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DMFAS Programme, UNCTAD

Occasional Report: 2009

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ON TRADE AND DEVELOPMENT



DMFAS Programme, UNCTAD

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Key Developments in 2009

Active and new country projects

- Management of 37 active projects at country level.
- Signing of new projects for six countries (seven institutions) that are currently DMFAS clients.

New beneficiary institution

- The Province of Buenos Aires became the 102nd institution to use DMFAS software for day-to-day management of its debt.

Systems' development and support

- Beta-testing of DMFAS 6 carried out in October 2009 in Bolivia.
- DMFAS 6 release in November in English, Spanish and French.
- First DMFAS 6 installation in Panama in December.
- Beta-testing of new on-line Helpdesk system.
- The DMFAS helpdesk answered 352 DMFAS user queries.
- Development of 13 training modules for DMFAS 6, to be implemented in 2010
- Five current DMFAS client countries (seven institutions) updated to DMFAS 5.3 from their previous versions.
- Translation of DMFAS 5.3 into Portuguese.
- Four new institutions started development of interfaces between DMFAS system and other integrated financial management information systems (IFMIS).

Impact of capacity-building activities

- Over 500 debt officials benefited from DMFAS capacity training.
- Capacity-building modules resulted in 7 official debt statistical bulletins.
- Five debt portfolio reviews produced with DMFAS support in Yemen, Costa Rica, Egypt, Bangladesh and Sudan.
- Support 20 High Indebted Poor Countries (HIPC) countries in debt management.
- Installation and use of DMFAS triggers to US\$1.2 billion debt relief in Haiti and US\$ 700,000 million in Central African Republic through HIPC Initiative.
- 98 capacity-building missions, including on-the-job training, national and regional workshops, study tours, and needs assessment and project evaluation missions.

Coordination and sharing of best practices

- Participation of DMFAS as resource person or speaker to 11 joint events
- More than 340 officials from over 100 countries participated in the Seventh Interregional Conference in Debt Management, followed by the DMFAS Advisory Group meeting.
- Intensification of collaboration with other institutions, including participation in Debt Management Framework.
- Participation in Inter-Agency Task Force on Finance Statistics.
- Participation in development of online course in audit of public debt, in collaboration with INTOSAI Development Initiative (IDI).
- Participation in International Aid Transparency Initiative (IATI).

Continued relevance of the Programme

- 84% of all DMFAS beneficiaries – since the launch of the Programme in 1981 – are still relying on the DMFAS system for the management of their day-to-day debt, rather than on any other system.
- The majority of DMFAS user countries participated in the Programme's cost-sharing mechanism.

Continuous management improvements

- Creation of a bi-monthly e-newsletter.
- Mid-Term Review completed.

1. Progress to date – Strategic Plan 2007/2010

The Programme has made very good progress in implementing its Strategic Plan: 2007 to 2010. This section summarises the results for each of the four objectives:

1. *Increase human and institutional capacity in debt management offices*
2. *Improved coordination of the Programme's work with the efforts of other providers of technical assistance in debt management*
3. *Improved sustainability and predictability of the Programme's financial situation*
4. *Effective management and good governance of the Programme*

On objective 1, ***Increase human and institutional capacity in debt management offices***, the Programme has exceeded expectations by directly supporting by 2009 87 institutions in 55 countries, rather than the expected 84 DMFAS-user institutions. The capacity-building modules developed by the Programme and delivered through in-country and regional training throughout the period, have had tangible results. The Mid-term-review found that 55% of DMFAS-users report significant improvement in debt recording and 42% similarly for debt statistics. Since 2007, 16 first drafts of statistical bulletins have been produced, some of which are now available on the Internet. Moreover, a debt portfolio analysis training module, which was designed in 2008, led to the elaboration of five debt portfolio reviews in the Republic of Yemen, Costa Rica, Egypt, Bangladesh and Sudan. As a result of this increased capacity, 90% of all active DMFAS countries report to the World Bank DRS system. Moreover, 94% of users indicated that the DMFAS Programme addresses debt recording and debt statistics well or very well.

Significant progress has been made in improving the Programme's core offering to countries, the DMFAS software, to respond to changing needs. Although delays were encountered in developing the new version of the software, DMFAS 6, in 2009 the core software was completed and installed in one country, Panama. This is the largest development project the Programme has ever undertaken. The high quality of the new software has been attested to by the results of two intensive beta-testing missions in developing countries and the mid-term review. Translation of the corresponding user documentation will be completed by March 2010. Plans are in place to enhance this new version with country-specific enhancements in 2010. While the development delay has meant that the original target of installation in 9 institutions in 2009 will not be met, it is expected that 10 institutions will have received the new version by December 2010.

In relation to the improvement of its capacity-building modules, the goal of developing a new debt portfolio analysis module was achieved in late 2008. This new module is an important addition to the portfolio of capacity-building services the Programme offers to developing countries in response to their needs. It has been welcomed by the five countries who have so far had the opportunity to receive training in it, and in 2010 the Programme expects to satisfy the significant demands from other countries.

The success of UNCTAD's biennial debt management conference is another good example of the sharing of best practices.

On objective 2, ***Improved coordination of the Programme's work with the efforts of other providers of technical assistance in debt management***, progress is fully on target and may even exceed expectations. This strategic plan placed considerable importance on improving cooperation with the other providers of assistance to developing countries, and the Programme has already been successful in this. In increasing coordination with other providers, DMFAS adopted a policy of avoiding duplication, sharing best practices and maximizing support to other providers. A key expected result was the alignment of the Programme's work with its area of competitive advantage. This was fully achieved by redefining the Programme's scope within the debt management capacity-building period to cover debt recording, operations, statistics and basic analysis layers, also referred to as the 'downstream' activities'. All Programme activities during the period conformed to these areas of competitive advantage.

Cooperation involved providing support to activities of other providers in the upper layers of the pyramid: risk analysis, debt strategy and debt sustainability analysis. In avoiding duplication, the Programme's initiative of systematically sharing its mission calendar with other providers proved to be very useful. Overall cooperation with other providers involved participation as experts in 23 events organized by international and regional partners since 2007, a number of joint missions and regular sharing of information. Since 2007, it has organized six regional workshops with its partners in four languages, namely Arabic, English, French and Spanish. This is below the target of four to five workshops per year, due to insufficient funding. Funding constraints also resulted in curtailed cooperation with Pole Dette. However, the creation of two regional centers, in Latin America and Africa has enabled stronger regional presence and coordination with local partners.

