



MFAS
Programme



UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Debt Management and Financial Analysis System
Programme
Annual Report 2017



UNITED NATIONS

New York and Geneva, 2018

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United Nations publication issued by the United Nations Conference on Trade and Development.

UNCTAD/GDS/DMFAS/2018/1

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 2017**

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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) from 1st January to 31 December 2017 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, 41 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.

The DMFAS strategy focuses on supporting countries in their efforts to develop sustainable capacity in the downstream areas of public 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. These functions are considered as the foundations for effective debt management, which complement and support 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 systems or within complex integrated financial management systems as part of the overall public financial management improvement efforts of countries.

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.

2017 was the second year of implementation of the current strategic plan. During the year, the Programme concentrated on providing direct solutions to the debt management needs of developing countries in response of the first objective of the strategic plan aimed at improving “the technical and functional capacity of debt management offices to record, process, monitor, report and analyse public debt”. It continued to pay particular attention to helping countries produce clearly identifiable outputs through tailor-made technical assistance projects. For DMFAS client countries, concrete and sustainable results at the end of 2017 include improved 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.

At end of this second year of implementation, the Programme is on target in almost all key areas of Objective 1. Significant progress has been made on the targets for *Improved debt coverage*, especially on external and domestic debt. Most countries were benefitting from the enhanced functionalities of DMFAS 6. Increasing coverage of private non-guaranteed external debt is a challenge that will require particular attention in the next two years. Results in countries during the year included the drafting of three debt portfolio reviews, seven data validation calendars and three debt statistics bulletins.

Results for *Enhanced transparency and reporting* are particularly positive, with three of four targets that focus on reporting to international debt databases already passed. Almost all countries are reporting to the Debtor Reporting System of the World Bank. Eighty-nine per cent of DMFAS countries that committed to participate in the IMF-World Bank Quarterly External Debt Statistics database (QEDS) reported on time. In addition, 92 per cent of DMFAS user countries that subscribed to report to IMF-World Bank Quarterly Public Sector Debt database (QPSD) also reported on time. For the fourth target, with 36 countries producing statistical bulletins, the Programme is already close to reaching the target.

For *Facilitated debt analysis*, Medium-Term Debt Strategy (MTDS) and Debt Sustainability Analysis (DSA) targets are on track and Debt Portfolio Analysis (DPA) is stable. Twenty-seven countries regularly produce a debt portfolio analysis at least once during the year, including three new countries, and all countries used DMFAS data for MTDS formulation where MTDS is done.

The original targets for *Improved operational risk management* were passed and there will be a need to adjust the baselines and targets upwards. Twenty-one countries have an up-to-date procedures manual for back office operations and 12 have an effective disaster recovery plan for the DMFAS software.

For *Integration with Public Finance Management (PFM)*, clear progress for integration with budget, accounting and treasury systems has been made with 21 institutions having linked the DMFAS database with other integrated systems. However, there was no new integration with auction systems or aid management in 2017.

For *Enhanced debt management knowledge*, the 11th UNCTAD Debt Management Conference brought together 390 participants from nearly 100 countries, 12 international organizations and specialized agencies, as well as from non-governmental agencies, academia and private sector. The Programme is on target with 486 debt officials from 31 countries having received training (out of the expected 35 countries).

Significant progress was also made on Objective 2. The web-enabled DMFAS 6 software caters to the evolving institutional and operational needs of debt management offices and their changing debt portfolios. During 2017, the Programme worked on the release of DMFAS 6.1.3, which contains a large number of corrections, enhancements and new functionalities. 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. In addition, the Programme finalised the analysis of the needs and requirements for the next major version, DMFAS 7. The baseline architecture is defined and programming work for the migration of existing modules towards the new technology started in November 2017.

In line with its strategy to improve delivery of its capacity-building support to countries, the Programme finalized and delivered 13 factsheets which are part of the new course on “Basic Debt Concepts” and released three tutorials on DMFAS 6 and an updated version of the glossary of debt and DMFAS. In addition, it is in the final stage of testing and validating two new learning products on the basics of government securities market and financial calculations 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 six DMF missions. DMFAS also continued collaboration with the Inter-agency Task Force on Finance Statistics (TFFS). In 2017, 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

collaborated 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.

The 11th DMFAS Advisory Group has reiterated 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. In 2017, the number of donors to the Programme was stable compared to the previous year and included Germany, Ireland, the Netherlands, Norway and Switzerland (which renewed its support for four years). The Programme continued its fundraising effort to secure commitments from past, current and new donors for funding the implementation of its strategic plan for 2016–2019.

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. As of the end of 2017, the Programme was seeking additional donor funding in order to be able to fully implement its strategic plan in the following two years.

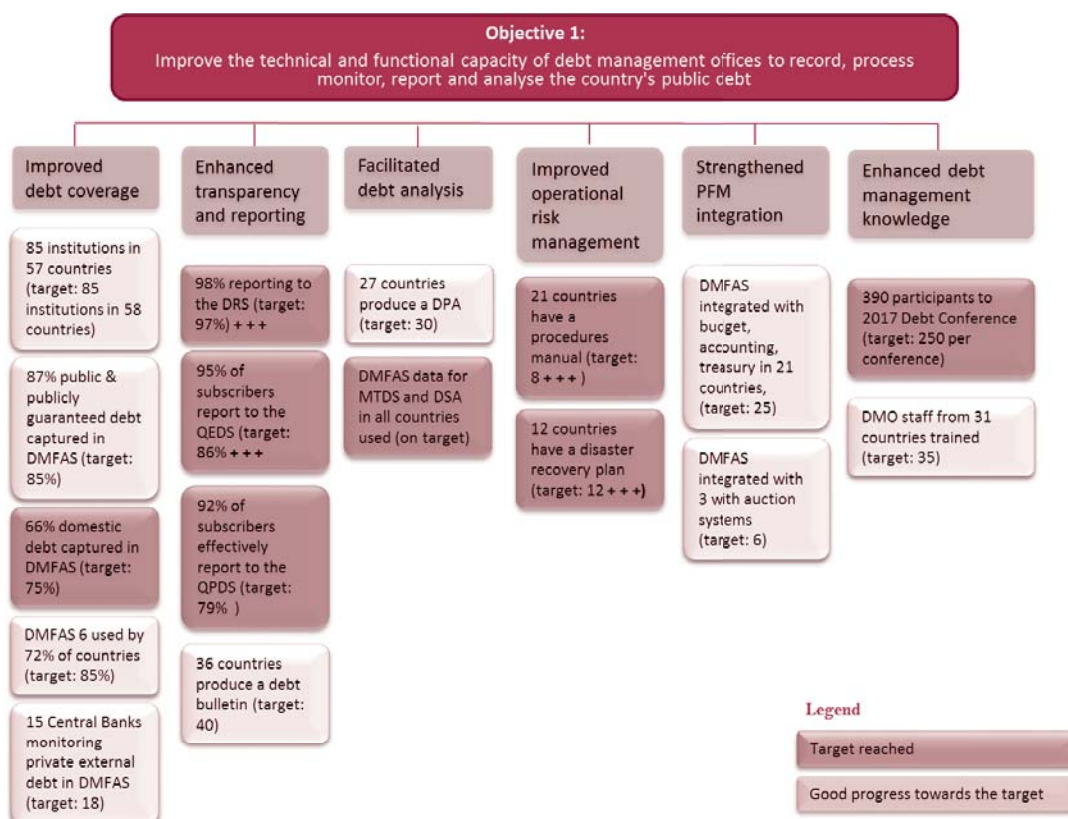
The continued relevance of the programme's work and current strategic plan was highlighted during the 11th DMFAS Advisory Group Meeting (see annex 10). Another important development was the clear recognition by the international community of the importance of debt data quality and reporting. The increased understanding that comprehensive and reliable debt data is critical for effective risk management and analysis was particularly evident in the context of growing concerns for debt sustainability in many low-income countries.

Overall, at the end of 2017, the mid-point of its four-year strategic plan, the results show that DMFAS Programme is on track to achieve all the objectives. While attention will be needed to address the aforementioned immediate challenges in the final two years of the plan, the positive results and the continued relevance of its work put the programme in a very strong position to achieve its overall development objective of strengthening governments' capacity to manage their debt effectively and sustainably. As such, the programme can be expected to continue to make an important contribution to poverty reduction, development and good governance, and accordingly to the achievement of the Sustainable Development Goals.

OVERVIEW OF PROGRESS AT THE END 2017

At end of second year of implementation, the Programme is on target in almost all key areas of Objective 1 (see figure 1).

Figure 1. Summary of achievements under objective 1 of the 2016–2019 strategic plan at the end of 2017



Significant progress has been made on the targets for *Improved debt coverage*, especially on external and domestic debt:

- 87 per cent of DMFAS user countries had comprehensive and reliable debt databases in respect of external government and government-guaranteed debt.
- 66 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.
- Majority of countries now using DMFAS 6.

Results for *Enhanced transparency and reporting* are particularly positive:

- Three of four targets, focusing on reporting to international debt databases, are already passed.

- 98 per cent of low or middle-income countries reported to the Debtor Reporting System of the World Bank.
- 65 per cent of DMFAS user countries were participating in the IMF-World Bank Quarterly External Debt Statistics database (QEDS), of which 95 per cent timely provided data.
- 92 per cent of DMFAS user institutions that subscribed to report to the IMF-World Bank Quarterly Public Sector Debt database (QPSD) effectively reported.
- With 36 countries producing statistical bulletins, the Programme is close to reaching the fourth target.

For *Facilitated debt analysis*, Medium-Term Debt Strategy and debt sustainability analysis targets are on track and debt portfolio analysis is stable:

- 27 regularly produce a debt portfolio analysis.
- All countries used DMFAS data for Medium-Term Debt Strategy (MTDS) formulation where MTDS is done.

The original targets for *Improved operational risk management* were passed and there will be a need to adjust the baselines and targets upwards:

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

For *Integration with Public Finance Management (PFM)*, clear progress on integration with budget, accounting and treasury systems has been made with 21 institutions having linked the DMFAS database with other integrated systems. However, there was no new integration with auction systems or aid management in 2017 due to the lack of demand.

