71/216 - External debt sustainability and development** (adopted 21 December 2016)
  - o "*Emphasizing* that debt sustainability is essential for underpinning growth, underlining the importance of debt sustainability 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,"
  - o "*Reaffirming* that each country has primary responsibility for its own development 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,"
  - o 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"
  - o Paragraph 10: "*Recognizes* that the long-term sustainability of debt depends on, inter alia, economic growth, the mobilization of domestic and international resources, the export prospects of debtor countries, sustainable debt management..."
  - o Paragraph 11: "*Notes with concern* that some low- and middle-income developing countries that were not part of the existing debt relief initiatives now have large debt burdens that may create constraints on mobilizing the resources needed to achieve the Sustainable Development Goals, indicating a need to consider, as appropriate, stronger debt management initiatives for those countries..."
  - o Paragraph 13: "*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..."
  - o Paragraph 24: "*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..."



o Paragraph 25: "*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 capacity-building activities in developing countries in the area of debt management and debt sustainability with a view to contributing to the implementation of the 2030 Agenda;"

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

o 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 22 July 2016)

o 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 longstanding work of UNCTAD on debt issues within the United Nations, including through promotion of its Principles on Responsible Sovereign Lending and Borrowing, is recognized."

o 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;"

o 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)**

o 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.”

o 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>3</sup> 17.4 on debt sustainability**

o “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 (A/RES/69/313)**

o Paragraph 34: “[...] We will work to strengthen debt management [...].”

o 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.”

o 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 [...].”

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<sup>3</sup> The Sustainable Development Goals (SDGs), also known as the Global Goals, are a set of 17 goals to end poverty, protect the planet and ensure prosperity for all. They are part of the new 2030 Agenda for Sustainable Development which was adopted by world leaders in September 2015 at an historic UN Summit. 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.

- **Doha Declaration on Financing for Development: Outcome document of the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus – Draft resolution submitted on the recommendation of the Main Committee (A/CONF.212/L.1/Rev.1)**

- o Paragraph 64: “Technical assistance to manage debt and address debt problems can be crucial for many countries, in particular the most vulnerable. We reaffirm the importance of adequate capacities of debtor countries during debt negotiations, debt renegotiations and for debt management. In this regard, we will continue to provide developing countries with the necessary assistance, including technical assistance, upon request, to enhance debt management, negotiations and renegotiation capacities, including tackling external debt litigation, in order to achieve and maintain debt sustainability.[...]”

- **Doha Mandate (April 2012):**

- o Paragraph 28: “Effective macroeconomic and debt-management policies play an important role in fostering debt sustainability and economic development and debt crisis prevention. Many countries have managed to sharply reduce their overall debt-to-gross domestic product (GDP) ratio, in some cases assisted by the Debt Management and Financial Analysis System (DMFAS) Programme, and relevant initiatives such as the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative. Progress is needed on restructuring public debt.”

- o Paragraph 31(c): UNCTAD should “continue analytical work on how issues of debt and its impact on mobilization of resources can be addressed more effectively, and providing technical assistance and support for developing countries in building national capacities through the DMFAS Programme, in cooperation, where appropriate, with the International Monetary Fund, the World Bank and other stakeholders”.

## **ANNEX 10 - CONCLUSIONS OF THE DMFAS ADVISORY GROUP, NOVEMBER 2015**

The DMFAS Advisory Group advises the Secretary-General of UNCTAD of the following conclusions of its tenth Meeting, held in Geneva, Switzerland, on 26 and 27 November 2015. The DMFAS Advisory Group:

### ***Strategic plan 2011–2015***

1. Notes with satisfaction the excellent results achieved by the Programme in the implementation of the 2011–2015 strategic plan that will conclude in December 2015, contributing to concrete and sustainable progress for DMFAS client countries that includes improved external and domestic debt data recording, enhanced reporting and improved debt analysis capacities.
2. Expresses its appreciation that the strategic plan was extended by one year to enable the outcomes of the Business Model Review to be incorporated into the next plan and make it possible for this meeting of the Advisory Group to review the new Strategic Plan before its implementation.
3. Appreciates that the Programme continues to be highly relevant for developing countries, bilateral donors and other organizations, that there is a very high level of satisfaction among users of its products and services, and that users consider that DMFAS provides a cost-effective solution for their needs.