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 (TFFS). It became an implementing partner to the new Debt Management Facility (DMF) led by the World Bank, having contributed to the development of the facility. To date, the Programme has participated in four DMF missions, and the inter-dependency of the DMF's 'upstream' work with DMFAS' 'downstream' work have become even clearer.

Additionally, and beyond original expectations, the Programme became a partner to the new International Aid Transparency Initiative which was established to promote the decisions of the Paris Declaration for Aid Effectiveness and the related Accra Agenda for Action. Involvement in this initiative was a response to the recommendations of the 2007 Advisory group Meeting that the Programme should support countries needs in the area of aid management, given the inter-dependent linkages between debt management and aid management in many developing countries.

On objective 3, ***Improved sustainability and predictability of the Programme's financial situation***, while good progress has been made, adequate sustainability and predictability have not yet been achieved. There are excellent prospects for full achievement on this objective within the current plan, but this will require the active support of the donor community in 2010 and beyond. The expected result of increasing cost-sharing by beneficiaries from 14% to 24% was achieved in 2009, albeit on a reduced level of overall income than originally forecast. The Mid-term Review recommends increasing overall income from cost-sharing by introducing a graduation scheme. Internally, the Programme reduced costs by streamlining its operations, downsizing senior staff posts and outsourcing major elements of DMFAS 6 development. Additional improvements will be made in 2010 but will provide more benefits in effectiveness than in efficiency. The targets for increasing the number of donors have partially been reached, with the number of donors rising from 4 in 2007 to 7 in 2009, with the entrance of a new donor in 2010, Ireland. Expectations have been satisfied in terms of multi-year commitments from donors, rising from 2 in 2007 to 4 in 2009, with two more expected. However, despite these positive results, the Programme's income from donor funding falls short of that is necessary to ensure long-term predictability and sustainability.

On objective 4, ***Effective management and good governance of the Programme***, the measures taken to improve evaluation and monitoring of the Programme's activities have borne fruit. Monitoring and evaluation following the Strategic Plan have improved, although continued efforts in 2010 are expected to bring further improvements. The enhancements brought to project and consultant management have increased effectiveness, and the high satisfaction rate of surveyed users in project implementation (70%) demonstrates the quality of services rendered. Regarding the enhancement of the DMFAS Helpdesk, a consequence of the delay in DMFAS 6 development was that the Helpdesk improvements were also delayed. This will be a priority for 2010.

In the area of communication with stakeholders, most results are on target with successful Advisory group meetings in 2007 and 2009, regular donor consultation meetings and the improvement and dissemination of the Annual Report.

Additionally, the Programme initiated an electronic Newsletter. However, there are delays to 2010 in implementing the planned improvements to the Programme's Website, due to funding constraints. The Mid-term Review recommended some improvement to the Annual report, some of which are implemented in the current version.

In summary, the DMFAS Programme has made very good progress in implementing its Strategic Plan in the past three years. Delivery has been as expected on most of the expected results, surpassed in some, and the Programme is on target to achieve the four key objectives. There have been delays in some areas, notably with the development of DMFAS 6 that has delayed implementation of the much-awaited new software, but the plans for 2010 should enable the Programme to catch up. A key remaining challenge is ensuring financial sustainability and predictability. The Programme has learnt many valuable lessons that will serve to improve performance in the future. Overall, the positive results to date augur well for a successful completion of the strategic plan in its final year in 2010.

2 Systems management

During 2009, the Programme's system management focused in particular on the following areas:

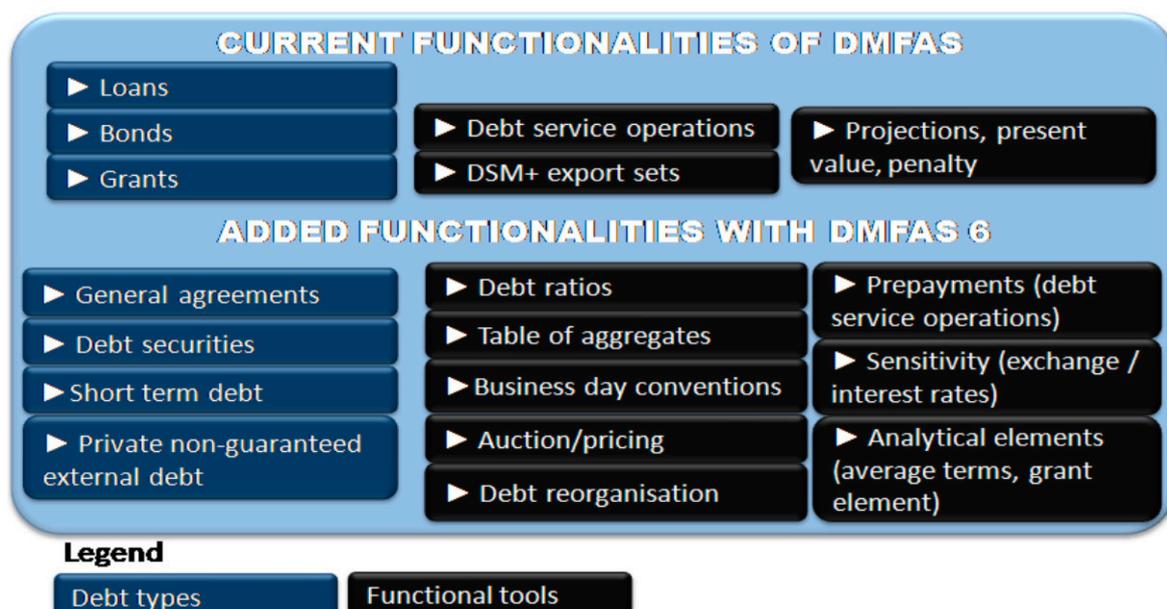
- System development including the next version of DMFAS, version 6
- Adoption of new version of DMFAS and updates in countries
- Support and maintenance

2.1 System development

DMFAS 6

The Programme officially launched DMFAS 6 at the DMFAS Advisory group in November 2009. As shown in Figure 4, DMFAS 6 offers many new functionalities:

Figure 1 Functionalities of DMFAS



- Perform back office functions such as recording debt contracts, handle transactions, and dealing with payment requirements.
- Facilitate interfaces with other analytical software, such as debt sustainability, risk analysis models and with Integrated Management Systems.
- Support analysis activities such as determine the impact of future new borrowings, debt re-organizations as well as assess risk of exchange and interest rate volatility.
- Facilitate debt portfolio analysis, run simulations, sensitivity analysis and produce debt ratios directly from the database.
- Perform auctions with DMFAS 6 or to transfer detailed results from country's specific auction software.
- Provide managerial information to front office officials in a consolidated and user-friendly way.
- Use the system through a Web browser, on intranets and/or through the internet, thus opening a whole new range of possibilities for users, such as linking several institutions through the internet.

