



Meeting of Inter-Agency Task Force on Finance Statistics

The Commonwealth Secretariat, London, United Kingdom

March 3-4, 2011



DMFAS Programme, UNCTAD
Occasional Paper: 2010
as at end September 2010



UNITED NATIONS

New York and Geneva, 2010

Prepared by



DMFAS Programme
Interim Annual Report 2010
(end September)

Contents

KEY ACHIEVEMENTS IN 2010 (AS AT END SEPTEMBER)	3
PROGRESS IN IMPLEMENTING THE STRATEGIC PLAN FOR 2007–2010	5
ACTIVITIES AND IMPACT	10
1 CAPACITY DEVELOPMENT	10
1.1 <i>Impact at the country level</i>	10
1.2 <i>The DMFAS Programme’s training modules</i>	12
2 SYSTEMS MANAGEMENT	16
2.1 <i>System development</i>	16
2.2 <i>Installation of DMFAS and its updates in countries</i>	17
3 PROGRAMME MANAGEMENT	19
3.1 <i>Ensuring mutually beneficial relations and cooperation with external partners and other agencies in debt management</i>	20
3.2 <i>Synergies within UNCTAD</i>	22
3.3 <i>Effective resource mobilization and improved efficiency and effectiveness of the Programme’s administration</i>	22
3.4 <i>Improved communications and information-sharing, within and outside the Programme</i>	23
3.5 <i>Debt Management Conference and DMFAS Advisory Group</i>	23

Key achievements in 2010 (as at end September)

Continued support to developing country needs

- 56 current client countries (88 DMFAS-user institutions)
- 13 Least Developed countries (LDCs), 12 land-locked developing countries (LLDCs), 1 small island developing state (SIDS), 10 Structurally Weak, Vulnerable and Small Economies (SWVSEs)
- 21 low-income countries (LICs); 25 lower middle-income countries (MICs)
- 20 heavily indebted poor countries (HIPCs).

New beneficiary country / institutions

- Oman became the 67th country to historically adopt the DMFAS system and the Ministry of Finance of Oman to become the 103th beneficiary institution
- The Superior Tribunal of Auditors (TSC) of Honduras became the 104th institution to request DMFAS and the first Supreme Auditor's Office in a DMFAS-client country.

Active and new country projects

- Management of 41 active projects at the country level
- Signing of new projects for 9 countries (10 institutions)
- Advanced negotiations for new projects for 16 countries (23 institutions)

System development and support

- DMFAS 6 completed and already being implemented in 4 countries: Argentina, Egypt, Panama and Venezuela
- More than 88 per cent of all the institutions operating the DMFAS system in client countries have adopted the latest versions of the software (DMFAS 5.3 or 6).
- Continuous ensurance of DMFAS 6 quality through testing in Geneva and through a series of beta-testing installations. Governments of Bolivia, Panama and Venezuela actively participated in the testing.

- DMFAS 5.3 enhanced with two new modules: one allowing for the uploading of debt service operations from an external application and the second for the registry of disbursement requests
- Updates to DMFAS 5.3, together with relevant user documentation, sent via the DMFAS helpdesk to eight countries: Bangladesh, Bolivia, Costa Rica, Democratic Republic of Congo, Honduras, Lebanon, Syria and Venezuela.
- Started development of new on-line Helpdesk system.
- The DMFAS helpdesk answered a total of 888 DMFAS user queries (bringing the total to 2772 queries for 2007-2010 period).
- Development of 3 new DMFAS 6 training modules.
- Completion of DMFAS 6 User's Guide on-line help for both DMFAS 6 core functions and DMFAS 6 Control Panel.
- One current DMFAS client country (Bureau of Treasury) updated to DMFAS 5.3 from previous version.
- 16 countries have (or have started) 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 building trainings (over 2500 participants for 2007-2010 period).
- Capacity-building modules resulted in draft debt statistical bulletins for 3 new countries (16 countries regularly producing official statistical bulletins at end of 2007-2010 period)
- Four debt portfolio reviews were produced/updated with DMFAS support: in Bangladesh, Egypt, Indonesia and Yemen
- 58 capacity-building missions, including on-the-job training, national and regional workshops, study tours, and needs assessment and project evaluation missions (approx. 400 missions in strategic period).

- 82% of DMFAS clients using the DMFAS system for external reporting

- World Bank's Debtor Reporting System (DRS) were doing so , and 42 DMFAS clients were reporting to the Quarterly External Debt Statistics (QEDS) database of the IMF

Coordination and sharing of best practices

- Participation of DMFAS as resource person or speaker to 6 joint events.
- Intensification of collaboration with other institutions, including participation in the Debt Management Facility (DMF): 3 DeMPA missions in 2010 (Djibouti, Mauritania and Yemen) and 2 MTDS (Nicaragua and Bangladesh). (9 DMF missions to date).
- Contribution to the new Public Sector Debt Statistics Guide, produced by the IMF, as part of the Inter-Agency Task Force on Finance Statistics.
- Participation in the development and delivery of debt management course for auditors, in collaboration with INTOSAI Development Initiative (IDI).
- Contribution to the International Aid Transparency Initiative (IATI) – exploring link options between DMFAS and aid management systems.