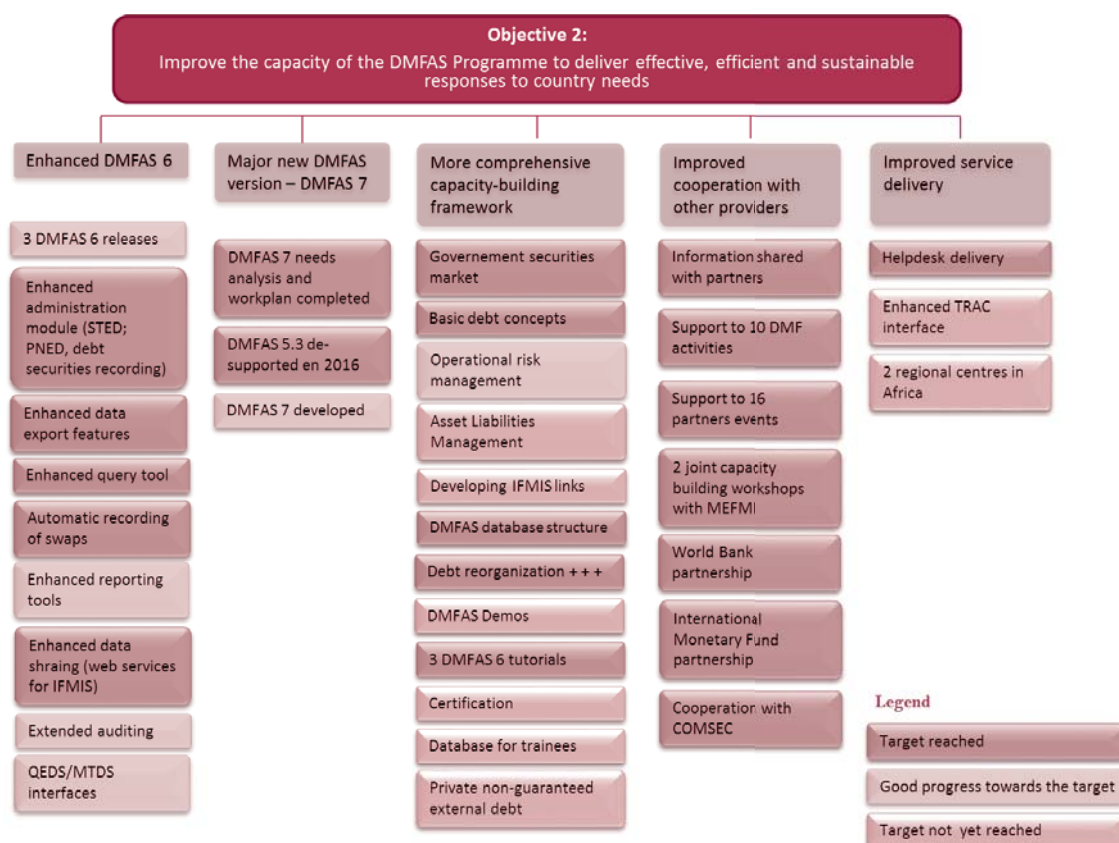
For *Enhanced debt management knowledge*, 390 participants from 109 countries participated in the 11th UNCTAD Debt Management Conference, and the programme is on target with training debt officials, with 31 countries out of the expected 35 countries already having received training (486 officers from 22 countries trained during 2017).

In relation to Objective 2, half of the targets have been reached and the Programme is on target in the remaining key areas (see figure 2).

Significant progress was made on targets for *enhancing DMFAS 6*, which includes the release of three updates with improved functionalities. Few improvements remain to be finalized.

The preparation for the *development of DMFAS 7* was initiated. The needs analysis and the development workplan were finalized in 2017 and the development started in September.

Figure 2. Summary of achievements under objective 2 of the 2016–2019 strategic plan at the end of 2017



Many improvements made to *capacity-building framework* were implemented including:

- New training modules developed on basic debt concepts, reorganization and government securities market and financial calculations.
- Development initiated for the new modules planned for 2018–2019.

All expected results for *Improved cooperation with other providers* are on target and include:

- Extensive cooperation and joint activities with the World Bank: Debtor Recording System (DRS), Debt Management Facility (DMF) (six joint missions), Treasury.
- Intensive cooperation on debt statistics with IMF.
- Joint workshops with MEFMI.
- Development of new debt data quality methodology with COMSEC.

Finally, progress on *Improved service delivery* has been mixed. The helpdesk service was delivered in 2017 as expected. The improvements for the Trac are planned for 2018. Finally, the establishment of two regional centres in Africa is constrained by unavailability of necessary funding.

ABOUT THE DMFAS PROGRAMME

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

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.

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

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.

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.

Long experience in assisting countries

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.

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.

A set of proven solutions for improving debt-management capacity

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.

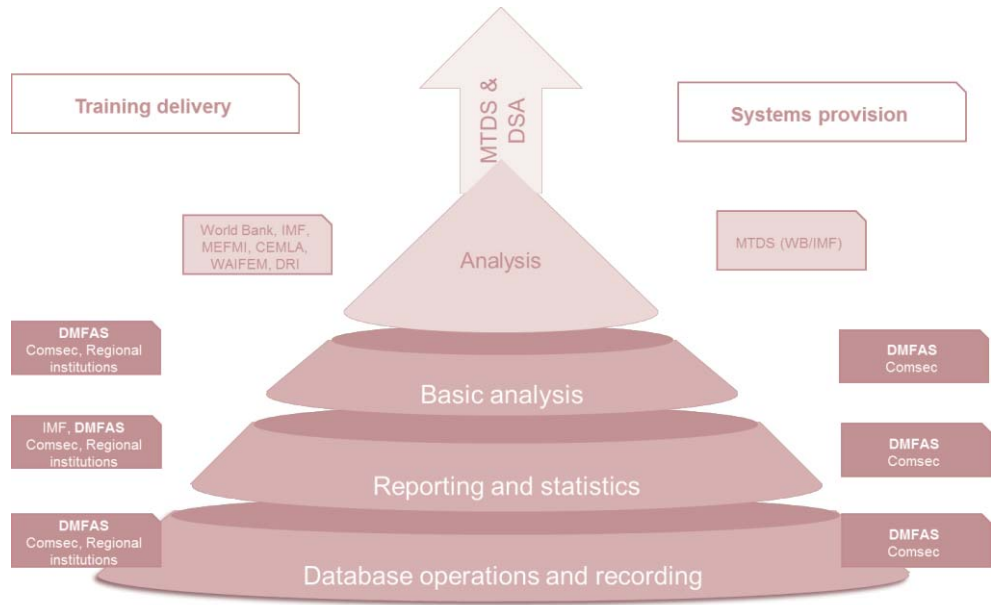
Usually installed in a country's finance ministry and/or central bank, the DMFAS software supports the management of both external and domestic public debt (loans and debt securities), whether this be short-, medium- or long-term debt. It can also be used for private debt, grants and on-lent loans.

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.

Capacity-building approach

The Programme’s approach to capacity-building in debt management is based on the DMFAS capacity-building pyramid, as described in figure 3.

Figure 3. 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 3 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.

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 channelled 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.

Providing technical assistance through the implementation of country projects

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 Helpdesk and other services.

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

DMFAS strategic 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.

Funding

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.

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 THE STRATEGIC PLAN

1. Overview of the 2016–2019 strategic plan

The current four-year strategic plan for the DMFAS Programme, started 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.

A 4-year strategic plan

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.

Two immediate objectives

Includes performance indicators

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

Objective 1:

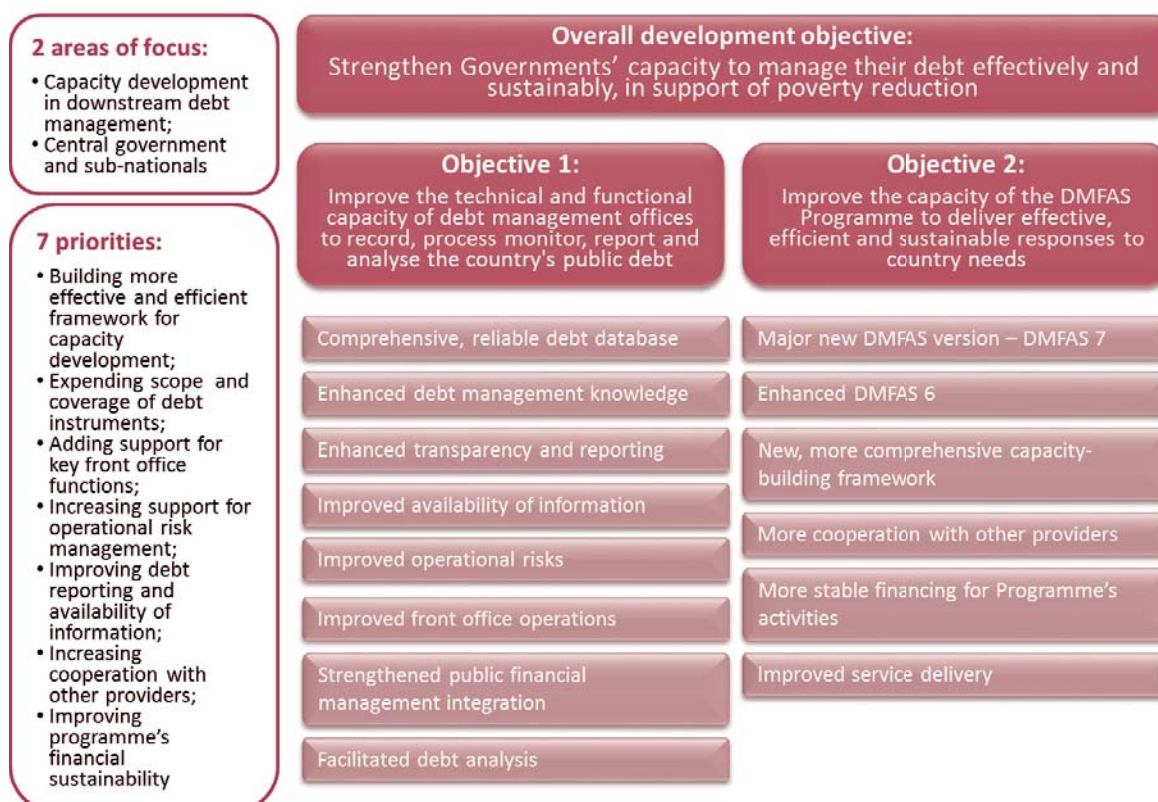
Improve the technical and functional capacity of debt management offices to record, process, monitor, report and analyse the country's public debt

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 4 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 4. Overview of DMFAS strategic plan 2016–2019



2. Key results achieved at the end of 2017

Annex 1 provides a summary table of the objectives and expected results, as well as achievements in 2017.

Below is the list of expected results for immediate objective 1, with a description of progress made in 2017 to achieve them:

- **Government information systems established for effectively managing complete, up-to-date and reliable debt databases.** In 2017, 57 countries and 85 institutions were actively using DMFAS. As a measure of the progress countries have made in debt recording assisted by DMFAS, 87 per cent of countries have developed comprehensive, reliable debt databases in respect of government and government-guaranteed external debt. This shows continued efforts of DMFAS countries to improve external debt records. Sixty-six 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 486 officers (240 men and 246 women) from 22 countries benefited from DMFAS training activities. In addition, 390 participants from 109 countries attended the UNCTAD Debt Management Conference (253 men and 137 women).
- **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). Ninety-five percent of the DMFAS user countries that subscribed to the Quarterly External Debt Statistics (QEDS) effectively reported for the third quarter 2017. Finally, 42 per cent of DMFAS countries subscribed to the Quarterly Public Sector Debt database (QPSD), of which all reported on time, except two.
- **Improved operational risk management.** In 2017, 21 countries had up-to-date procedures manuals. Twelve DMFAS user countries had a disaster recovery plan for the DMFAS system. The setbacks for these two indicators compared to 2016 show the difficulty for countries to

**Comprehensive
debt databases**

**Qualitative debt
reporting**

update regularly their procedures and test the disaster recovery plans. This highlights the need for continued support in this area.

DMFAS linked in 21 countries

- **Strengthened integration of debt management within Public Finance Management (PFM).** Twenty-one countries had linked the DMFAS database to other information systems, of which 15 with treasury systems. In addition, three countries had developed links with their auctions platforms.
- **Facilitated debt analysis.** At the end of the period, 27 countries were regularly publishing a debt portfolio review, including three additional countries. Furthermore, DMFAS data was used for preparing a Medium-Term Debt Strategy (MTDS) and debt sustainability analysis 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 2017 to achieve them:

DMFAS 7 development

- **Major new DMFAS version developed - DMFAS 7.** The analysis of needs and requirements for DMFAS 7 was completed, the workplan was finalized and the development initiated.