The quality of DMFAS 6 was guaranteed through continuous testing in Geneva and a series of beta-testing installations.

In September 2009, a beta testing exercise was conducted in La Paz, Bolivia, and its results were integrated to the system. Debt officers from Bolivia, Panama and Venezuela actively participated in this exercise.

The DMFAS 6 software is currently available in English, Spanish, French and Portuguese.

DMFAS 5.3

During the first half of 2009, the Programme produced one important update of DMFAS 5.3, that is, version 5.3.0.21, which includes the following enhancements: new debt totals, namely, net projected principal, net projected interest, net projected commission, net projected principal and interest, net projected total debt service; and a functionality to postpone the interest on outstanding to the next interest period. The installation of the update was also improved and automated using the InstallShield software.

2.2 Adoption of new versions of DMFAS and updates in countries

Adoption of Version 6

In December 2009, the first installation of DMFAS 6 took place in Panama. The new web based version was installed on the server of the Public Debt Directorate in the Ministry of Economy and Finance. The Panamanian debt office is using DMFAS 6 in a fully integrated fashion. Not only is DMFAS horizontally integrated with the IFMIS, into the accounting, treasury and budget modules, but also vertically by providing tools to the front-middle and back office. Thus, debt data can directly be used for debt analysis and issue data is fed into the database instantly.

This installation is the first step to many planned ones. The roll-out of the software will continue in Gabon, Argentina, Egypt and Venezuela. Many countries have expressed great interest in this new version and are currently negotiating a project.

Adoption of version 5.3

In 2009, the latest version of DMFAS – version 5.3 – was installed in five countries and seven institutions: Angola (Ministry of Finance and Central Bank), Haiti (Ministry of Finance and Central

Bank), Djibouti (Ministry of Finance), Iran (Central Bank) and Guinea Bissau (Ministry of Finance). Installations are made in English, French or Spanish, depending on the language preference of the country. Understandably, there are fewer 5.3 installations in 2009 than in the previous years as the DMFAS Programme is concentrating its efforts in the launch of DMFAS 6.

At the end of the third quarter 2009, to answer the needs of Portuguese speaking users, namely Angola and Guinea Bissau, the DMFAS Programme translated DMFAS 5.3 in to Portuguese.

By the end of the year, 88 per cent of all the institutions operating the DMFAS system in client countries had adopted the latest versions of the software (DMFAS 5.3 or 6). Of the 75 installations actively being used in countries, the latest version of DMFAS – version 5.3 – was being used in 65 institutions (53 countries); DMFAS 5.2 was being used in 9 institutions (9 countries); the older versions are no longer actively used. DMFAS 4.1 Plus is no longer installed in any institution. See annexes 1 and 2.

Updates to the current version of DMFAS in countries

Updates to the version of DMFAS being used, together with relevant user documentation, were sent via the DMFAS helpdesk to 15 institutions during the year: Albania (Ministry of Finance), Algeria (Central Bank), Argentina (Ministry of Finance), Central African Republic (Ministry of Finance), Chad (Ministry of Finance), Dominican Republic (Ministry of Finance), Egypt (Ministry of Finance and Central Bank), Ethiopia (Ministry of Finance), Indonesia (Ministry of Finance), Jordan (Ministry of Finance), Nicaragua (Central Bank), Panama (Ministry of Economy), Togo (National Fund), and Trinidad and Tobago (Central Bank).

Advisory services, including links with other systems

As has already been mentioned, the Programme provides support to countries wishing to link DMFAS with other systems, including integrated financial management systems. The case of Nicaragua and the process of linking DMFAS to the integrated financial system of the country is explained in Box 3.

In June 2009, a workshop was organized to define the conceptual design of an interface between DMFAS and the integrated financial management system in Jordan (Ministry of Finance). Likewise, a technical workshop was conducted in Panama (Ministry of Finance) on the implementation of a link between the local domestic debt system and DMFAS. Similar technical workshops were conducted for Burkina Faso (Ministry of Finance) and Indonesia (Ministry of Finance).

Additionally, the Programme provided support on the analysis of the migration of the integrated external debt management system of the Philippines (Central Bank) to DMFAS 5.3.

The Programme also conducted technical workshops on the installation of Oracle 10g and DMFAS for Haiti and Honduras.

Ongoing DMFAS support and maintenance provided to countries

Extensive support in using the DMFAS system, including assistance and advice on a wide range of functional and technical issues, was made available by the helpdesk to all DMFAS client countries throughout the year. This support was provided by fielding technical missions, by sending programs and instructions by CD, by e-mail, telephone and fax, and through the UNCTAD FTP server. Where applicable, databases were also sent by clients and installed in Geneva to facilitate the resolution of queries and problems.

The DMFAS helpdesk received a total of 352 client requests as of end of December 2009. Of these, 318 requests were resolved, 22 were marked for future versions, 10 were being processed, and 2 were waiting to be processed. See annex 4 for details.

The DMFAS Programme is currently modernizing its helpdesk system, to follow the high-quality standard set with the release of Version 6. The new tool enables online reporting of bugs and requests for enhancements from the user site and the helpdesk in Geneva as well as online exchange of communication between the test site and the helpdesk.