Continued relevance of the Programme

- Nearly 85 per cent 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.
- The Mid-Term Review of the DMFAS Programme's performance in implementing its current strategic plan (2007-2010) reported the Programme to be "effective, efficient and very relevant"
- Evaluation report on UNCTAD's technical cooperation activities to LDCs, LLDCs, SIDs and SWVSEs (TD/B/WP/223) underlined need for continuous support in debt management to these countries

All DMFAS clients expected to report to the

Progress in implementing the strategic plan for 2007–2010

By the end of September 2010, the Programme was near to completing the implementation of its current strategic plan, covering the period 2007 to 2010. Table 1 provides a summary of achievements as at the end of September, and annex 11 provides a detailed analysis of progress up to end September 2010. As the tables show, overall, delivery has been as expected on most of the results of the 2007-2010 strategic plan and has surpassed expectations on some. Where there have been delays, notably with the development of DMFAS 6, the Programme has made important strides in catching up, with DMFAS 6 already being implemented in four countries as at the end of September 2010, and a steady list of DMFAS 6 installations foreseen over the coming years.

This section analyses the results for each of the four objectives.

On objective 1, ***Increased human and institutional capacity in debt management offices***, the Programme has exceeded expectations by directly supporting, by 2010, 88 active DMFAS-user institutions in 56 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 per cent of DMFAS users reported a significant improvement in debt recording and that 42 per cent reported a significant improvement in debt statistics. Since 2007, 21 national debt statistics capacity-building workshops have taken place (and 8 follow-ups), and 1 at the regional level. From these, 16 statistical bulletins have been produced. In debt data validation, 17 workshops (and 5 follow-ups) in debt data validation have taken place, resulting in the implementation of regular data validation checks by countries. The goal of developing a new module that will assist countries perform analysis of their debt portfolio analysis (DPA) was achieved in late 2008 and the module has since been delivered to countries through 9 national (including 3 follow-ups) and 3 regional workshops. This new module is an important addition to the portfolio of capacity-building services that the Programme offers to developing countries in response to their needs. It has been welcomed by the six countries (Bangladesh,

Costa Rica Egypt, Indonesia, Sudan and Yemen) that have so far had the opportunity to receive training in it. During the period, the Programme also worked on new versions of its capacity-building modules in debt statistics and debt data validation in order to take into account DMFAS 6 as well as the latest new international standards in debt management, including coverage and classification as defined in the new Public Debt Statistics Guide produced by the International Task Force on Debt Statistics and the Quarterly External Debt Statistics (QEDS). These capacity-building module updates are expected to be completed in early 2011.

More generally, the Programme has continued to support countries ability to produce reports and to meet external reporting requirements. All DMFAS countries expected to report to the World Bank Debtor Reporting System (DRS), for example, were doing so by the end of the period and 75% of DMFAS client countries were reporting to the QEDS database.

The Programme also provided effective ongoing support to user countries through its helpdesk and its country projects. The DMFAS helpdesk responded to 2722 requests during the period. It also managed 60 active technical assistance projects during the period, of which 30 were new. The mid-term review found that overall satisfaction with DMFAS products and services was 89 per cent (33 per cent very satisfied, 56 per cent fairly satisfied).

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 – by the end of September 2010, DMFAS 6 was already installed in four countries with a large number of installations foreseen over the coming years. The development of DMFAS 6 is the biggest project that the Programme has ever undertaken. The quality of the new software is attested by countries already starting the implementation of DMFAS 6 as well as by the results of the continuous testing of the system being undertaken by the Programme, with the participation of DMFAS-client governments. While development delays meant that the original target of installation of

9 institutions in 2010 has been partially met, it is expected that the Programme will catch up in its next Strategic Plan.

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 indeed exceeds expectations. This strategic plan placed considerable importance on this objective and the Programme has been very successful in meeting it. In 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 expected 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 1, page 17) 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 for the activities of other providers in the upper layers of the debt management 'pyramid' model in Figure 1: 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 resource persons to 29 events organized by international and regional partners since 2007 and regular sharing of information. Since 2007, it has organized four 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 Pôle-Dette. However, the creation of two regional centres, in Latin America and Africa, has brought about a stronger regional presence and stronger coordination with local partners.