### ***Strategic plan 2016–2019***

4. Endorses the new strategic plan proposed by the Programme.
5. Appreciates that the new plan is a forward-looking programme for DMFAS to deliver high-quality, highly relevant technical assistance that addresses critical needs of developing countries and countries with economies in transition.
6. Considers that the new plan is a valuable instrument for enabling the international community to satisfy its commitments to promote effective debt management as defined in the Sustainable Development Goals and the Addis Ababa Action Agenda.
7. Agrees with the Programme's focus and strategic priorities for the period, in particular the prioritized continued development of the DMFAS system, including plans for a major new version, DMFAS 7, and the development of the new more comprehensive capacity-development framework.
8. Requests that the Programme take account of the following needs for the development of DMFAS 7 in addition to those foreseen in the draft strategic plan: Form 4 for DRS, improved validation tools, customized and intuitive reporting, generation of reports in the original currency of the loans, integration of Trac, and alerts for debt service falling due.

9. Requests that the Programme take account of the following priorities for the development of DMFAS 7: Total public debt, contingent liabilities, accrual accounting, front office, debt reporting and operational risk management.
10. Notes that the development of a new capacity development framework will provide countries with a range of options for satisfying their capacity-building needs and improve the effectiveness and efficiency of the Programme's responses to the problems of debt management offices such as high staff turnover.
11. Requests that the Programme take account of the following needs for the capacity development framework in addition to those foreseen in the draft strategic plan: accrual accounting module, negotiation to take account of financial terms of debt instruments, SQL, query builder, and JAVA, and defining a comprehensive syllabus covering all the required training courses for a competent debt manager.
12. Stresses the importance of establishing collaboration platforms for knowledge sharing, such as a DMFAS users discussion forum, and the need to continue with traditional learning platforms to take account of possible connectivity issues.
13. Appreciates the plan to develop certification for DMFAS users because of its many benefits, such as standardizing the minimum competencies, facilitating identification of potential trainers, reducing staff turnover, increasing staff capacities, retaining institutional memory, professional recognition, enabling South–South cooperation and increasing the autonomy of debt management offices.
14. Notes also that expanding the scope and coverage of debt instruments in the Programme's products and services will respond to the wide range of debt instruments with which debt management offices are increasingly faced, and that improving debt reporting and the availability of information will help to improve transparency and ensure that debt data is easily available for debt analysis and policymaking.
15. Appreciates that the new plan responds to the requests and recommendations of the Advisory Group in its previous meetings, and of the recommendations of external evaluations and reviews of the Programme, and that it meets the evolving needs of debt offices.
16. Understands that the de-support by third-party suppliers of the technological platform of DMFAS 5.3 raises difficulties for its continued support by the DMFAS Programme beyond December 2016, appreciates the Programme's commitment to continue to provide as much support for it as possible for as long as the technology allows.
17. Reiterates its previous recommendation that countries still using DMFAS 5.3 or earlier versions upgrade to DMFAS 6 as soon as possible and urges the Programme to provide as much support as possible for users to migrate.
18. Understands that full implementation of the plan is subject to the availability of sufficient resources.
19. Stresses the importance of continued synergies between the DMFAS Programme's technical assistance work and UNCTAD research and analytical work on debt management.

20. Requests that the Programme review the strategic plan on a regular basis to ensure that it remains relevant to evolving needs.

#### ***DMFAS 6***

21. Appreciates that DMFAS 6 will continue to be fully operational and supported by the DMFAS Programme for many years to come and that this will not be affected by the research and development on DMFAS 7 that will begin in 2017, and will be completed at the earliest in 2019.

#### ***Interfaces with other systems***

22. Recommends that the Programme continue to support countries in the development of interfaces between DMFAS and other systems, including by offering technical workshops.
23. Requests that the DMFAS Programme continue to provide support to requesting countries for linkages between DMFAS and aid management systems, based on demand.

#### ***Monitoring and evaluation***

24. Requests the Programme to fully implement the monitoring, evaluation and reporting framework defined in the strategic plan.
25. Appreciates that client satisfaction will be tracked over time and the results incorporated in the periodic reports.
26. Asks that the Programme report back to the Advisory Group on progress in implementing the plan at its next meeting in 2017.