3 Capacity development

Impact at the country level

In line with the strategic plan, the priorities of the Programme in 2009 in delivering its services:

- To respond to the increase in requests from user countries for the Programme's products and services;
- To respond to the changing nature of countries' needs for services in different areas of debt management, including the linking of DMFAS with other financial management software; and
- To enhance the Programme's capacity to deliver its expertise – both in qualitative and quantitative terms – through upgrading the skills of the central staff, possible outsourcing and decentralization of certain tasks, and improvements to accountability and the reporting of field operations.

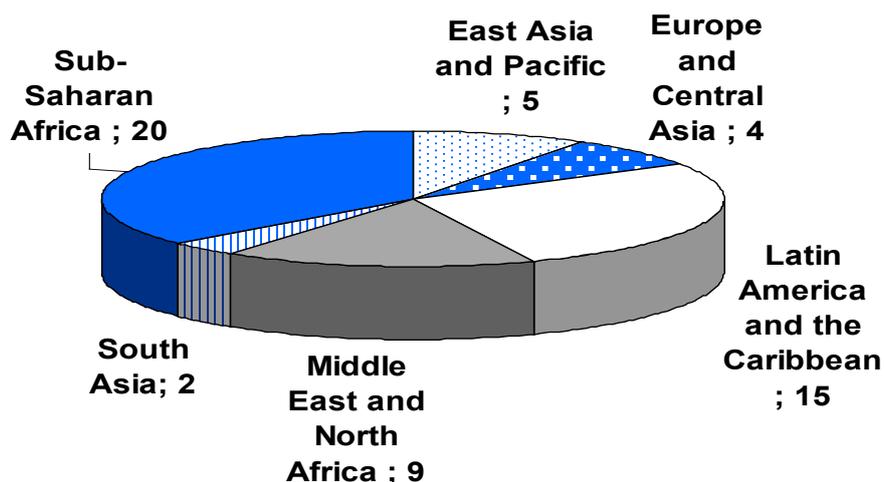
3.1 Increasing demand from DMFAS clients

Since its inception, until the end of 2009, the Programme had provided technical assistance to a total of 66 countries and 102 institutions. The vast majority of these countries – 55 in total – were still active users of the DMFAS system in 2009, with other countries ready to become active again. Figure 2 shows the geographical breakdown of the 55 active countries.

In 2009, a new institution became DMFAS client: the province of Buenos Aires, Argentina. The technical assistance project plans the installation of the latest version of DMFAS, version 5.3, the building of a domestic public debt database, and for the strengthening of its debt reporting and analysis capacities. It also aims to integrate DMFAS with the IFMIS.

In addition, a number of former DMFAS user institutions that stopped using the DMFAS system for different reasons (political, institutional or technical) either became active users again or were considering doing so. This was the case, for example, of the finance ministry of the Republic of Haiti and the finance ministry of Guinea Bissau. New projects for five current DMFAS client countries (six user institutions) were signed in 2009, including Angola (Ministry of Finance and Central Bank), Argentina (Ministry of Finance), Islamic Republic of Iran (Central Bank), Panama (Ministry of Finance) and Djibouti (Ministry of Finance). A regional project was launched in Francophone West Africa. Financed by the French government and in line with UNCTAD's special focus on Africa, it covers four DMFAS users, namely, Côte d'Ivoire, Senegal, Burkina Faso, Mauritania, and one non-DMFAS user, Mali, for training activities.

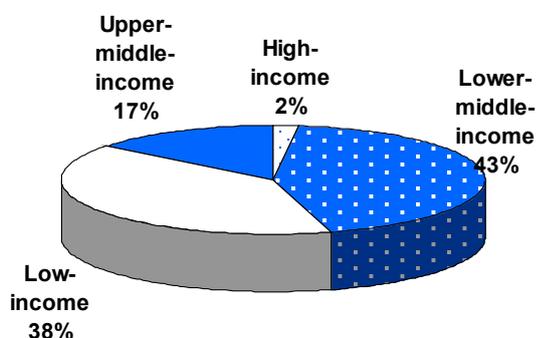
Figure 2 Geographical distribution of active DMFAS users



3.2 Responding to the changing nature of countries' needs

DMFAS clients range from low-income structurally weak economies to more advanced middle-income developing economies. This variety in client types further accentuates the diversity and scope of the technical assistance provided by the Programme. Figure 3 below provides a breakdown of the countries that were using DMFAS at the end of 2009. As presented, the vast majority of DMFAS clients belong to the low-income and lower-middle-income category.

Figure 3 Active users of DMFAS, by income group, in 2009



Half of all countries (20) with heavily indebted poor country (HIPC) status are DMFAS beneficiaries.

20 least developed countries (LDCs) are active DMFAS users at present.

In 2009, the installation and use of DMFAS was one of the triggers for the \$500 million debt relief in Central African Republic and \$1.2 billion debt relief in Haiti.

DMFAS projects must take into account the different situations that countries find themselves in, whether they are low-income countries or middle-income countries. One example of a major difficulty still facing many low-income countries is the capacity to recruit and retain qualified staff, hence the need for repeated training in the fundamentals of debt management, including debt recording and putting into place appropriate information flows on debt data. Achieving and maintaining level 1 of the DMFAS pyramid (the creation of an updated and validated debt database, as described in the introduction) is therefore a major challenge in itself. Middle-income countries are usually stronger at the lower levels of the pyramid, and are therefore more concerned with receiving technical assistance from the Programme, in order to improve their capacity at the higher strata of the pyramid (statistics and reporting).

In response to the needs of middle-income countries, the Programme has worked improved the DMFAS system's analytical functions in DMFAS 6. It has also finalized the development of a new capacity-building module in debt portfolio analysis and basic risk management, which is described in section 2.2. Box 1 presents the characteristics of a debt management office.

The Programme also paid particular attention during the year to the needs of heavily indebted poor countries (HIPC). Of the 40 countries eligible for debt relief under the HIPC initiative in 2009, 20 were DMFAS clients. In addition to training and advice in debt management, the Programme's assistance in helping countries build comprehensive debt databases actively contributes to their chances of reaching completion point. This is because having a computerized debt management system is one of the triggers for arriving at completion point, like for Haiti and Central African Republic in June 2009.