In sharing best practices and providing active support for new international initiatives that improve coordination, the Programme has been involved with other organizations in a number of areas. It has

continued its active contribution to the Task Force on Finance Statistics (TFFS), and in 2010 contributed to the new IMF-produced publication on Public Sector Statistics Guide. The Programme's contribution to this Guide includes a detailed description of the DMFAS software and the Programme's assistance to countries in public debt management in helping them produce better statistics on overall public sector debt (ie. all public debt, in addition to external debt). The Programme has also continued to be an important implementing partner to the Debt Management Facility (DMF) led by the World Bank. To date, the Programme has participated in seven DMF missions, and the interdependency between the DMF's "upstream" work and DMFAS's "downstream" work has become even clearer. Additionally, and beyond original expectations, the Programme became a partner to the new International Aid Transparency Initiative (IATI), 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 recommendation of the 2007 Advisory Group meeting that the Programme should support countries' needs in the area of aid management, given the interdependent linkages between debt management and aid management in many developing countries. The Programme has also very actively collaborated with the International Development Initiative (IDI) of the International Organization of Supreme Audit Institutions (INTOSAI). This has included the development of a transregional capacity-building programme for the auditing of public debt management. The project has involved several activities including e-learning and the development of audit plans in debt management by trainees for their respective countries. During the period, the DMFAS Programme contributed to the design and substance of the course, provided on-line support and participated in face-to-face meetings with trainees in to discuss their draft audit plans in workshops organized by IDI. This included 2 English-speaking workshops (Kenya and Indonesia) and 1 French-speaking workshop (Senegal). Implementation of the respective audit plans will be presented in the final phase of the project in March 2011.

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. 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 the development of DMFAS 6. Additional improvements were made in 2010, but these provided more benefits in effectiveness than in efficiency. The target for increasing the number of donors has been reached, with the number of donors rising from four in 2007 to seven in 2010, with the entrance of a new donor in 2009 – Ireland. Expectations have been satisfied in terms of multi-year commitments from donors, rising from two in 2007 to four in 2010. However, despite these positive results, the Programme's income from donor funding falls short of that necessary to ensure long-term predictability and sustainability. The Programme and the countries it supports need an increase in the amount of funding and the length of donor's commitments. The mid-term review provides useful recommendations in this area. This objective continues to be one of the foremost challenges that the Programme faces in the future.

On objective 4, ***Effective management and good governance of the Programme***, the Programme has continued to take measures to closely evaluate and monitor the Programme's activities. This has included quarterly internal reporting of all functional groups of the Programme on progress made on implementing the Strategic Plan and corresponding yearly work programmes. The enhancements made to project and consultant management have increased effectiveness, and the high satisfaction rate from users surveyed with regard to project implementation (70 per cent) demonstrates the quality of services rendered. Regarding the enhancement of the DMFAS helpdesk, a consequence of the delay in the development of DMFAS 6 was that the helpdesk improvements were also delayed. However, the Programme made good progress in this area in 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, the implementation of planned improvements to the Programme's website have continued to be delayed, due to the constraints of inadequate resources. The mid-term review recommended some improvements to the Annual Report, some of which are already implemented in this interim Annual Report.

The Mid-Term Review of the DMFAS Programme's performance in implementing its current strategic plan (2007-2010) reported the Programme to be "effective, efficient and very relevant". 94% of the DMFAS beneficiaries surveyed for the Review found that the Programme addressed debt recording and debt statistics issues well or very well and the vast majority rated the Programme technical assistance as important or very important to them.

In summary, the DMFAS Programme has made very good progress in implementing its strategic plan in the past four years. Delivery has been as expected on most of the results and has surpassed expectations on 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 progress in 2010 and plans for the coming years is enabling the Programme to catch up in satisfying countries' demands for this new software. A key remaining challenge is ensuring financial sustainability and predictability. The Programme has learned 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 current strategic plan in its final year, 2010.