DMFAS 6 enhanced

- **DMFAS 6 enhanced.** At the end of 2017, DMFAS 6 was installed in 49 institutions in 41 countries, representing 59 per cent of DMFAS user institutions and 72 per cent of DMFAS countries. During the year, two additional institutions in two countries adopted this version. A new release of DMFAS 6 with improvements in key functions is under preparation for distribution to client countries in 2018.

Comprehensive capacity-development framework

- **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 2017, three debt portfolio analysis workshops resulted in the production of draft debt portfolio analysis reports. In addition, seven data validation workshops resulted in the production or the update of a data validation calendar, including one at regional level in cooperation with the Macroeconomic and Financial Management Institute of Easter and Southern Africa. Finally, three debt statistics workshop resulted in the drafting of debt statistics bulletins.

In line with its strategy, the Programme finalized and delivered 13 factsheets which are part of the new course on “Basic Debt Concepts”. In addition, it is in the final stage of testing and validating two new learning products on the basics of government securities market and financial calculations and on 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 3), 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 management capacity-building pyramid model (see figure 3) 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 3, i.e. risk analysis, debt strategy and debt sustainability analysis.

**Strong cooperation
with other
providers**

In avoiding duplication, the Programme's initiative of systematically sharing its mission calendar with other providers continued to be very useful. In 2017, 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. The Programme continued to be an important implementing partner of the second phase of the Debt Management Facility led by the World Bank. In 2017, the Programme participated in four debt management performance assessment (DeMPA) missions in Benin, Djibouti, Kosovo and Madagascar, and co-organized two regional workshops on debt management performance assessment training in Austria and on medium-term debt strategy training (MTDS) in Switzerland.

Improved service delivery

- **Improved service delivery.** The Programme provided effective support to user countries through its helpdesk, which responded to 221 requests during the reporting period. It supplied country technical assistance, namely delivering 73 capacity-building workshops and other activities during the reporting period. At the end of 2017, the Programme had actively managed 18 technical assistance projects and signed five new projects and two addenda to existing projects. 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

- **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 fee 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 2017, in line with the objective of the strategic plan, all new DMFAS 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.

3. Activities implemented in 2017

This section describes the status of the Programme's capacity-building activities at the country project level at the end of 2017. 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 2017 in delivering its services, it implemented its work plan as follows:

Operational status of DMFAS in countries

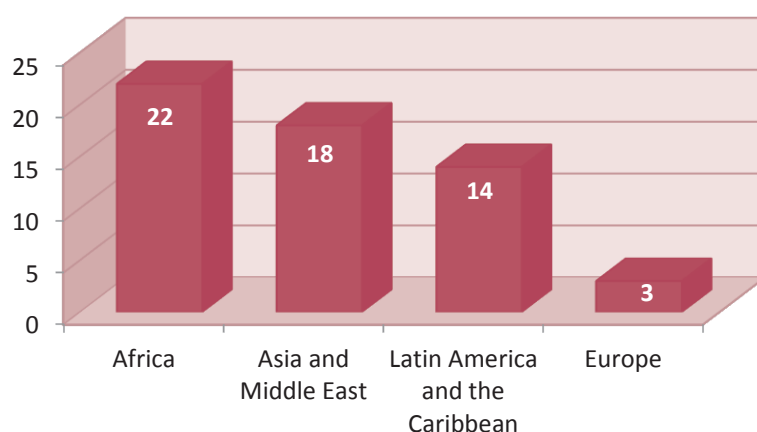
Respond to increasing demands from DMFAS clients. In response to the increase in requests from user countries for the Programme's products and services, the DMFAS Programme signed new project agreements with five countries (Burkina Faso, Ecuador, Guinea-Bissau, Togo and the province of

Rio Negro, Argentina), and signed two addenda to existing projects with the Province of La Rioja, Argentina, and Gabon.

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 5 shows the geographical breakdown of active countries, showing that a majority of user countries are in Africa and Asia.

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

Figure 5. Geographical distribution of active DMFAS users, 2017



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 6 provides a breakdown of the countries that were using DMFAS at the end of 2017. 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.

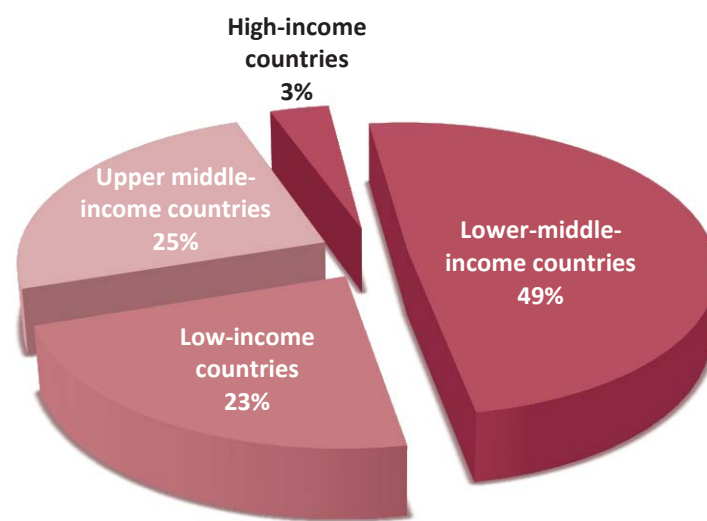
DMFAS projects must take into account the different situations that countries find themselves in and their income status. One example of a major difficulty still facing many low-income countries is the capacity to recruit and retain qualified staff. This difficulty is manifested in a need for repeated 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 3) is therefore a major

Countries needs vary with the level of development

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 6. Active users of DMFAS by income group, 2017



Two trends in debt management

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 at the end of 2017. Altogether, the Programme organized or co-organized 73 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. Of these, 12 were related to DMFAS functional training and another 15 to DMFAS 6 installations, technical training and the development of links with integrated financial management systems.

Table 1. Regional distribution of DMFAS capacity-building and other activities, 2017

	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	1		3	2			6	12
Information and communications technology: installations/ training/ links	2	2	3	1			7	15
Capacity-building in data validation, debt statistics, debt portfolio analysis and other capacity-building workshops	1	5					8	14
MTDS, DeMPA and reform plan		3		1			2	6
Needs assessments								
Project management	2	1	1				7	11
Partner coordination	1	3	1		2		1	8
Other, study tours and training of trainers	5			1			1	7
TOTAL	12	14	8	5	2		32	73

Demand for the capacity-building modules continued to be high. Fourteen training events were organized on debt portfolio analysis, debt statistics and, data validation. They comprised six data validation workshops in the Central African Republic, the Republic of Moldova, Sudan, Togo, the Bolivarian Republic of Venezuela and Zimbabwe, and one regional workshop in collaboration with MEFMI in Zambia; three workshops on debt portfolio review in the Philippines, the Republic of Moldova and Sudan; three workshops on debt statistics in Albania, the Republic of Moldova and Sudan; one capacity-building workshop on the elaboration of procedures manuals in Albania and one workshop on public-private partnerships with Côte d'Ivoire.

DMFAS missions are carried out by central staff and with the support of consultants when required. 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

Focus on concrete results and outputs

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. Hence, the Programme places emphasis on the results of capacity-building by focusing on delivering concrete outputs at the end the workshops. 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 3). Assistance is also extended to ensure that the products are sustainable through follow-up support provided directly from UNCTAD headquarters or through missions. They are complementary to the activities of other international organizations at more advanced levels of debt analysis and debt strategy.

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 7).

Figure 7. DMFAS capacity-building approach

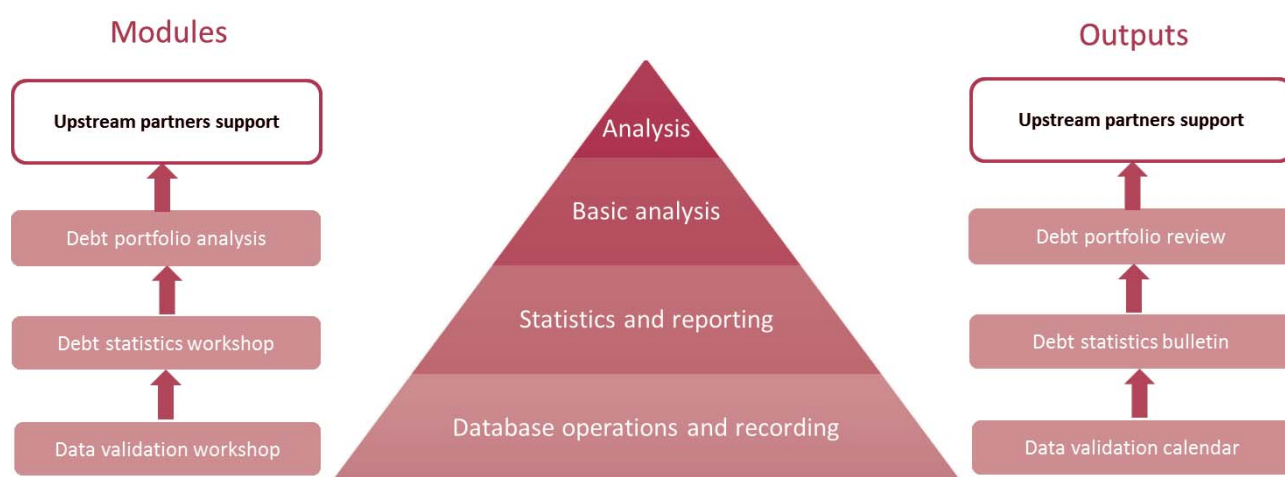


Table 2 lists the total number of capacity-building modules implemented in countries in 2017. The results were the production of statistical bulletins on debt, which may be used internally by the country or disseminated externally (see box below for examples of debt statistical bulletins).

Table 2. Implementation of capacity-building modules, 2017

	2016	2017
TOTAL	15	14
Debt portfolio analysis	2	3
Debt portfolio analysis: follow-up	1	
Debt statistics		3
Debt statistics: follow-up		
Data validation	7	3
Data validation: follow-up	3	3
Other capacity-building workshops	2	2
REGIONAL WORKSHOPS	-	1
Debt portfolio analysis		
Debt statistics		
Data validation		1
NATIONAL WORKSHOPS	15	13
Debt portfolio analysis	2	3
Debt portfolio analysis: follow-up	1	
Debt statistics		3
Debt statistics: follow-up		
Data validation	7	2
Data validation: follow-up	3	3
Other capacity-building workshops	2	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 Albania
- A quarterly bulletin for Bangladesh
- A semi-annual bulletin for Cambodia
- A yearly bulletin for Côte d'Ivoire
- 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 the Sudan
- A bulletin for external and domestic debt for Togo
- An annual statistical bulletin for Viet Nam

Final phase of new learning products

Self-study module on basic debt concepts

In 2017, the Programme delivered 13 of the factsheets (out of 25) which are part of the new course on “Basic Debt Concepts”. This course is to be delivered in the form of self-study fact sheets so as to make it accessible on an as-and-when needed basis. It 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.

New course on debt reorganization

The Programme reached the final stage of validation 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.

Blended learning: basics of Government securities market

The five modules of the new learning product called “Mastering the basics of Government securities market and financial calculations” are in the testing phase. This course will be delivered through a mix of distance learning (on-line course) and face-to-face instruction during workshops. 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.