Two recent 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 the DMFAS system in the larger financial or aid management system. Firstly, capacity-building in domestic debt management is increasingly being included in DMFAS projects. Significant improvements in the DMFAS system's ability to manage domestic debt are included in DMFAS version 6.

Secondly, 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. In 2009, for example, the Programme worked on developing a link in the future between the DMFAS system and other financial management systems in:

- Burkina Faso (Ministry of Finance),
- Jordan (Ministry of Finance),
- Indonesia (Ministry of Finance) and
- Panama (Ministry of Economy), where the interface has been designed to be adapted to a DMFAS 6 upgrade.

Nine countries currently link DMFAS with other financial management systems:

- Argentina (Ministry of Finance and Province of Chaco),
- the Plurinational State of Bolivia (Central Bank),
- Côte d'Ivoire (Ministry of Finance),
- the Dominican Republic (Ministry of Finance),
- Ecuador (Ministry of Finance),
- Guatemala (Ministry of Finance),
- Honduras (Ministry of Finance),
- Nicaragua (Central Bank) and
- Paraguay (Ministry of Finance).

Countries recipients of aid are also interested in linking DMFAS with their aid management systems. In 2009, the Programme has defined the modalities of such interfaces that will be implemented in the coming years.

3.3 *Enhancing capacity to deliver products and services*

In 2009, the DMFAS Programme has developed an evaluation methodology for mid-term and final evaluations of technical assistance projects. This is in line with United Nations evaluation standards and enables to streamline results obtained in projects.

The DMFAS Programme's training modules

In order to improve capacity-building through training, the Programme focused on the following goals in 2009:

- Ensuring the high quality and impact of capacity-building and training activities;
- Creating and enhancing its capacity-building modules and other training materials;
- Providing debt analysis support.

Ensuring the high quality and impact of capacity-building and training activities

The table below provides a breakdown of how DMFAS capacity-building activities were distributed by region up to October 2009. Altogether, the Programme organized or co-organized in 98 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 missions, there were 85 capacity-building events at the national level, 3 at the regional level and 10 at the international level.

Regional distribution of DMFAS capacity-building and other activities: 2009

	East Asia and Pacific	Latin America and the Caribbean	Middle East and North Africa	South Asia	Sub-Saharan Africa	West and Central Europe	Grand Total
DMFAS functional training	2	9	2	0	5	0	18
ICT installations / trainings/ links	3	6	4	0	6	4	23
Capacity-building in data validation and debt statistics	1	3	4	2	4	0	14
Analytical training - DSM+ and DPA	0	2	2	2	1	2	9
Needs assessment (DEMPA) and evaluations	1	6	2	3	6	2	11
Development of Version 6	0	3	0	0	0	1	4
Partner coordination	1	2	1	0	1	5	10
Total	8	31	15	7	23	14	98

DMFAS missions are carried out by consultants and/or central staff. With the aims of encouraging South–South cooperation and sharing best practices, the Programme regularly hires proficient DMFAS users from debt offices in developing countries to be consultants, to train new users in the debt offices of other developing countries. Advisors are fielded for longer periods for certain projects to provide continued on-site support and debt management advisory services, as was the case for Guinea-Bissau in 2009.

As described in the strategic plan, the Programme is placing increasing emphasis on the results of capacity-building, using more clearly verifiable indicators. This new emphasis is reflected in the capacity-building modules that the Programme is developing and implementing, described in the introduction: debt data validation, statistics, and debt portfolio analysis. The modules are generally delivered via workshops, as the initial activity, after which support is provided, either through missions or from UNCTAD headquarters, until the final output is produced. Assistance is also ex-

tended to ensure that the products are sustainable. They are complementary to the activities of other international organizations at more advanced levels of debt analysis and debt strategies.

The outputs of the capacity-building modules correspond to the different layers of the Programme's pyramid-based capacity-building framework. They also build upon each other. Based on the validated database resulting from a validation workshop, for example, a debt statistics workshop can be conducted, resulting in a comprehensive and relevant statistical bulletin. This can then be used in the next capacity-building module – debt portfolio analysis – in which the debt portfolio is analyzed; the output can be a portfolio review, as it was the case in Yemen, Costa Rica, Bangladesh, Egypt and Sudan. Subsequently, the results of the debt analysis module can be used to perform risk analysis and debt sustainability analysis, support for which is provided by other international institutions. Box 2 illustrates this evolution with the case of Ethiopia, which progressed to the second level of the pyramid in less than three years.

The table below shows the number of capacity-building modules that have been implemented in countries since the first year of their implementation (2004). They have resulted in the production of eight debt statistical bulletins in 2009, which may be used internally or externally by the country:

- a quarterly bulletin for Bangladesh,
- a six-monthly bulletin for Central African Republic,
- a six-monthly bulletin for Sudan,
- a bulletin for external and domestic debt in Togo,
- a six-monthly bulletin for Haiti,
- a six-monthly bulletin for Yemen,
- a bulletin for domestic debt in Egypt,
- a bulletin for external debt in Rwanda.

These capacity-building events led as well to the production of procedures for validation of their debt data and sustainability of the project results on the long-term.

The first national debt portfolio analysis workshop was organized in June 2009 in Sana'a, Yemen and led to the production of a draft debt portfolio review. The following workshops took place in Costa Rica, Egypt, Bangladesh and Sudan.

Implementation of capacity-building modules during the period 2004–2009

	2004	2005	2006	2007	2008	2009	2004–2009
Total	1	3	8	8	24	21	65
Debt portfolio analysis	0	0	0	0	1	6	3
Debt statistics	1	2	3	4	9	6	25
Debt statistics: follow-up	0	0	0	0	4	2	5
Data validation	0	4	9	11	7	5	36
Data validation: follow-up	0	0	0	0	3	2	5
Regional workshops	1	0	3	1	1	1	7
Debt portfolio analysis	0	0	0	0	1	1	2
Debt statistics	1	0	2	1	0	0	4
Data validation	0	0	1	0	0	0	1
National workshops	0	3	5	7	23	20	58
Debt portfolio analysis	0	0	0	0	0	5	5
Debt statistics	0	2	1	3	9	6	21
Debt statistics: follow-up					4	2	6
Data validation	0	1	4	4	7	5	21
Data validation: follow-up					3	2	5

3.4 Development of capacity-building modules and training methodology, DMFAS 6

During the second quarter of 2009, the Programme started developing new training material for DMFAS 6. The new version of DMFAS was an opportunity to review and establish new standards for DMFAS 6 training material. The objective was to provide trainers with a standard set of material that would help them deliver high quality training to DMFAS users. The set of material is composed of 13 modules, of which a Debt Securities module, an Auction Module and module on analytical features as well as one on Reporting. The set of training material comprises a course plan including guidelines for trainers and suggested exercises, a course description, a PowerPoint presentation and quizzes. As part of the development process, an evaluation of the training material was organized. Two validation teams were set up: one for the functional training and the other one for the technical training. Each group comprised DMFAS consultants, user representatives, subject matter experts and project managers. Both groups were asked to validate the training material in terms of accuracy, usability and design. Based on the results of the validation, the three modules were revised and finalized. They will serve as standards or templates for the development of future DMFAS 6 training modules.