Table 1. Summary of achievements of the 2007–2010 strategic plan

Objective	Expected result	Results as at end-September 2010	Overall progress
<p>1. Increased human and institutional capacity in debt management offices to manage the operational, statistical and analytical aspects of debt management</p>	<ol style="list-style-type: none"> 1. DMFAS software for the operational, statistical and analytical needs of debt managers and bodies involved in elaborating public debt strategies provided for all requesting countries 2. Increased capacity in governments to effectively use the DMFAS software and its outputs 3. Strengthen institutional capacity to operate the debt management back office 4. Completion of new, enhanced software that responds to the current needs of debt management offices 5. Enhanced capacity of debt management offices in the areas of debt validation, debt statistics and debt portfolio analysis 6. Effective response to the evolving needs of developing countries in debt management 	<p>56 countries and 88 institutions using or activating/reactivating use DMFAS</p> <p>4 countries using DMFAS 6 as at September 2010</p> <p>30 new projects; 60 projects managed in total</p> <p>2722 helpdesk requests answered since 2007</p> <p>16 statistical bulletins produced</p> <p>All expected DMFAS countries reporting to the Debtor Reporting System</p> <p>55 needs assessment missions, 400 capacity-building missions</p> <p>6 draft debt portfolio reviews produced</p> <p>590 officials attending two debt management conferences</p>	<p>On target</p> <p>Despite having had some delays in completing DMFAS 6 (now completed), the Programme has had a strong presence in user countries and provided continued support through capacity-building modules and helpdesk services</p>
<p>2. Improved coordination of the Programme's work with the efforts of other providers of technical assistance in debt management</p>	<ol style="list-style-type: none"> 1. Increased coordination of the Programme's activities with other technical assistance providers 2. Decentralization of the Programme's activities in Africa and Latin America 3. Alignment of the Programme's work with its area of competitive advantage 4. Active support for new international initiatives that improve coordination among technical assistance providers 	<p>Resource person in 29 events</p> <p>2 regional centres created: Mali and Argentina</p> <p>All activities within mandate (downstream)</p> <p>Contribution to Public Sector Debt Guide of Task Force on Finance Statistics</p> <p>Active participation in Debt Management Facility (5 DeMPA, 4 MTDS)</p> <p>Member of IATI, enhancing linkage between aid and debt management, as well as SDMX, harmonizing data exchange</p>	<p>On target</p> <p>Strong collaboration with partners without duplication, taking part in new initiatives</p>
<p>3. Improved sustainability and predictability of the Programme's financial situation</p>	<ol style="list-style-type: none"> 1. Increase in cost-sharing from beneficiaries 2. Increased efficiency of the Programme's operations 3. Increased number of donors to the Programme 4. Increase in multi-year funding commitments from donors 	<p>From \$402,125 in 2006 to \$645,615 in 2010 (figure as at end of September 2010)</p> <p>Streamlining of procedures and operations</p> <p>Number of donors increased from 4 to 6</p> <p>Multi-year donors increased from 2 to 4</p>	<p>On target, some elements delayed</p> <p>Due to impact of financial crisis</p>

<p>4. Effective management and good governance of the Programme</p>	<ol style="list-style-type: none"> 1. Programme activities monitored and evaluated in line with strategic plan 2. Achievement of Programme results monitored and evaluated 3. Objectives of active country and regional projects met and related activities implemented to the satisfaction of project stakeholders 4. Enhanced helpdesk services 5. Improved management of consultants for delivering capacity-building activities 6. Strengthened capacity and productivity to manage projects 	<p>Annual workplans in line with the Strategic Plan</p> <p>Results monitored against Logframe</p> <p>High satisfaction rate by user countries with project implementation: 70% (according to mid-term review survey)</p> <p>Enhancement of DMFAS helpdesk is ongoing, linked with the release of version 6</p> <p>Consultants' roster expanded; 4 trainings for trainers organized , 6 new DMFAS training modules for trainers developed</p> <p>Project management procedures established</p>	<p>On target</p> <p>Activities streamlined to increase efficiency</p> <p>High satisfaction rate from users</p>
--	--	---	---

Activities and impact

1 Capacity development

The Programme's overall objective of helping countries develop their capacity to better manage their debt pervades all aspects of the Programme's work. This section describes the status of the Programme's capacity-building activities at the country project level in 2010, as at end of September. 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 at the end of September 2010.

1.1 Impact at the country level

In line with the strategic plan, the priorities of the Programme in 2010 in delivering its services were:

- 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 – by upgrading the skills of the central staff, possible outsourcing and decentralization of certain tasks, and improvements to accountability and the reporting of field operations.

Increasing demand from DMFAS clients

Since its inception and up until the end of September 2010, the Programme has provided technical assistance to a total of 67 countries and 104 institutions. The vast majority of these countries – 56 in total – are active DMFAS clients, with other countries ready to become active again. Figure 2 shows the geographical breakdown of the 56 active countries.

In 2010, a new country (and institution) became a DMFAS client: the Ministry of Finance of Oman.

New projects for nine current DMFAS client countries (10 user institutions) were signed in 2010, including

Congo Brazzaville, Egypt, Nicaragua, Honduras, Mali, Côte d'Ivoire, Oman, and the Dominican Republic.

Fact files for individual active DMFAS client countries are presented in annex 10. The fact files provide a general overview of DMFAS implementation in each country, as well as detailed information on DMFAS activities during the year, both project and non-project.