Indonesia strengthens its public debt management practices

For several years, Indonesia has been a strategic target country of the economic cooperation and development policy of the State Secretariat for Economic Affairs (SECO), Switzerland, which aims at fostering sustainable and inclusive growth. As a key priority for SECO in Indonesia is more reliable public financial management, SECO provided financial support for the implementation of a comprehensive project to strengthen public debt management in the country.

In 2017, the DMFAS Programme successfully completed a project with the Directorate General for Budget Financing and Risk Management (DGBFRM) at the Ministry of Finance of Indonesia, delivering capacity building tailored to strengthen debt management capacities. This included updating DGBFRM's debt management system and its full integration with other financial management systems, more comprehensive debt reporting and monitoring of fiscal risks from contingent liabilities.

The DGBFRM's IT team, building on the knowledge acquired on DMFAS, internally developed a dashboard showing in real time information on Government debt stocks and transactions, using DMFAS, Bank Indonesia and Jakarta Stock Exchange systems as data sources.

The project resulted in improved integration of debt into the broader public financial management framework and strengthened the country's ability to pursue prudent debt management policies. These strengthened capacities to monitor debt-related fiscal risks reinforced the resilience of growth promoting fiscal policies against increasingly volatile capital markets.

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;
- Development of version 7, with the definition and proof of concept of the baseline architecture and the definition of the technological migration's workplan. Programming is expected to begin in February 2018.

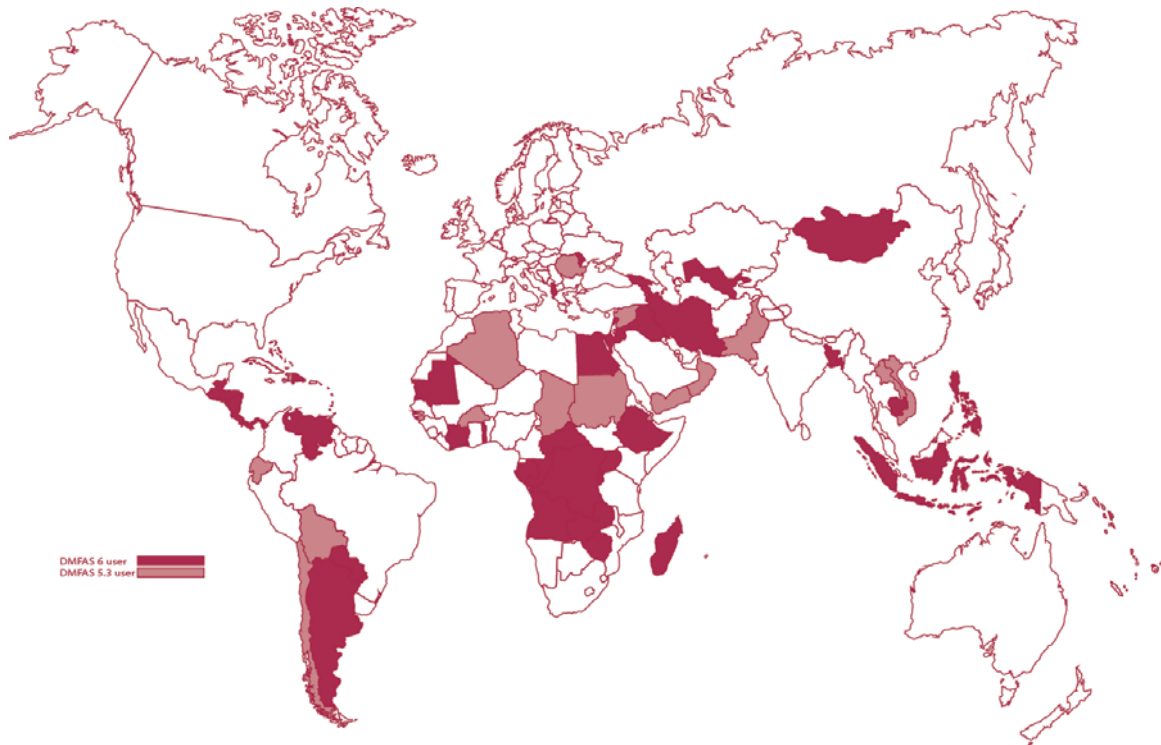
Overall DMFAS installations

All institutions operating DMFAS in client countries have adopted one of the latest versions of the software (DMFAS 5.3 or 6) and 72 per cent are using the latest version. Of the 71 main installations, DMFAS 6 was installed in 49 institutions in 41 countries, and DMFAS 5.3 was used in 22 institutions in 20 countries (see annex 2).

**DMFAS 6 installed
in 41 countries**

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 8. DMFAS Installations¹



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, Togo, 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, Viet Nam, Yemen.

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

DMFAS 6

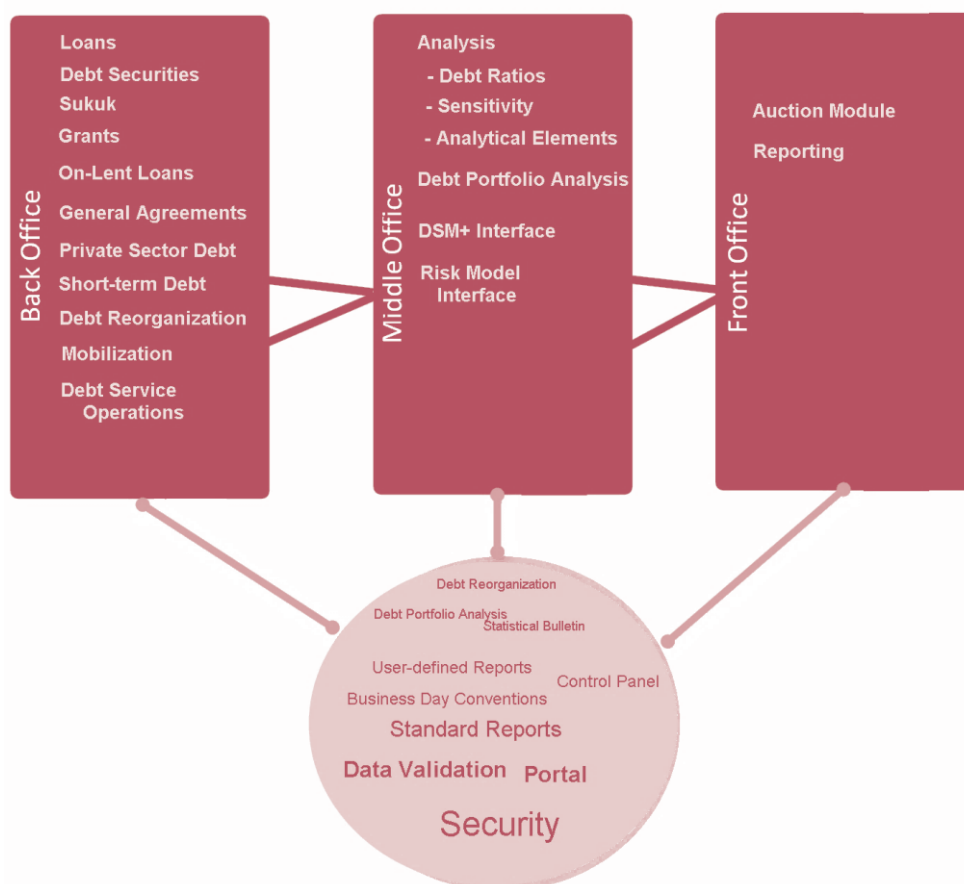
After eight years of existence of DMFAS 6, the largest project that the Programme has ever undertaken, the high quality and relevance of version 6 is attested to by client institutions using DMFAS 6 for their day-to-day operations, specifically debt recording and reporting. This is also highlighted in the findings of the 2013 Midterm Review and conclusions of the last two DMFAS Advisory Group meetings.

DMFAS 6 benefits

DMFAS 6 offers many functionalities, as described in figure 9. In particular, DMFAS 6 offers the following 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 9. DMFAS 6 functionalities



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

- 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.
- 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.
- 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 2018.

DMFAS 6 functionalities

(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 the first quarter 2018.

(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 the auction module were partially completed.

DMFAS 6 developments undertaken in 2017

DMFAS 6.1.3 under development

With the preparations of the release of versions 6.1.3 that will be released in the first quarter 2018, many functional and technical enhancements will be introduced to DMFAS 6, including:

- Administration module: Various enhancements to the recording of data in the Debt securities modules to facilitate the recording of commitment fee refunding.
- 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.
- Reporting: A number of technical and functional enhancements to speed up the generation of reports.
- Data sharing: A module to facilitate the recording of payment orders and the integration with Oracle E-business suite (treasury system) plus a module for the integration of disbursements requests through the use of web services were added. They make it possible to export payment orders and disbursement requests to treasury systems as well as to import the confirmation of payments in DMFAS in order to automatically generate the corresponding payment records.
- 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, Google Chrome, Mozilla Firefox, among others) and the inclusion of additional 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

At the end 2017, DMFAS 6 had been installed in 49 institutions in 41 countries and was fully operational in 48 institutions.

In 2017, two new DMFAS 6 installations took place in Togo (Ministry of Finance) and in the province of Rio Negro, Argentina (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) building on the lessons learnt of DMFAS 6. The overall development plan, containing the list of features and enhancements to be included in the new version was completed by June 2017, followed by the architectural baseline and the development plan for the migration of technology, which will start in February 2018.

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, 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.

At the end of 2017, 21 countries had linked DMFAS with other financial management systems, including 15 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.

**DMFAS 6
integrated with
other systems in 21
countries**

In 2017, the Programme supported four countries in the development of a link between their own system and DMFAS 6 through workshops on creating interfaces in Albania and in Togo or through specific assistance in interface development (including testing and validation of interface) in Albania, Angola and in the Province of La Rioja, Argentina.

Improved service delivery

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

In 2017, helpdesk 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. In January 2017, the Programme technologically de-supported DMFAS version 5.3. In 2017, the DMFAS helpdesk received a total of 443 client tickets on DMFAS 6. Of these, 221 requests were closed, and the remainder (222) was being processed (see annex 6 for details).

Additionally, the helpdesk received an increasing number of request for technical support through remote access. This included a number of interventions (58) to resolve technical issues within the system, as well as other remote sessions to support the installation of updates (22) and the provision of short remote training sessions (3) related to technical aspects of the system, such as security and auditing.

User documentation

Updated online help, control panel and glossary

New versions of the English online help systems for DMFAS 6 and the Control Panel were released in June 2017. For the Control Panel, the English version was released simultaneously with the localized French and Spanish versions; all three versions were aligned. The DMFAS 6 online help contains an updated version of the documentation supplement called *DMFAS 6 Reports* and a new documentation supplement on historical estimated drawings, a new feature.

A revision of the Glossary of Debt and DMFAS was launched this year and resulted in an updated version of the Glossary in English, French and Spanish. The new Glossary was integrated in the English version of the online help system for DMFAS 6 delivered in June 2017 and is available in the client area of the DMFAS website.

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 the prototype of the Control Panel user documentation started in 2016 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.

In 2017, the single-sourcing of the rest of the user documentation and online help started; the objective is for the single-sourcing environment to be fully in place for the development phase of DMFAS 7 documentation.

In 2017, three DMFAS 6 tutorials have been finalized and validated; they relate to the recording of a loan in DMFAS, African Development Fund loans and DMFAS query tool.

Introduction to DMFAS 6:

The purpose of this tutorial is to teach end users the main tasks involved in registering a simple loan agreement in DMFAS. It is based on a standard International Development Association (IDA) loan with one tranche. It begins with a presentation of the DMFAS Portal and interface. It then guides the user through the life cycle of the instrument including the recording of basic loan information, reference files, reports, drawings and debt service operations.