To complement DMFAS 6 training material, the Programme elaborated a standard form to establish the profile of participants attending DMFAS 6 training. The purpose is to better adapt and customize the training to the target audience.

Evaluating the effectiveness of training, identifying training gaps and ensuring continuous improvement of training are essential aspects of any training. Therefore, the Programme also designed an evaluation form to obtain trainees' feedback on these different aspects of DMFAS 6 training.

3.5 Providing debt analysis support

The Programme's support for debt analysis focuses mainly on strengthening the analytical capacity of the country's debt management office, in particular that of the middle- and high-level staff responsible for debt management. In order to support debt analysis, the Programme provides cli-

ent countries with training in the use of Debt Sustainability Model Plus (DSM+), an analytical tool developed by the World Bank in close partnership with UNCTAD, and distributed by UNCTAD and the Commonwealth Secretariat. The Programme also advises on organizational and structural issues, as was done in Haiti in October 2009, assisting the Haitian Ministry of Finance and Central Bank in the definition of roles and job descriptions for debt management. The strengthening of debt managers' analytical capabilities is part of an effort to improve debt managers' capacity in the decision-making process. The Programme is also providing analytical support through its capacity-building module in debt portfolio analysis. An important feature of the Programme's work on debt analysis is its focus on basic debt analysis, which complements the assistance provided by other institutions, such as the World Bank and IMF, in the more advanced areas of debt sustainability analysis and debt strategies.

4. Programme management

As part of its efforts to improve overall efficiency and effectiveness, and in order to better deliver its strategic plan for the 2007–2010 period, a number of improvements to the Programme's general management, administration and communications activities were made during 2009. These changes were reflected in the following goals:

- To ensure mutually beneficial relations and cooperation with external partners and other agencies in debt management;
- To strengthen synergies within UNCTAD;
- To mobilize resources effectively and to improve the efficiency and effectiveness of the Programme's administrative processes;
- To strengthen communications and information-sharing;
- To secure reliable, stable and predictable financing.

4.1 *Ensuring mutually beneficial relations and cooperation with external partners and other agencies in debt management*

In recent years, momentum has been intensified among the various providers to coordinate capacity-building efforts using a more holistic approach to meeting the multi-faceted challenges that developing countries face in building their debt management capacity. Efforts have been made to clearly understand the comparative advantage of each capacity-building provider compared to others, and partnerships have been strengthened. The DMFAS Programme firmly believes in this coordinated and harmonized approach to the provision of debt management capacity-building services by technical assistance providers to countries. Active collaboration also helps to ensure that best practices are shared.

In 2009, 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. It also included organizing joint workshops, and participation in each others' events. Additionally, collaboration included direct participation as an implementing partner to such initiatives as the World Bank's Debt Management Framework. Another important example was UNCTAD's continued participation (through the DMFAS Programme) in the Inter-Agency Task Force on Finance Statistics, which strives to improve the capacity of countries to produce reliable statistics.

In 2009, the Programme actively collaborated with the Commonwealth Secretariat, Debt Relief International, the International Monetary Fund (IMF), the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), the International Aid Transparency Initiative (IATI) the International Organization of Supreme Audit Institutions (INTOSAI) Development Ini-

tiative, Pôle-Dette, the Latin American and Caribbean Debt Group, the United Nations Development Programme (UNDP), the United Nations Institute for Training and Research (UNITAR) and the World Bank. All partners participated to the DMFAS Programme's Interregional Debt Management Conference that took place in November.

World Bank

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

In 2009, collaboration with the World Bank included the following:

Debt Management Facility (DMF): Having contributed to the design of the DMF during its conception, the Programme officially became a partner in 2009. During the year, the Programme participated in a number of DMF events. In April, the Programme's Chief attended the inaugural meeting of the Technical Advisory Group, and the Programme also participated in a meeting of DMF partners. Indeed the downstream activities of the DMFAS Programme are complementary to the upstream work of the DMF, and there is a clear inter-dependency between the activities of DMF and of the DMFAS Programme. As defined in the DMF Grant Agreement signed by UNCTAD, DMFAS also participated in four DMF implementation missions at the country-level. It undertook two Debt Management and Performance Assessment (DEMPA) mission, the first to the Democratic Republic of Congo and the second to Cambodia, as well as a Mid-Term Debt Strategy (MTDS) mission to Zambia and Moldova. As defined in the Grant Agreement, the Programme will participate in three more DeMPPA missions and four more MTDS missions for the period 2009-2010. DMFAS also participated in MTDS and DeMPPA trainings in the Joint Vienna Institute. The Programme's participation in these DMF activities has been very fruitful, with positive feedback from the other partners and the countries involved. These first instances of DMF cooperation augur well for excellent results in the future.

Debtor Reporting System: The Programme both encourages and assists countries technically in providing information to the Bank's Debtor Reporting System (DRS). In 2009, 56 DMFAS countries participated in the DRS initiative.

Providing resources for seminars: The Programme participated as speaker at the Subnational Fiscal Reform and Debt Management Forum organised by the World Bank in Washington in April.

Project financing: DMFAS country projects being financed by the World Bank in 2009 included projects for Haiti (Ministry of Finance and Central Bank), Honduras (Ministry of Finance and Central Bank), and Yemen (Central Bank, Ministry of Finance and Ministry of Planning and International Cooperation). The Programme is therefore actively involved in discussions concerning the activities of these projects, including tripartite meetings with the World Bank.