Figure 1. Geographical distribution of active DMFAS users

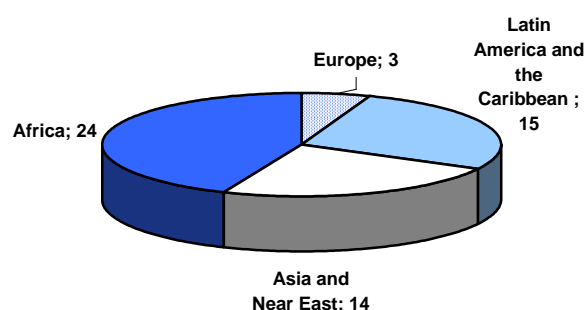
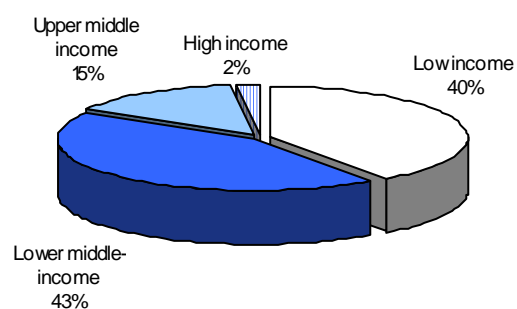


Figure 2. Active users of DMFAS, by income group, in 2010



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 provides a breakdown of the countries that

were using DMFAS at the end of 2010. As is shown, the vast majority of DMFAS clients belong to the low-income and lower-middle-income category.

Box 1. Debt management offices

Debt management offices (DMOs), where the DMFAS system is installed, are usually found in the finance ministry or the central bank, or, in some cases, in the ministry of planning, or in local government.

The exact location of the debt office within the institution itself, however, varies. In general, countries are moving towards centralization of public debt management (i.e. of external and domestic debt) by locating the debt management office in the finance ministry, in order to achieve a more efficient administration of public liabilities. In addition, DMOs – in particular where the debt management system is integrated within a larger financial management system – tend to be at a higher level within the institutions' organizational structures. They usually comprise back-, middle- and front-office functions, and are closer to the decision-making process.

The median number of DMFAS users in an institution is 10, but it can vary from 2 to 30, depending on the size of the debt office and the institutional arrangements for debt management. On average, the DMFAS is used on a daily basis, for approximately four hours a day, but its use can range from one to eight hours.

DMFAS projects must take into account the different situations that countries find themselves in, whether they are low-income 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. This difficulty is manifested in a 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 worked to improve the DMFAS system's analytical functions in DMFAS 6. It 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 continues to pay particular attention to the needs of heavily indebted poor countries (HIPC). Of the 40 countries eligible for debt relief under the

HIPC initiative in 2010, 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, as has happened for Haiti and the Central African Republic in the past (see Annual Report 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 into 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 version 6 of DMFAS. 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 2010, for example, the Programme had projects or was elaborating projects that included the development of a link in the future between the DMFAS system and other financial management systems in:

- Burkina Faso (Ministry of Finance),

- Indonesia (Ministry of Finance),
- Jordan (Ministry of Finance),
- Palestine (Ministry of Finance), and
- Vietnam (Ministry of Finance).

Eleven countries currently link DMFAS with other financial management systems:

- Argentina (Ministry of Finance and Province of Chaco),
- Dominican Republic (Ministry of Finance),
- Ecuador (Ministry of Finance),
- El Salvador (Ministry of Finance)
- Gabon (Ministry of Finance),
- Guatemala (Ministry of Finance),
- Honduras (Ministry of Finance),
- Nicaragua (Central Bank)
- Panama (Ministry of Finance) and
- Paraguay (Ministry of Finance).
- Yemen (Ministry of Finance, Central Bank and Ministry of Planning and International Cooperation)

Countries that are recipients of aid are also interested in linking DMFAS with their aid management systems. In 2010, the Programme defined the modalities of such interfaces, which will be implemented in the coming years.

Enhancing capacity to deliver products and services

In 2010, the DMFAS Programme strengthened its log-frame methodology for the improved monitoring and implementation of technical assistance projects. This is in line with best international practices in this area.

1.2 The DMFAS Programme's training modules

In order to improve capacity-building through training, the Programme focused on the following goals in 2010:

- 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

Table 2 provides a breakdown of how DMFAS capacity-building activities were distributed by region and up to September 2010. Altogether, the Programme organized or co-organized 92 capacity-building events so far in the year, 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 14 relating to DMFAS 6, 27 needs assessments and 15 relating to the capacity building modules in debt portfolio analysis, debt statistics and data validation. These were in addition to participation by the Programme in missions of the Debt Management Facility, of which there were 7 in 2010.

Table 2. Regional distribution of DMFAS capacity-building and other activities

	East Asia and Pacific	Europe and Central Asia	Latin America and the Caribbean	Middle East and North Africa	North America	South Asia	Sub-Saharan Africa	Grand Total
DMFAS functional training	1	0	4	1	0	0	2	8
ICT installations / trainings / links	5	0	7	4	0	0	2	18
Capacity-building in data validation and debt statistics	0	0	1	3	0	1	6	11
Analytical training: DSM+ and debt portfolio analysis	2	0	1	1	0	0	0	4
Needs assessments	3	1	3	8	0	2	10	27
Development of version 6	0	0	8	4	0	0	2	14
Partner coordination	1	1	3	1	1	0	3	10
Total	12	2	27	22	1	3	25	92

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 can be fielded for longer periods for certain projects to provide continued on-site support and debt management advisory services.