Registering an African Development Fund (AfDF) Loan in DMFAS:

This is an advanced tutorial involving an AfDF loan with different currencies in multiple tranches. It does not provide background information on the DMFAS interface or workflow. It is intended mainly for the user who may have completed the introductory tutorial but who may want more extensive practice with DMFAS. This tutorial could also be used by new users who are comfortable with more elaborate exercises.

The query tool:

This tutorial focuses on the query tool which is the bridge for accessing data in the DMFAS 6 database in order to create user-defined reports. Intended for advanced users, it consists of three parts. Part 1 offers a review of basic technical concepts such as databases, SQL and queries. Part 2 explains the query tool interface and the data sets returned. Part 3 provides 10 practical exercises to work with the query tool. These exercises range from the simple to the more complex.

In addition, preparatory work on a new tutorial about recording a money market instrument began in September 2017. It is planned for a release in early 2018. This tutorial will cover the use of both the Auctions module and the Debt Securities module.

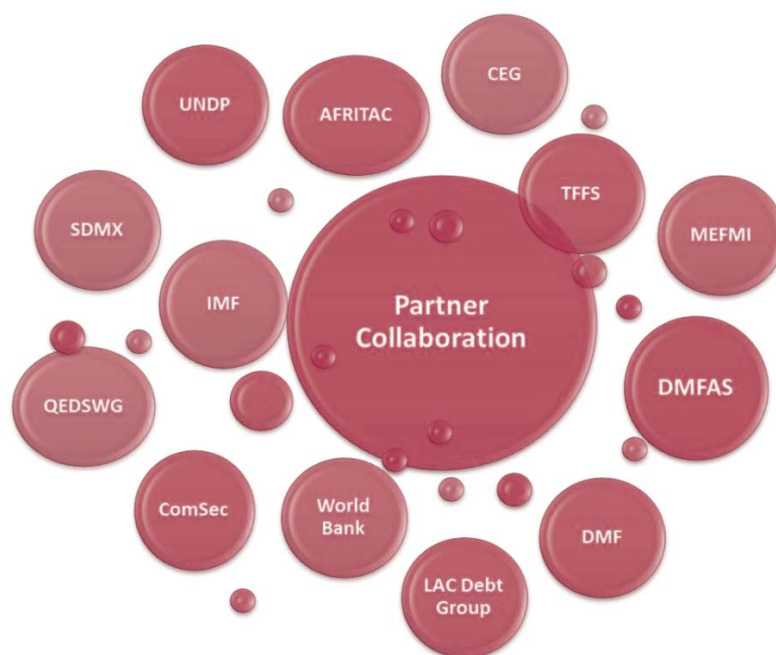
3.4 Programme management

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 2017. 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.

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. In 2017, 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 10. Partner collaboration



In 2017, 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.

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 Programme. Since 2009, the DMFAS Programme has contributed to 67 missions. The Programme's participation in these Facility activities received positive feedback from the stakeholders of the Facility as well as the country beneficiaries. At the end of 2017, the following six Debt Management Facility missions were completed: four debt management performance assessment missions (Benin, Djibouti, Kosovo and Madagascar), one regional debt management performance assessment training in Austria and one Medium-Term Debt Strategy (MTDS) regional training in Switzerland. In addition, the DMFAS Programme participated in the Debt Management Facility

Debt Management Facility (2nd phase)

Six collaborations under the DMF in 2017

Stakeholders Forum held in the Austria in May 2017, 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 2017, 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 2017, 98 per cent of DMFAS user countries with low and middle-income levels 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 Germany, in March 2017. 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.

The TFFS met in June 2017 to discuss its future role and activities after 25 years of existence. In particular, the role of the TFFS in relation to the Government Finance Statistics Advisory Committee (GFSAC), the Committee on Balance of Payments Statistics (BOPCOM) and the Inter-Agency Group on Economic and Financial Statistics (IAG) was reviewed in order to avoid any overlap and identify possibilities to improve efficiency, such as moving some of the current functions of the TFFS to those other bodies. A draft proposal on the way forward, including the future of the operational work of the TFFS and its 3 working groups (External Debt Statistics Working Group, Public Sector Debt Statistics Working Group, and the Country Engagement Group), is currently under preparation by the World Bank and the International Monetary Fund for further discussion by TFFS members. Agreed recommendations will be presented to the United Nations Statistical Commission in March 2018.

Country Engagement Group

The Working Groups on external debt and public sector debt statistics follow up on the yearly action plans decided during the annual meeting. The Country

Engagement Group aims at expanding the number of Quarterly Public Sector Debt Statistics (QPSDS) reporting countries and improving the quality and coverage of public debt data submitted by countries.

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 Quarterly External Debt Statistics (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 data validation workshop in Victoria Falls, Zimbabwe, in September 2017.

MEFMI

The DMFAS Programme's collaboration with UNDP in 2017 included logistical support 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.

UNDP

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 April 2017 in Argentina. All DMFAS user countries in the region provide timely data to the standardized debt database, which is a non-compulsory initiative of the Group.

LAC Debt Group

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

The DMFAS Programme, as stated in its strategic plan 2016-2019, committed to member countries to assist them to maintain reliable debt data and therefore improve the quality of their databases. Based on this, the DMFAS Programme and the Debt Management Unit of the Commonwealth Secretariat jointly worked on the development of a new methodology called the Debt Data Quality Assessment Methodology (Debt-DQAM), which aims to assess the quality of the databases recorded in debt management systems in conformity with international standards and best practices. The Debt-DQAM is based on best practices and international standards in debt management.

Debt Data Quality Assessment Methodology

The Debt-DQAM uses a set of standardized performance indicators with the aim of identifying problems within the different components of debt instruments over their entire life cycle. These problems are verified through the aid of an automated tool incorporated within debt management systems. In addition, the Debt-DQAM provides a process to analyse the sources of problems and proposes a plan with recommendations to improve the quality of the debt database. The methodology is comprehensive, as it includes a Guidance Note which describes the process for implementation as well as technical documentation for the use of the automated tool. The testing phase started in 2017, and is expected to continue throughout the first quarter of 2018, to ensure that the methodology responds to the different sizes and composition of debt databases found in most countries.

It is worth noting that the Debt-DQAM was also designed to complement other assessment tools such as the debt management performance assessment, the data quality assessment framework and the public expenditures and financial accountability framework. Debt-DQAM adds granularity to all these initiatives as it specifically targets the countries' data recorded in debt management software. Debt management officers using Debt-DQAM will quickly appreciate its simplicity, practicality, speed and ease of use. A distinct aspect of Debt-DQAM is that it provides automatic assessment as opposed to other tools which provide manual assessment

Synergies within UNCTAD

UNCTAD Debt Management Conference

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 2017, collaboration included the organization of the UNCTAD 11th Debt Management Conference and the drafting of the report of the Secretary General to the General Assembly on external debt sustainability and development (A/72/253). Additional examples of collaboration included 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.

The DMFAS Programme also contributed to a number of UNCTAD and United Nations reports. In 2017, these included the following:

- UNCTAD Annual Report 2016;
- Annual trust fund progress reports;
- Report by the UNCTAD secretariat on technical cooperation activities carried out in 2016 (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.

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 helpdesk and Trac system. In 2017, this unit centralized all helpdesk 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 of DMFAS 6.1.3 to be distributed in the first quarter of 2018.

**Quality assurance
and user support**

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 2017, the Programme continued to implement and to improve the monitoring of progress made at the country level using its monitoring and evaluation framework based on refined DMFAS performance indicators. The Programme also contributed

**Results-based
monitoring and
evaluation**

to the review of UNCTAD's new result-based management framework at the level of the organization. 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 2017. It has been one of the pilot programmes to implement the new UNCTAD 's result-based management framework at the level of the organization as well as the 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

DMFAS website

The DMFAS Programme revamped its website in 2013 with a more relevant, modern, accessible and interactive website with new functionalities. The number of DMFAS users registered in the client area continued to increase in 2017. At the end of 2017, 67 per cent of active DMFAS countries had at least one user registered in the client area (67 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.

Three DMFAS Newsletters

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.

In keeping with its usual practice, the Programme produced an annual report for 2016, which presented the activities of the Programme until the end of December 2016. It is available on the DMFAS website.

Publishing calendar of activities

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.

4. Funding and expenditures in 2017

This section presents an overview of the Programme's financial situation in 2017.

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 helpdesk, 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 2017.

Table 3. Income for the DMFAS central trust fund in 2017
(In United States dollars)

BALANCE AS OF 1 JANUARY 2017	805 379
INCOME	
Donor contributions	2 244 737
Germany	59 242
Ireland	116 144
Netherlands	544 961
Switzerland	1 524 390
Cost sharing	1 201 353
Maintenance fees	513 348
Development contributions	212 500
From country projects funded by governments	475 505
Cost recovery (including payments for services)	527 577
From country projects funded by donors	433 872
Payments for services (DMF & other)	93 705
UNCTAD contribution	1 147 429
In kind	933 275
Financial	214 154
Adjustments (incl. accrued interests)	145 486
TOTAL INCOME	5 266 582

4.1.1 Donors' contributions

At the end of 2017, donor support amounted to \$2.2 million as shown in table 3, with contributions from Germany, Ireland, the Netherlands and Switzerland. The contribution of Switzerland was recorded in 2017 but covers the biennium 2017–2018.

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 was 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. The annual maintenance fees and the development contributions are graduated according to the economic level of beneficiary countries.

Maintenance agreements and fees

Maintenance agreements are offered to new beneficiary institutions when DMFAS is installed. Agreements are signed on a voluntary basis. They contribute to the financing of helpdesk 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 2017 marks the fifteenth year since maintenance fees have been implemented, with a total of \$4,521,213 having been collected since 2002.

The trend in the number of signed agreements on maintenance fees is stable in 2017, 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 2017, development contributions were received from Ecuador, Guinea-Bissau, the Republic of Moldova and Togo for a total of \$212,500.

Recovery from project activities

In accordance with the Programme's cost-recovery policy, the time dedicated by DMFAS staff to projects is recovered from project budgets. This recovery is considered as cost sharing when the projects are funded by the budget of beneficiary Governments, and as cost recovery when they are funded by donors' direct contributions. In 2017, the overall amount recovered for DMFAS staff time dedicated to project activities (undifferentiated between cost sharing and cost recovery) reached \$909,377. This level of recovery was lower than in 2016 but was nevertheless the second highest recovery in the history of the DMFAS Programme.

Table 4. Income from cost sharing and recovery, 2002–2017
(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	517 029	224 975	1 388 499
2017	513 348	212 500	909 377
TOTAL FOR 2002–2017	4 521 213	2 927 013	8 502 842

* 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 as payment for services rendered in the form of cost recovery such as to the Debt Management Facility and to the Treasury Programme from the World Bank. In 2017 it reached \$93,705.

4.1.3 Institutional support from UNCTAD

UNCTAD supports the DMFAS Programme by financing five posts and a part-time position from its regular budget. The professional category staff members supported by UNCTAD regular budget 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 also employed in the Administration and Communication Unit.