International Monetary Fund

The Programme is in regular contact with two main departments of IMF. These are the Statistics Department, and the Monetary and Capital Markets Department. This contact includes an annual visit by the Programme to Washington. In 2009, the annual visit took place in April. The contact with IMF also includes co-organization of workshops on debt statistics, and participation by both organizations in the Inter-Agency Task Force on Finance Statistics, which has so far been active in developing guidelines for external debt statistics and in coordinating capacity-building activities in debt statistics. The DMFAS Programme participated in the annual meeting of the Task Force in Berne, in March.

An example of a jointly organized debt statistics activity was the regional workshop on external debt statistics held in Washington, in July. The main objective of the course was to disseminate to officials of debt departments in ministries of finance and central banks, the concepts and method-

ologies of the External Debt Guide. Delegates from 40 countries including 13 DMFAS user countries participated in this event.

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

MEFMI

The Programme has an ongoing collaboration with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) which includes 13 countries from this region. Five of the countries belonging to MEFMI are DMFAS client countries, namely Angola, Rwanda, Uganda, Zambia and Zimbabwe. In April 2009, the DMFAS Programme participated as a speaker, jointly with UNCTAD's Debt and Development Finance Branch to a seminar in Mombasa, Kenya, addressing the impact of the financial crisis on sovereign debt management. Additionally, a joint MEFMI-UNCTAD workshop was held in Lusaka from 2 to 11 December 2009. A group of 25 participants was selected from Central Banks and Ministries of Finance of five DMFAS-countries, namely Angola, Rwanda, Uganda, Zambia, and Zimbabwe.

The objective of this activity was to introduce the Debt Portfolio, Data Validation and Debt Statistics Capacity Building Modules, as well as to present DMFAS 6 on both technical and functional levels.

Pôle-Dette

In collaboration with Pôle-Dette, the technical training unit of the Central Bank of West African States (BCEAO) and the Bank of Central African States (BEAC), the Programme also provides regional assistance by jointly organizing and running workshops that benefit the French-speaking countries in Africa.

The 2009 workplan had foreseen the organization of a regional workshop with Pôle Dette. Unfortunately due to lack of funds it has been postponed to 2010.

The activities financed by the French government and targeting West Africa were designed in coordination with Pôle Dette's strategy. The Programme's assistance focuses on downstream activities, since Pôle Dette has a clear comparative advantage for upstream and institutional assistance.

United Nations Development Programme

The DMFAS Programme's collaboration with UNDP in 2009 included UNDP funding for certain country projects and information-sharing with the UNDP country offices in DMFAS client countries, as well as collaboration through the "One United Nations" framework. Regarding the latter, the Programme is actively participating in the "One United Nations" initiative in respect of four of the countries (Albania, Cape Verde, Rwanda and Laos) currently being tested under the "Delivering as One" pilot initiative.

Commonwealth Secretariat

The DMFAS Programme participated as a resource person in the Commonwealth Seminar on Monitoring of Private Sector External Debt in September 2009. During this seminar, delegates were sensitized about the policy and regulatory framework for managing corporate and external debt, looking into the institutional arrangements as well as the data requirements.

The Latin American and Caribbean Debt Group and the Inter-American Development Bank

With 15 active DMFAS client countries in the Latin American and Caribbean region, UNCTAD takes a keen interest in regional capacity-building activities organized by the Latin American and Caribbean Debt Group, and where possible tries to coordinate activities. For example, DMFAS participated in the Annual Meeting of the Group of Latin American and the Caribbean Debt Management Specialists that took place in Uruguay in April 2009.

Debt Relief International

In line with commitments reached between UNCTAD and Debt Relief International in 2007, the two institutions regularly shared information during 2009 on their respective capacity-building activities, in particular their mission planning schedules. In June, The Programme also participated in a meeting organized by the German Government in Cologne about "Debt Relief and International Debt Management in the Context of the Present Financial Crisis", ten years after the G8 Summit agreement on the Enhanced HIPC Initiative.

International Organization of Supreme Audit Institutions (INTOSAI)

The DMFAS Programme and the INTOSAI Development Initiative (IDI) have continued to collaborate, regarding the Programme's contribution to development by IDI of a trans-regional capacity-building programme for the auditing of public debt management. The audit programme aims to enhance the professional and institutional capacity of target supreme audit institutions in public debt management audit, and will consist of eight projects to be delivered between 2008 and 2010. It will include both face-to-face training and e-learning courses. The design of an online course on Audit of Public Debt was defined with the participation of the DMFAS Programme in Tunisia in April. Subsequently, the DMFAS Programme provided two experts to support the e-learning course on Audit of Public Debt Management. In total, 20 trainees from Anglophone Africa for 8 from Francophone Africa successfully completed the course.

International Aid Transparency Initiative (IATI)

The DMFAS Programme became a member of the Technical Advisory Group of IATI launched during the High Level Forum on Aid Effectiveness in Accra in September 2008. The Programme participated in several meetings during 2009 to finalize the period activities with the participation at its first Steering Committee in September 2009. This collaboration is consistent with the Programme's commitment to the Paris Declaration for Aid Effectiveness and Transparency and the Accra Agenda for Action and answers requests from many DMFAS-user countries, such as DRC, Haiti, Burundi or Rwanda.

As a member of the TAG, the DMFAS Programme participated in the (a) definition of an aid information standard, (b) the common definitions of aid information, (c) the common data format; designed to facilitate easy and rapid electronic interchange of data; and (d) a code of conduct which describes what information donors will publish and how frequently.

In the context of the IATI collaboration, the Programme is currently preparing an important strategic partnership, which would have concrete implications for developing countries. Indeed, the objective is to link debt management to aid management through interfaces between the DMFAS system and the Development Gateway Foundation (DGF) software. To this regard, the DMFAS Programme is exploring the possibilities of a country-level study with DGF and exchanging technical information with its counterpart.

Statistical Data and Metadata Exchange (SDMX)

UNCTAD through the DMFAS Programme has joined together with the Bureau of International Settlements (BIS), the European Central Bank (ECB), EUROSTAT, IMF, OECD, the World Bank and COMSEC to study business practices in the field of statistical information that would allow

more efficient processes for exchange and sharing of data and metadata within the current scope of their collective activities.