As described in the strategic plan, the Programme is placing increasing emphasis on the results of capacity-building, using more objectively 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

extended to ensure that the products are sustainable. They are complementary to the activities of other international organizations at more advanced levels of debt analysis and debt 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 analysed; the output can be a portfolio review, as in been the case of Bangladesh, Costa Rica, Egypt, Indonesia, Sudan and Yemen. 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. Intra-institutional data-sharing for holistic public debt management in Egypt

The Central Bank of Egypt (CBE) was among the first institutions worldwide to receive DMFAS 3.0 in 1986 for their Loans and External Debt Department. The Ministry of Finance of Egypt (MoF), with a mandate to manage domestic debt and on-lent loans, adopted DMFAS 5.3 in 2008 for their Public Debt Management Division.

In 2010, the Government of Switzerland financed a new UNCTAD technical cooperation project to upgrade both Egyptian institutions to DMFAS version 6. The CBE received DMFAS 6 and related trainings starting in June 2010 and the MoF is scheduled for its upgrade in early 2011. Adopting the new web-based DMFAS software in both the CBE and the MoF will simplify intra-institutional data sharing. This will reduce staff time used for sending paper copies of data and re-entering data, with the possibility of introducing errors into the official debt statistics. In addition, the reliable electronic data sharing between the CBE and MoF using the functions of DMFAS 6 will facilitate a holistic approach to public debt management in Egypt.

Table 3, on the following page, 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 debt statistical bulletins which may be used internally by the country or disseminated externally. Some examples of bulletins produced are:

- a quarterly bulletin for Bangladesh;
- a six-monthly bulletin for the Central African Republic;
- a bulletin for domestic debt in Egypt;
- an annual statistical bulletin for Ethiopia;
- a six-monthly bulletin for Haiti;
- a quarterly statistical bulletin for Indonesia;
- a bulletin for external debt in Rwanda;
- a six-monthly bulletin for Sudan;
- a bulletin for external and domestic debt in Togo;
- an annual statistical bulletin for Vietnam; and
- a six-monthly bulletin for Yemen

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

The first national debt portfolio analysis workshop was held in June 2009 in Sana'a, Yemen, and led to the production of a draft debt portfolio review. Since then, workshops have also been held in Bangladesh,

Costa Rica, Egypt, Indonesia, Sudan as well as a follow-up workshop in Yemen. In 2010, three DPA national workshops took place: in Egypt, Indonesia and Yemen.

So far in 2010, three data validation workshops have been held: in Angola, Djibouti and Iran; six debt statistics workshops: in Cape Verde, Cote d'Ivoire (workshop and follow-up), Mali ((workshop and follow-up) and Venezuela (follow-up); and five debt portfolio analysis workshops: Bangladesh, Egypt and Yemen (all follow-up workshops) and Indonesia and Venezuela.

In addition, seven regional workshops have been conducted, including:

- a debt portfolio analysis workshop in Indonesia, co-hosted by Bank Indonesia;
- two workshops with MEFMI on debt statistics (July) and on DMFAS 6 (August);
- three workshops with IDI in Senegal, Kenya and Indonesia (March) for debt auditors; and
- one in Argentina, hosted by the Ministry of finance, Argentina (May-June) on DMFAS 6 IT training.

Table 3. Implementation of capacity-building modules during the period 2004–2010

	2004	2005	2006	2007	2008	2009	Sept. 2010	2004–Sept. 2010
Total	1	3	8	8	24	21	15	80
Debt portfolio analysis	0	0	0	0	1	6	3	10
Debt portfolio analysis: follow-up	0	0	0	0	0	0	3	3
Debt statistics	1	2	3	4	9	6	3	28
Debt statistics: follow-up	0	0	0	0	4	2	3	9
Data validation	0	1	5	4	7	5	3	25
Data validation: follow-up	0	0	0	0	3	2	0	5
Regional workshops	1	0	3	1	1	1	1	8
Debt portfolio analysis	0	0	0	0	1	1	1	3
Debt statistics	1	0	2	1	0	0	0	4
Data validation	0	0	1	0	0	0	0	1
National workshops	0	3	5	7	23	20	14	72
Debt portfolio analysis	0	0	0	0	0	5	2	7
Debt portfolio analysis: follow-up	0	0	0	0	0	0	3	3
Debt statistics	0	2	1	3	9	6	3	24
Debt statistics: follow-up	0	0	0	0	4	2	3	9
Data validation	0	1	4	4	7	5	3	24
Data validation: follow-up	0	0	0	0	3	2	0	5

Creating and enhancing its capacity-building modules and other training materials

In 2010, the Programme worked on new versions of its capacity-building modules in debt statistics and debt data validation in order to take into account DMFAS 6 as well as the latest new international standards in debt management, including coverage and classification as defined in the new Public Debt Statistics Guide produced by the International Task Force on Debt Statistics and the Quarterly External Debt Statistics (QEDS). These capacity-building module updates are expected to be completed in 2011.