4.2 Expenditures of the central trust fund

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

Overall, the expenditures in 2017 compared to those of 2016 reflect an increase of \$110,000 equivalent to 2 per cent of the total. Personnel costs slightly increased by 1.8 per cent compared to 2016, following significant cuts equivalent of 10% of total costs by reducing the number of posts in the past 3 years. In addition, non-staff expenditures increased by \$29,624 in 2017 compared to 2016, due to the organization of the biennial Debt Management Conference and the start of the development of the new version of the DMFAS software. However, this increase followed a series of four years of cuts, down from \$660,000 in 2013.

Table 5. Expenditures for the DMFAS central trust fund for 2017
(In United States dollars)

EXPENDITURES	
Personnel	4 490 447
Central team	3 557 172
Regular budget staff	933 275
Non-personnel	294 073
Joint partner activities	46 480
IT Systems development	238 421
Capacity building	8 837
Programme monitoring & evaluation	0
Miscellaneous	335
TOTAL EXPENDITURES	4 784 521
CLOSING BALANCE	1 287 441

The closing balance at end 2017 is higher than in previous years, which is explained by the Swiss contribution received in one instalment late 2017 for two years (2017 and 2018). This amount would enable the Programme to keep enough liquidity to maintain its activities for the first quarter 2018, pending contributions from donors.

4.3 Budget

The DMFAS Programme budget needs were based on the full implementation of the four-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 and 2017, 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	2017
Personnel	5 196 008	5 351 888	5 512 444	5 677 818	4 410 352	4 479 952
Joint partner activities	118 000	121 540	125 186	128 942	60 962	45 015
Capacity building	350 000	410 500	368 270	432 454	0	8 115
IT Systems development	421 000	601 980	627 012	444 822	194 266	237 028
Programme monitoring & evaluation	32 000	32 960	233 949	34 967	0	0
Miscellaneous	38 500	62 130	37 470	38 570	9 220	3 581
Contingency (4%)	246 220	263 240	276 173	270 303		
TOTAL	6 401 728	6 844 238	7 180 505	7 027 876	4 674 801	4 773 691

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.

The different sources of financing for country-project trust funds are the beneficiaries themselves, bilateral donors and other international organizations and institutions such as the European Commission, 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 2017, expenditures from country-specific trust funds amounted to \$1,545,040 to deliver technical assistance in 18 institutions. 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.

Table 7. Country-project trust funds: Available funding and expenditures, 2017 (United States dollars)

COUNTRY (SOURCE OF FUNDING)	BUDGETED FUNDS	EXPENDITURES	BALANCE
Albania	453 501	126 249	327 252
Angola	621 597	47 910	573 687
Argentina	38 497	13 914	24 583
Argentina (Province La Rioja)	20 720	11 183	9 537
Argentina (Province Rio Negro)	70 000	41 003	28 997
Central African Republic	301 933	158 867	143 066
Costa Rica	198 478	22 094	176 384
Côte d'Ivoire	208 105	34 917	173 188
Ecuador	132 733	37 367	95 366
Ethiopia	3 744	2 987	757
Gabon	435 016	116 333	318 683
Georgia	8 462	1 465	6 997
Guinea-Bissau	357 359	39 757	317 602
Honduras	158 990	88 558	70 432
Indonesia (MoF)	435 455	98 391	337 064
Indonesia (CB)	165 850	14 652	151 199
Iraq	115 046	56 261	58 786
Jordan	31 306	4 170	27 136
TOTAL	6 714 592	1 545 040	5 169 552

Note: Figures in budgeted funds, expenditures and balance include the Programme support costs. Only trust funds with activities in 2017 are included.

Figures 11 and 12 show the regional distribution and the income-level distribution of country project expenditures.¹ Projects in East Asia and the Pacific accounted for 5 per cent of total expenditures, Sub-Saharan Africa for 61 per cent, Latin America and the Caribbean for 19 per cent, the Middle East

¹ Countries are classified by income level and regional distribution according to World Bank country groupings.

and North Africa for 0.3 per cent and Europe and Central Asia for 15 per cent. In terms of income-group distribution, figure 12 shows that the highest portion (87 per cent) of the Programme's project expenditures was in low-income and lower middle-income countries.

Figure 11. Country-project expenditures: Regional distribution as a percentage of total expenditures, 2017

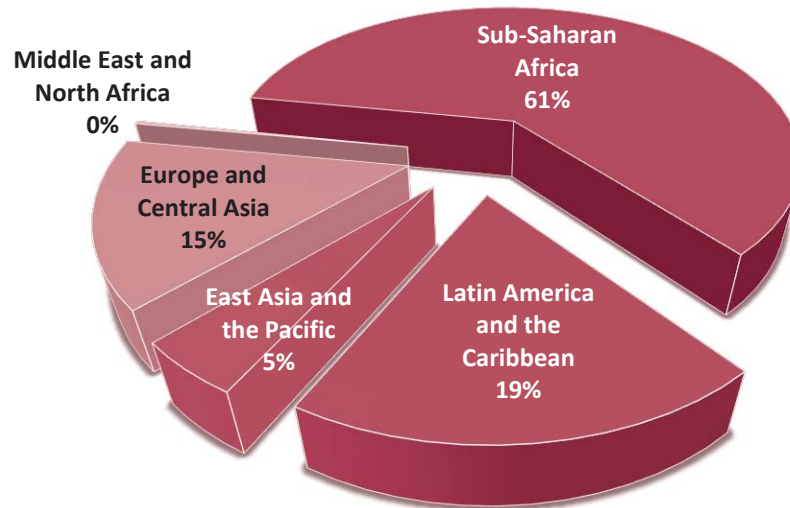
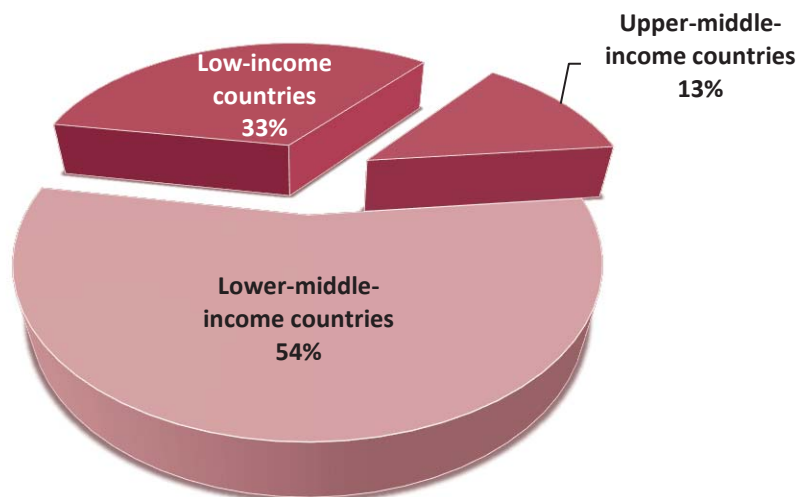


Figure 12. Country-project expenditures: Income-level distribution as a percentage of total expenditures, 2017



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. 2017 saw a continuation of high 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 security situation in countries directly affects the work by the debt office. Experience has shown that consequences of conflicts range from important changes in staffing in the debt office to the destruction of the debt database. In such situations, UNCTAD's support is key to help countries rebuilding their capacities to effectively manage public debt.

Conflicts

In relation to technology, industry advances make it necessary to change the architecture of the DMFAS. In order for countries to be able to continue using DMFAS, there are a number of aspects of DMFAS 6's technological and architectural platform that need to evolve in line with industry standards and therefore for the sustainability of the system. Furthermore, the system has to be updated to include changes in debt management practices such as statistical and reporting standards, accounting standards, calculation methods and types of debt instruments. The development is a key part of the DMFAS strategic plan 2016–2019, validated by all stakeholder groups that form part of the DMFAS Advisory Group.

Technology

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

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

Increased demand for IT support

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.

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 full implementation of the strategic plan 2016–2019 is not yet fully secured. The Programme works at the level of scenario 2, which includes all core operations (compared to scenario 1 which would be the full implementation of the strategic plan). In line with the recommendations of the Advisory Group, the Programme also has continued its efforts in identifying new donors and has further strengthened its cost recovery. While working on securing additional funding, the Programme has prioritized tasks to service clients and maintain high level quality training and software. However, this prioritization also impacts 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.

ANNEX 1 - DEBT MANAGEMENT AND FINANCIAL ANALYSIS SYSTEM RESULTS

Objective	Expected result	Results at the end of September 2017	Impact	SDGs of focus
<p>1. Improve the technical and functional capacity of DMOs to:</p> <ul style="list-style-type: none"> ● record, ● process, ● monitor, ● report, and ● analyse the country's public debt 	<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"> ● 87% of user countries capture public and publicly-guaranteed debt in DMFAS ● 66% of DMOs responsible for domestic debt records it in DMFAS ● 486 participants from 22 countries were trained in 2017 ● 98% of DMFAS countries report to the DRS ● 61% reports to the QEDS and 42% to the QPSD ● 36 DMFAS countries produce a debt statistics bulletin ● 21 countries have a procedure manual ● 12 countries have a disaster recovery and business continuity plan ● 21 countries have linked DMFAS with another system ● 27 DMFAS countries produce a DPR at least once a year ● 49 DMFAS countries use the system to produce MTDS ● 48 countries use the system to produce DSA 	<ul style="list-style-type: none"> ● Governments manage their debt effectively and sustainably, in support of poverty reduction, development and good governance 	 <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>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"> ● Progress in DMFAS 7 development ● Progress in DMFAS 6 enhancement: DMFAS 6.1.3. in testing in 2017 ● One new capacity-building module released and two modules under final validation, 13 Fact sheets on basic debt concepts released, three tutorials released ● Cooperation in 2017: eight partner events, six DMF collaborations ● Regional centres: pending funding ● Progress in cost recovery 		 <p>Indirect:</p>

ANNEX 2 - USE OF DMFAS INSTALLATIONS IN COUNTRIES IN 2017

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

- **Country:** The country using the DMFAS system.
- **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.
- **Start date in institution:** Year of the first project for the implementation of DMFAS and related services in the institution.
- **Type of installation:** Indicates where the main server is located (main installation) or if 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	Part ial	Read Only	5.3	6
Albania	MoF	1998	✓		EN	✓				✓
Algeria	CB	2005	✓		FR	✓			✓	
Angola	CB	1999		✓	SP			✓		
	MoF	2015	✓			✓				✓
Argentina	MoF	1993	✓		SP	✓				✓
	Province of Rio Negro	2000	✓		SP	✓				✓
	Province of Chaco	2001	✓		SP	✓			✓	
	Province of Buenos Aires	2011	<i>Inactive</i>							
	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	✓				✓
Chad	MoF	2000	✓		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
Chile	CB	2003	✓		SP	✓			✓	
(Colombia)	MoF	2001	Inactive							
Congo	MoF	2003	✓		FR	✓				✓
Costa Rica	MoF	1988	✓		SP	✓				✓
	CB	1988		✓	SP			✓		
Côte d'Ivoire	MoF	1998	✓		FR	✓				✓
Democratic Republic of the Congo	MoF	2005	✓		FR	✓				✓
Djibouti	MoF	1986	✓		FR	✓			✓	
Dominican Republic	MoF	1996	✓		SP	✓				✓
	(CB)	1996	Inactive							
Ecuador	MoF	1995	✓		SP	✓			✓	
	CB	1995	✓		SP	✓			✓	
Egypt	MoF	2008	✓		EN	✓			✓	*
	CB	1986	✓		EN	✓				✓
El Salvador	MoF	1988	✓		SP	✓				✓
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	Inactive							
	CB	1996	Inactive							
	Exim Bank	1996	Inactive							
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 and Principe)</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 Republic of Macedonia)</i>	<i>CB</i>	<i>1999</i>	<i>Inactive</i>							
Togo	MoF	1984	✓		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
<i>(Trinidad and Tobago)</i>	CB	1985	<i>Inactive</i>							
	MoF	1985	<i>Inactive</i>							
<i>(Turkmenistan)</i>	CB	2001	<i>Inactive</i>							
Uganda	MoF	1985	✓		EN	✓				✓
	CB	1985	✓		EN	✓				✓
<i>(Ukraine)</i>	MoF	1995	<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	✓				✓
57 current country users	85 active institutions		71 main installations							