#### ***Communication/website***

27. Appreciates the improvements in communication offered by the new website portal, and the potential it offers for improving the timeliness and availability of information.
28. Requests the Programme to provide documents, communications and website in the working languages of user countries, to the extent feasible. The Advisory Group notes that this is a particular concern for French-speaking countries and requests that the Programme explore the possibility of obtaining support for translations from organizations such as the International Organization of la Francophonie. It notes also that requests have been made to ensure that the DMFAS 7 be available in Arabic.

#### ***Support/quality of services***

29. Appreciates the continued support provided to debt management offices and encourages the Programme to continue to prioritize high-quality products and services in response to evolving user requests.
30. Values the services provided by the DMFAS help desk, stresses the importance of continued high quality and timely support, and asks the Programme to take account of time and working week differences as much as possible.

31. Encourages the Programme to continue to facilitate debt sustainability and debt strategy formulation within its areas of comparative advantage.
32. Recommends that the Programme continue to provide support to subnational governments and that it benefits from the expertise of local staff to do so, wherever possible.
33. Proposes that the Programme consider the use of videoconferences for training at the regional level.

#### ***Cooperation and partnership***

34. Emphasizes 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.
35. Appreciates the efforts the Programme has made to strengthen its cooperation with the Commonwealth Secretariat and encourages the Programme to continue discussions with a view to cooperating to the maximum extent possible.

#### ***Business model and financing***

36. Appreciates the work and high quality of the Business Model Review (BMR) report that demonstrates an excellent understanding of the Programme, the environment in which it operates and its current business model, and that it clearly identifies the challenges and the opportunities and makes useful recommendations for improving the future financial sustainability.
37. Notes that the independent consultant considered that DMFAS is a highly successful and relevant programme that is highly regarded by all stakeholders.
38. Appreciates that the Programme has carefully examined the recommendations of the Business Model Review and has formulated relevant responses as part of its new strategic plan.
39. Concurs with the BMR recommendation that the Programme should shift revenues from donor core funding to financing from services to the extent possible, while taking into account countries' ability to pay.
40. Concurs also with the BMR recommendation that the Programme should maximize opportunities for cost reduction and increasing cost-sharing/recovery in line with countries' ability to pay, and in particular the low-income countries, and that the donor community should continue to provide long-term and predictable funding for core operations.
41. Expresses satisfaction with the positive implementation of the financial reform mechanisms of the current strategic plan as recommended by the 2009 Advisory Group meeting, including on cost-sharing mechanisms, cost recovery and donor funding, and recommends a clear differentiation between the maintenance fees and development contributions applied to low-income and middle- or high-income countries.
42. Endorses the Programme's plan to establish a graduation price for high-income countries based on full cost of services, to revise the pricing model for project services implemented as

part of the recommended financial reforms, and to review the levels of maintenance fees and development contributions to coincide with the release of DMFAS 7.

43. Conveys its appreciation for the participation of beneficiary countries in the funding of the Programme through the cost-sharing and cost-recovery arrangements.
44. Expresses its appreciation for the financial support to the DMFAS Programme from the donor community, encourages current donors to continue their support and invites the participation of new donors.
45. Recommends that the Programme establish the promotion strategy outlined in the new strategic plan as a matter of priority.
46. Agrees with the recommendation of the BMR that UNCTAD should increase its support to the DMFAS Programme, and requests the Secretary-General of UNCTAD to consider increasing the resources made available from the regular budget to support the work of the DMFAS Programme, with the purpose of improving the balance between the different contributors to the funding of the Programme.
47. Encourages the Programme to seek the necessary funding to establish regional centres, prioritizing in the first instance two regional centres in Africa as previously recommended by the Advisory Group, and recommends that centres provide both functional and technical support.
48. Recommends that the Programme offer different types of maintenance contracts that offer varying services ranging from basic to more comprehensive options.
49. Stresses the importance of the Programme obtaining the funding necessary to enable it to continue to respond effectively to the many and evolving demands of developing countries and countries with economies in transition for assistance in building sustainable capacity for the effective management of their public debt.
50. Appreciates the intention 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 Sustainable Development Goals.
51. Suggests that UNCTAD alert Governments benefiting from DMFAS services to the necessity of including allocations in their budgets to support DMFAS activities, within the scope of its regular interaction with Governments.







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