During 2010 the Programme also continued developing new training material for DMFAS 6. The objective is to provide trainers with a standard set of materials that will help them deliver high-quality training to DMFAS users. The training material will include 13 modules for the functional training and 11 modules for the technical training. The set of training materials comprises a course plan including guidelines

for trainers and suggested exercises, a course description, a PowerPoint presentation and quizzes.

The 3 existing modules developed in 2009, namely “What’s new in DMFAS 6”, “DMFAS 6 portal and interface”, and “DMFAS 6 control panel”, were updated to include latest changes in the software. A module on the “Introduction to DMFAS” was developed and undergone full external validation, and 2 modules related to DMFAS reports and debt securities were developed and are ready for validation. Also, work on functional and technical training modules related to DMFAS auctions, DMFAS analytical features, DMFAS reorganization, and DMFAS 6 architecture started in 2010.

Providing support in debt analysis

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. The Programme also advises on organizational and structural issues, where

appropriate. The strengthening of debt managers' analytical capabilities is part of an effort to improve debt managers' capacity in the decision-making process. The Programme also provides 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.

2 Systems management

As countries constantly evolve in their debt management capacities and in their borrowing choices, so must the DMFAS system constantly evolve both functionally and technically, in order for it to remain up to date with countries' needs, both functionally and technically. Cutting-edge system development is therefore one of the main objectives of the Programme, whether this be through updates to the version already implemented by countries, or through

the development of entirely new versions of the system.

In line with the Programme's strategic plan, the Programme's system 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

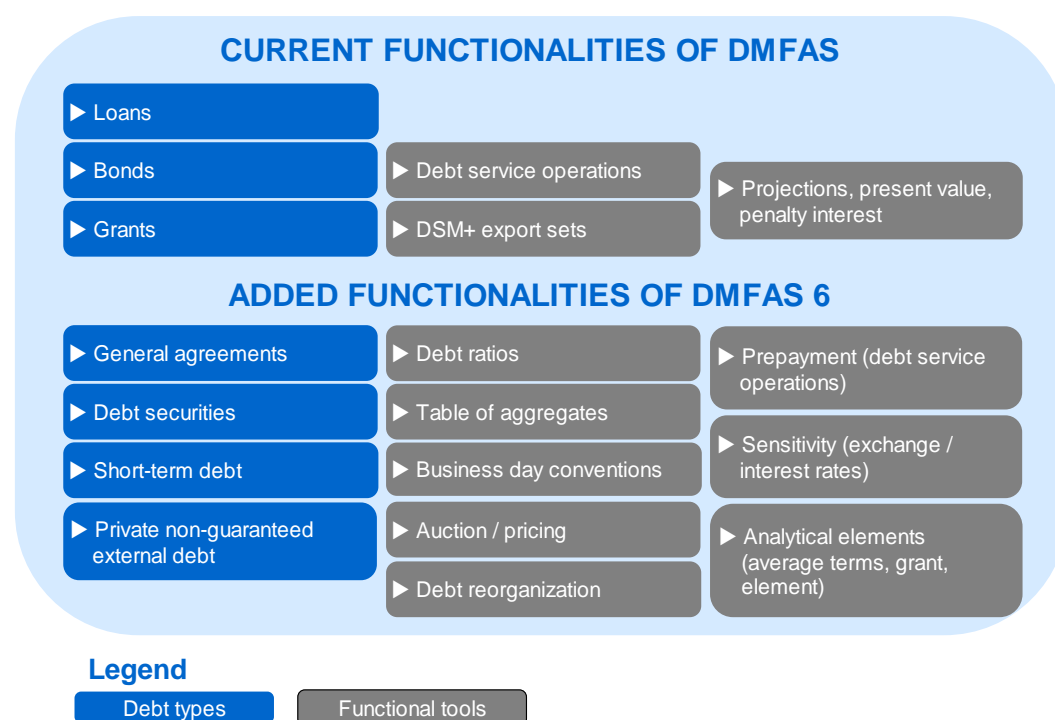
2.1 System development

DMFAS 6

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

- Perform back office functions such as recording debt contracts, handle transactions and dealing with payment requirements.

Figure 3. Functionalities of DMFAS



- 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 reorganizations 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 is guaranteed through continuous testing in Geneva and a series of beta-testing installations.

In March 2010, a testing exercise was conducted in Geneva and in Bolivia and its results were integrated into the system. Debt officers from Panama and a group of DMFAS consultants, together with the Programme's Project Managers, actively participated in this exercise.

The DMFAS 6 software is currently available in English, Spanish, French and Portuguese. The Arabic version is also being developed.