ANNEX 3 - SCOPE OF DMFAS USE IN COUNTRIES IN 2017

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, 2017

Low-income countries	Lower-middle-income countries	Upper-middle-income countries	High-income countries	Total
Current (13)	Current (28)	Current (14)	Current (2)	57
Burkina Faso (HIPC)	Angola	Albania	Chile	
Burundi (HIPC)	Armenia	Algeria	Oman	
Central African Republic (HIPC)	Bangladesh	Argentina		
Chad (HIPC)	Bolivia (Plurinational State of)	Costa Rica		
Democratic Republic of the Congo (HIPC)	Cambodia	Dominican Republic		
Ethiopia (HIPC)	Congo (HIPC)	Ecuador		
Guinea-Bissau (HIPC)	Côte d'Ivoire (HIPC)	Gabon		
Haiti (HIPC)	Djibouti	Iran (Islamic Republic of)		
Madagascar (HIPC)	Egypt	Iraq		
Rwanda (HIPC)	El Salvador	Lebanon		
Togo (HIPC)	Georgia	Panama		
Uganda (HIPC)	Guatemala	Paraguay		
Zimbabwe	Honduras (HIPC)	Romania		
	Indonesia	Venezuela (Bolivarian Republic of)		
	Jordan			
	Lao People's Democratic Republic			
	Mauritania (HIPC)			
	Mongolia			
	Nicaragua (HIPC)			
	Pakistan			
	Philippines			
	Republic of Moldova			
	Sudan (HIPC)			
	Syrian Arab Republic			
	Uzbekistan			
	Viet Nam			
	Yemen			
	Zambia (HIPC)			

Source: World Bank, available at 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 2016, calculated by the World Bank atlas method: low-income countries, \$1,005 or less; lower middle-income countries, \$1,006–\$3,955; upper middle-income countries, \$3,956–\$12,235; high-income countries, \$12,236 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			
Angola	✓	D PC	✓		
Albania		PO 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	✓		
Costa Rica	✓		✓		
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

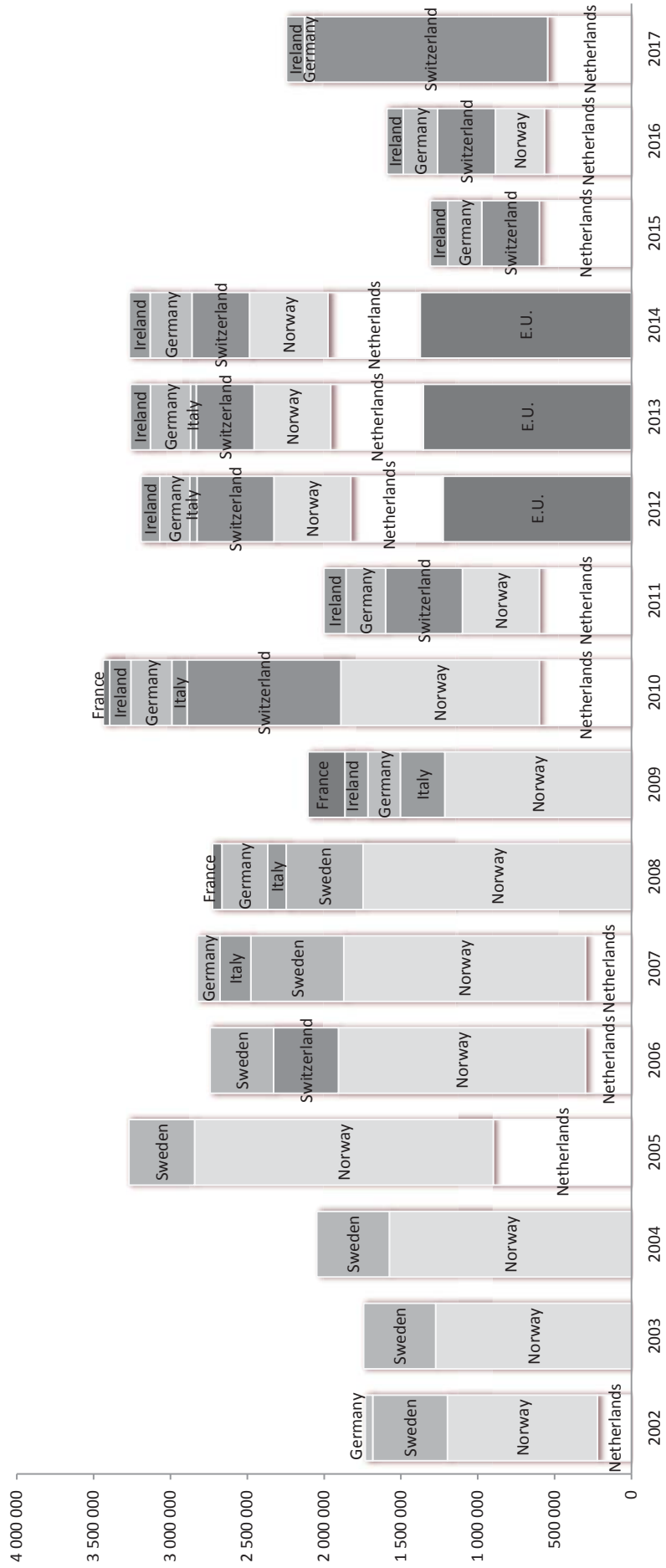
Country	Link with treasury system		Reference data (3)	Auction/ Central depository system	Other
	Estimations (1)	(2) Disbursements - D Payment orders - PO Payment confirmation - PC			
Honduras (MoF)	✓	D PO PC	✓		
Indonesia (MoF)	✓	D PO PC	✓	✓	
Indonesia (CB)	✓		✓		Internal system
Madagascar (CB)	✓	PO		✓	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	✓		
Discontinued links					
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 HELPDESK ENQUIRIES BY COUNTRIES, 2017

Country	DMFAS 6		
	Incoming	Closed	Assigned
Albania	44	22	22
Angola	24	8	16
Argentina	29	10	19
Argentina (Province of La Rioja)	2	1	1
Argentina (Province of Rio Negro)	15	10	5
Bangladesh	3		3
Burundi	2		2
Cambodia	6	5	1
Central African Republic	4	1	3
Congo	6	3	3
Costa Rica	16	8	8
Côte d'Ivoire	2		2
Democratic Republic of the Congo	3	1	2
Dominican Republic	3	2	1
Egypt*	5	2	3
El Salvador	1		1
Ethiopia	4	3	1
Gabon	20	13	7
Georgia	1		1
Honduras *	25	19	6
Indonesia	27	16	11
Iran (Islamic Republic of)	10	5	5
Jordan	14	9	5
Lebanon	1	1	
Madagascar	5	5	
Mauritania	4	3	1
Nicaragua *	4		4
Panama	8	3	5
Philippines	10	4	6
Republic of Moldova	32	19	43
Rwanda	7	3	4
Sudan	5	3	2
Togo	4	3	1
Uganda	19	5	14
Venezuela (Bolivarian Republic of)	13	9	4
Zambia	11	7	4
Zimbabwe	12	11	1
Total	443	221	222

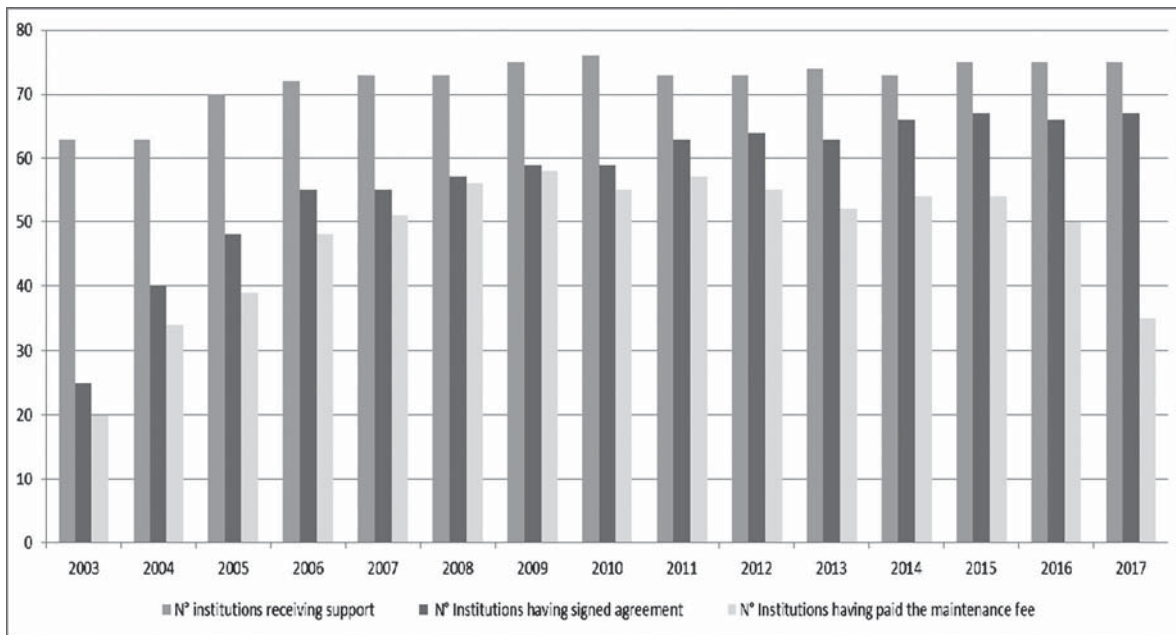
* Parallel running

ANNEX 7 - CONTRIBUTIONS TO THE DMFAS CENTRAL TRUST FUND PER DONOR, 2002-2017

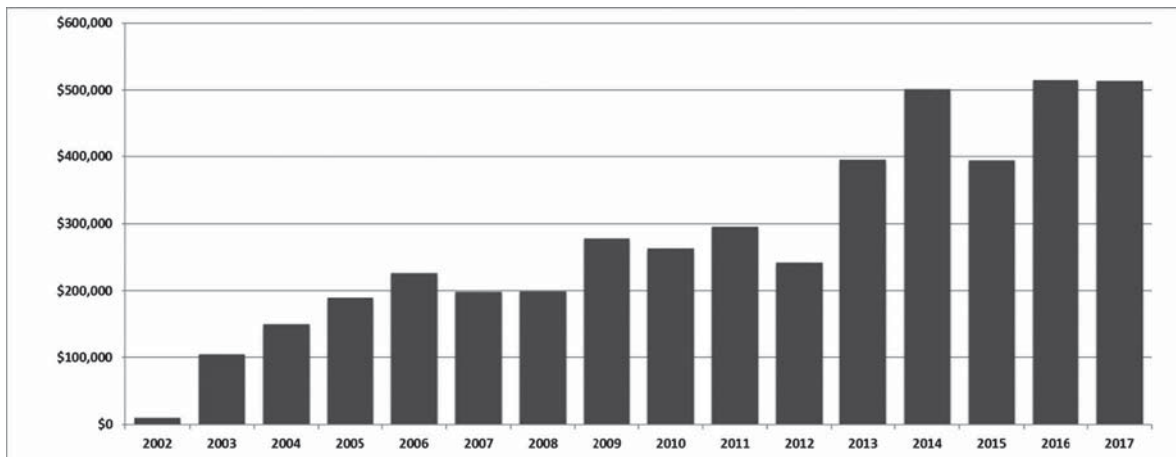


ANNEX 8 - MAINTENANCE AGREEMENTS AND FEES

8.1 Signed maintenance agreements and payment of maintenance fees, 2003–2017



8.2 Maintenance fee payments received, 2002–2017



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

- **United Nations General Assembly Resolution A/RES/72/204 - External debt sustainability and development** (adopted 20 December 2017)