A plan has been discussed between the DMFAS Programme, the World Bank and COMSEC delegates to utilize the presented data and metadata exchange standard (SDMX) to produce and remit the countries information for the Debt Reporting System (DRS).

4.2 Synergies within UNCTAD

Within UNCTAD, the DMFAS Programme and the Debt Research Unit of the Debt and Development Finance Branch collaborate and address debt issues jointly. This collaboration includes the sharing of one staff member between the Debt Research Unit and the DMFAS Programme, responsible – among other things – for improving and delivering the debt portfolio analysis module.

The DMFAS Programme also contributes to a number of UNCTAD and United Nations reports. In 2009, these included the:

- Review of the technical cooperation activities of UNCTAD and their financing;
- UNCTAD's Economic Development in Africa Report and UNCTAD's contribution to the Secretary-General's report on NEPAD;
- UNCTAD Annual Report 2008;
- Annual Trust Fund Progress Report.

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

In line with the Strategic Plan 2007-2010, the Programme continued monitoring and improving its efficiency. These are reflected in the following points:

Mid-term Review

A mid-term evaluation of the Programme has been carried out by independent consultants between May and November 2009. The government of the Netherlands sponsored this evaluation, combining it with its own review of modalities for future support to the Programme.

The evaluation was conducted by the consultancy firm Ecorys (www.ecorys.com). The evaluation consisted of a review of DMFAS Programme documentation and products, a quantitative and qualitative study of user satisfaction of the Programme's services, a study of donor satisfaction, interviews with key partners and several donors, and three field missions to Ethiopia, Vietnam and Indonesia. A Steering Committee was established to oversee the evaluation, composed of representatives of all current donors to the Programme and the Programme Chief. The Committee convened at the beginning of October 2009 to discuss the preliminary conclusions and recommendations of the evaluation.

The conclusions were presented to donors and DMFAS users during the Advisory Group meeting in November 2009. The results and recommendations of the evaluation will serve as valuable input for deciding the Programme's strategy and work plans for the coming years.

Decentralization

One objective of the Programme's current strategic plan was to establish a regional support center in Africa and for Latin America. Having established these new centers, in 2009 the DMFAS Programme effectively operated from three parts of the world: the headquarters in Geneva, and two regional centers, one in Buenos Aires, Argentina and the other in Bamako, Mali.

In 2009, the West African Center received additional support through a project financed by the French Government. This project aims to increase the outreach of the center by organizing na-

tional workshops in Mali and Côte d'Ivoire as well as technical missions in Burkina Faso, Senegal and Mauritania.

While the experience of decentralization has shown that there are certain benefits in efficiency to be gained, it has also shown that there are risks of incurring additional costs. These risks will need to be mitigated in any future decentralization efforts.

The Programme is currently analyzing the benefits and modalities of establishing further regional centres. The lessons learnt to date will be used as part of feasibility study the Programme will conduct before taking further decisions in this area.

4.4 *Improved communications and information-sharing, within and outside the Programme*

In September 2009, the Programme launched the edition of a bi-monthly electronic newsletter presenting in a short and attractive format the main current trends and activities in the DMFAS Programme's work. Faithful to its tradition, the Programme produced the Annual Report 2008, presenting the activities of the Programme until end of December 2008.

Since 2008, the Programme has been sharing its calendar of upcoming missions with its partners. This initiative has proved successful as partners increasing coordination and exchange of information.

In 2009, the Programme continued to contribute to the PORTAL, an internal centralized database containing the most relevant information about UNCTAD's projects, including descriptions of activities, income and expenditure. In September, the external version of the PORTAL was launched to present the main elements for each technical assistance project in UNCTAD.

4.5 *Debt management conference, DMFAS Advisory Group and donor Consultation Meeting*

UNCTAD's Seventh Debt Management Conference took place in Geneva from 9 to 11 November 2009, followed by the 7th DMFAS Advisory Group from 12 to 13 November 2009.

This Conference — organized every two years by UNCTAD — provides a regular forum for sharing experiences and exchanging views between Governments, international organizations, academia, the private financial sector, and civil society on current issues in debt management. It brings together senior-level national and international debt managers and experts from around the world to discuss some of the most pertinent topics in both external and domestic debt, debt management and public finance today.

This year, 348 persons, from 104 countries (mainly senior officials from central banks and ministries of finance, but also from audit offices), 18 international and regional organizations and 10 NGOs participated. The conference focused on:

- The impact of the current financial crisis on debt and debt management,
- The use and limitations of risk indicators in debt management,
- Debt defaults and debt crises,
- Illegitimate debt,
- Roles and responsibilities of debt managers and the scope of and limitations to these roles,
- Transparency in debt management,
- The auditor and debt management,

- The challenges of implementing debt strategies and impact measurement in debt management.

Participants expressed a high level of satisfaction with the conference, with the main benefits being: the exchange of country experiences, exchange of experience on debt management and the global crisis, better understanding of issues relating to odious debt and a better understanding of issues relating to development and implementation of debt strategies.

The donor consultation meeting was attended by representatives from the Asian Development Bank, the European Commission, France, Germany, the Inter-American Development Bank, Italy, Ireland, the Netherlands, Norway, Switzerland and from ECORYS, the consultancy which performed the external evaluation of the DMFAS Programme. The main topics of the meeting were the review of the results of the 2009 Mid-Term evaluation of the DMFAS Programme performed by an independent consultancy, the adaptations proposed to the Programme's current strategic plan and the assessment of its financial situation.

The participants congratulated the Programme on its positive results in the Mid-term review. Donors expressed their high level of satisfaction with the achievements of the Programme in delivering effectively and efficiently high quality outputs. They commended the Programme efforts in increasing its cost-sharing in such a short period. Donors recommended evaluating the feasibility of introducing the proposed reform package. The DMFAS Programme should produce scenarios, gather opinions of user-countries and evaluate the pros and cons.

Donors are overall very satisfied with the work of the Programme and noted that the Mid-Term review showed high levels of satisfaction from beneficiaries. Therefore, it was agreed that the Programme clearly merited continued support from the donor community.