- 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 8: ".*Also reiterates* that timely and comprehensive data on the level and composition of debt are necessary for, inter alia, building early warning systems aimed at limiting the impact of debt crises, calls for debtor and creditor countries to intensify their efforts to collect and release data, where appropriate, welcomes the ongoing work of relevant institutions to apply innovative tools for monitoring financial stress in developing countries and to create a central data registry that includes information on debt restructuring, and calls for donors to consider increasing their support for technical cooperation programmes aimed at increasing the statistical capacity of developing countries in that regard;"

- o Paragraph 9: "*Encourages* the United Nations system, including the World Bank Group, the International Monetary Fund and other relevant stakeholders, to continue to conduct analytical activities and to provide policy advice and technical assistance to Governments, upon request, in the areas of managing debt, and operating and maintaining databases, and in this regard recalls that the United Nations Conference on Trade and Development should continue its analytical and policy work and technical assistance on debt issues, including the Debt Management and Financial Analysis System Programme;"

- o Paragraph 10: "*Stresses* the need to strengthen information-sharing and transparency to make sure that debt sustainability assessments are based on comprehensive, objective and reliable data, including an assessment of national public and private debt,"

o Paragraph 11: " *Recognizes* that the long-term sustainability of debt depends on, inter alia [...] sustainable debt management,"

o Paragraph 14: "*Stresses* the need for the international community to remain vigilant in monitoring the debt situation of developing countries, including the least developed countries, landlocked developing countries and small island developing States, and to continue to take effective measures, preferably within existing frameworks, when applicable, to address the debt problem of those countries, acknowledges that sound debt management initiatives can play a key role in liberating resources..."

o Paragraph 19: " *Recognizes* the role of the United Nations and of the international financial institutions, in accordance with their respective mandates, and encourages them to continue to support global efforts towards sustained and inclusive growth, sustainable development and the external debt sustainability of developing countries,"

o Paragraph 22: " Notes the holding of the eleventh International Debt Management Conference by the United Nations Conference on Trade and Development, and encourages the United Nations Conference on Trade and Development to continue its analytical and policy work and technical assistance on debt issues 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 30: "*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 31: "*Requests* the United Nations Conference on Trade and Development, and invites the International Monetary Fund and the World Bank, in cooperation with the regional commissions, regional development banks and other relevant multilateral financial institutions and stakeholders, to continue and intensify cooperation in respect of activities relating to capacity-building and to early warning monitoring systems in developing countries in the area of debt management and debt sustainability with a view to contributing to the implementation of the 2030 Agenda for Sustainable Development;"

• **Nairobi Azimio TD/519/Add.1** (adopted 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 Goal² 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"

² 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.

- **Addis Ababa Action Agenda of the Third International Conference on Financing for Development (A/RES/69/313)**

- Paragraph 34: “[...] We will work to strengthen debt management [...].”
- Paragraph 94: “We recognize the need to assist developing countries in attaining long-term debt sustainability through coordinated policies aimed at fostering debt financing, debt relief, debt restructuring and sound debt management, as appropriate.”
- Paragraph 115: “[...] We reiterate the importance of strengthening institutional capacity and human resource development. It is also critical to reinforce national efforts in capacity-building in developing countries in such areas as public finance and administration, [...] debt management [...].”

- **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)**

- 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):**

- 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.
- 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 2017

The DMFAS Advisory Group advises the Secretary-General of UNCTAD of the following conclusions of its 11th Meeting, held in Geneva on 16-17 November 2017. The DMFAS Advisory Group:

Strategic plan 2016–2019

1. Notes with satisfaction the positive results achieved to date by the programme in the implementation of its 2016-2019 strategic plan and that the programme is on track to meet its objectives.
2. Appreciates that the programme continues to be highly relevant for developing countries, bilateral donors and other organizations, that it is highly responsive to the needs of debt management offices and that it is making an important contribution to the achievement of the Sustainable Development Goals.
3. Appreciates that the new debt data quality assessment methodology (Debt-DQAM) is a very useful framework to systematically assess the quality of the data recorded in debt management systems based on best practices and international standards in debt management, and to help to consequently improve debt data quality.
4. Endorses the proposed amendment to the strategic plan to include the provision of support to debt management offices on Debt-DQAM, and to make the following results subject to availability of funding: establishing regional centres, regional workshops, feasibility study for private non-guaranteed external debt, translation of documentation and Website information in other languages. Recognizes that this new tool provides debt management offices with valuable opportunities for self-assessments and to implement best practices.

DMFAS software

5. Appreciates the planned improvements to DMFAS 6 and asks UNCTAD to ensure that they are made available to countries as soon as possible.
6. Emphasizes the need for the Programme to take into account the following needs when developing new versions of the software: enhanced analysis including debt portfolio analysis, comprehensive private debt management, borrowing plan, accounting (IPSAS and non-IPSAS), World Bank Form 4, monitoring of loans under negotiation, capitalization and calculation rules, flexibility in classification including Economic Sector, Public Private Partnerships, integration with external sources such as Bloomberg, timely alerts, further integration with other relevant financial management systems, and general norms for disseminating data and debt statistics
7. Understands that the anticipated de-support by third-party suppliers of the technological platform of DMFAS 6 will raise difficulties for its continued use by debt management offices from 2023 approximately, appreciates the programme's commitment to continue to provide

as much support for the version as possible for as long as the technology allows, and takes note of the corresponding need for countries to plan to upgrade to DMFAS 7.

Monitoring and Evaluation

8. Requests the programme to organize in 2018 the mid-term independent external evaluation foreseen in the strategic plan and encourages all stakeholders to participate fully in the evaluation.
9. Asks that the programme report back to the Advisory Group at its next meeting in 2019 on the results of the mid-term evaluation and on overall progress in implementing the strategic plan and to present the strategic plan for the following period for discussion.

Communication/Website

10. Appreciates the improvements made to the DMFAS Website Portal and the potential it offers for improving the timeliness and availability of information and requests the programme to continue to make learning materials available on this medium.
11. Reiterates its request to 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. It notes also that requests have been made to ensure that the DMFAS 7 be available in Arabic.

Support/Quality of services

12. Appreciates the continued support provided to debt management offices and encourages the programme to continue to prioritise high quality products and services in response to evolving user requests.
13. Recommends that the Programme undertake a feasibility study, including a user survey, on implementing Software as a Service (SaaS) or 'hosting service' when introducing DMFAS 7. The study should evaluate demand, economic implications, technology options and security aspects.
14. Requests the Programme to provide as many services as possible in the different languages of the DMFAS user community, including documentation, release notes, helpdesk, workshops, website, and training materials.
15. Considers that it is very important for the Programme to provide a comprehensive range of capacity development opportunities including for auditors and executives, new staff and non-debt officers.
16. Appreciates that the DMFAS helpdesk is a very valuable support for DMOs and asks UNCTAD to extend the service to take account of regional time differences and specificities to the extent possible, including providing enhanced visibility of the status of ongoing requests and the possibility live communication between the user and the helpdesk officer.
17. Emphasizes that the availability of a user discussion forum would be a valuable platform for DMFAS users to share experience, knowledge and best practices.
18. Recommends that the Programme provide timely, relevant and detailed communications to DMOs regarding new updates to the system, and training opportunities.

19. Requests the Programme to simplify data conversion exercises for new system versions and to pilot the new versions in countries prior to general release.

Cooperation and partnership

20. Emphasises the importance for the programme to continue cooperation with other providers of technical assistance, including the Debt Management Facility, in line with its comparative advantages and in complementarity, as described in the plan.
21. Appreciates that the cooperation with the Commonwealth Secretariat has resulted in the development of the new methodology Debt-DQAM and encourages the programme to seek other opportunities with a view to cooperating to the maximum extent possible.

Business Model and Financing

22. Expresses its appreciation for the financial support to the DMFAS Programme from the donor community and encourages donors to continue their support and requests the Programme continue its efforts to expand its donor base.
23. Conveys its appreciation for the participation of beneficiary countries in the funding of the Programme through the cost-sharing arrangements and requests all countries to make their annual maintenance fee payments in a timely manner and for UNCTAD to provide timely invoices. Suggests that UNCTAD consider making information widely available among the DMFAS user community on the status of financial contributions from all stakeholders.
24. Appreciates that the planned adjustments to the programme's cost-sharing arrangements are in accordance with the recommendations of the Business Model Review undertaken in 2015 and with the conclusions of the Advisory Group at its meeting of November 2015.
25. Endorses the plan to implement the adjustments to the programme's cost-sharing arrangements to become effective with the release of DMFAS 7, including the sharing of Programme costs in the respective proportions of 40:40:20 among donors, countries using DMFAS services and UNCTAD.
26. Recommends that a new maintenance fee agreement be signed with each beneficiary country at the time of agreeing on implementation of DMFAS version 7, and requests that UNCTAD explore the feasibility of facilitating advance payments and payment by instalments.
27. Stresses the need to ensure that the capacity of the poorest countries and of the ability of all users' countries to pay is reflected in the implementation of these new cost-sharing arrangements.
28. Understands that further adjustments to the cost-sharing arrangements may need to be made in the interim between the release of major new versions of the DMFAS software, should and when the need arise.
29. Reiterates its encouragement to 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. Recommends that centres provide both functional and technical support and requests UNCTAD to maximize opportunities to

partner with governments and other regional partners willing to host them. Also recommends that the regional centres provide opportunities for training with a comprehensive training calendar, subject to financial considerations.

30. 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 and transition countries for assistance in building sustainable capacity for the effective management of their public debt.
31. 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 SDGs.

Future direction

32. Appreciates that the programme continues to be highly relevant for developing countries, bilateral donors and other organizations, and requests that it continues to be highly responsive to the changing needs of governments.
33. Endorses the proposed Work Plan for 2018-19 and emphasizes the importance of developing the new version DMFAS 7 in order to ensure that the technological platform of the system is upgraded as required by changes in the software industry, and also endorses the proposed functional improvements.
34. Emphasises the programme's continued essential role in assisting countries to build sustainable capacity for the effective management of public debt, particularly in ensuring the availability of high quality debt data and statistics, and consequently assisting the international community to meet its commitments to promote debt sustainability as defined in the 2030 Agenda for Sustainable Development.
35. Endorses the plan to develop new capacity building modules including tutorials and e-learning products.
36. Highlights the importance of the need to mitigate operational risks in debt management offices via the development of tools as well as training solutions associated with Operational Risk Management.
37. Recognizes that debt office staff that becomes certified practitioners under the planned DMFAS certification program will be valuable assets to their governments and the global debt management community, and requests UNCTAD to make the certification programme operational as widely and as soon as possible within its financial capacity.

DMFAS PROGRAMME

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