Update of DMFAS 5.3

In 2010, the Programme enhanced DMFAS 5.3 with a module to upload debt service operations from an external application and with another module to register disbursement requests.

2.2 Installation of DMFAS and its updates in countries

Installation of version 6

As announced in December 2009, the first installation of DMFAS 6 took place in Panama. Since then, and in line with the Programme's distribution plan for

DMFAS 6, three DMFAS 6 installations have so far taken place in 2010: in Argentina (Ministry of Finance), in the Bolivarian Republic of Venezuela (Ministry of Finance) and in Egypt (Central Bank).

The Argentine debt office is using DMFAS 6 in parallel with DMFAS 5.3 in order to test the integrated environment that includes interfaces with accountancy, treasury and budget modules. Venezuela and Egypt will also utilize DMFAS 6 in parallel to DMFAS 5.3 until the end of the year. This parallel period will be used to validate data consistency, the new application stability as well as to adapt existing interfaces to the new environment.

The Panamanian debt office is a good example of how DMFAS 6 can be used in a fully integrated fashion. Not only is DMFAS horizontally integrated with the integrated financial management system – 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 are fed into the database instantly. The new web-based version was installed on the server of the Public Debt Directorate in the Ministry of Economy and Finance.

Installation of version 5.3

In the first half of 2010, DMFAS 5.3 replaced DMFAS 5.2 in the Philippines (Ministry of Finance), with plans for the installation of DMFAS 6 to follow in 2011.

By September 2010, more than 88 per cent of all institutions operating the DMFAS system in client countries had now adopted one of the latest versions of the software (DMFAS 5.3 or 6). Of the 75 installations actively being used in four countries, DMFAS 5.3 was being used in 66 institutions (53 countries); DMFAS 5.2 was being used in 8 institutions (9 countries) and older versions to DMFAS 5.2 (eg. 5.1 or DMFAS 4.1 Plus) were no longer actively used. See annexes 1 and 2.

Updates to DMFAS 5.3 sent to countries

Updates to DMFAS 5.3, together with relevant user documentation, were sent via the DMFAS helpdesk to 16 countries (17 institutions) during the year: Albania (Ministry of Finance), Algeria (Central Bank),

Argentina (Ministry of Finance), the Central African Republic (Ministry of Finance), Chad (Ministry of Finance), the Dominican Republic (Ministry of Finance), Egypt (Ministry of Finance and Central Bank), Ethiopia (Ministry of Finance), Guatemala (Ministry of Finance), Indonesia (Ministry of Finance), Jordan (Ministry of Finance), Nicaragua (Central Bank), Panama (Ministry of Economy), Philippines (Central Bank), 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.

In February and March 2010, a technical workshop was conducted in Nicaragua (Ministry of Finance) on the implementation of a link between the local domestic debt system and DMFAS. In February 2010,

validation and testing of an interface was also undertaken in Burkina Faso (Ministry of Finance).

The case of Nicaragua and the process of linking DMFAS to the integrated financial system of the country is explained in box 3.

Additionally, the Programme continued to provide technical support on the analysis of the migration of the integrated external debt management system of the Philippines (Central Bank) to DMFAS 5.3, as well as provide support on the validation exercise of the migrated data to the DMFAS system.

The Programme also conducted a regional technical database administration workshop with Costa Rica, Honduras and Paraguay as joint participants.

The Programme is currently developing for Indonesia (Ministry of Finance) a module to upload debt service operations from an external application. A disbursement request module is also in progress as an enhancement to 5.3.

Box 3. Institutional building and coordination of financial management in Nicaragua

In October 2006, UNCTAD started a three-year project with the Government of Nicaragua to strengthen its debt management performance and improve the systems at the Ministry of Finance and Public Credit (MHCP) and the Central Bank of Nicaragua (BCN). The project was financed by a \$309,000 grant from the Inter-American Development Bank. The project was designed to cater to the following needs: (a) conversion of the external debt database from version 5.2 to version 5.3, installation of DMFAS 5.3, and integration of the domestic debt database into DMFAS; (b) integration of DMFAS with the integrated financial management system (SIGFA); (c) strengthening of the capacities of the staff of the Ministry of Finance, Central Bank and General Auditor's Office (GAO).

In April 2007, DMFAS 5.3 was installed and technical training took place. Approximately 55 staff from MHCP, BCN and the GAO were trained in the use of DMFAS at several workshops held in 2007. As a result, the staff are now capable of using DMFAS effectively to manage domestic and external debt and produce meaningful reports. Staff from the GAO were trained in DMFAS too, and they are now able to obtain reports on the debt situation, thus enhancing transparency. The development of the interface between DMFAS and SIGFA was executed by the Ministry of Finance's IT Department and coordinated and supported by two UNCTAD consultants.

The project has resulted in improved collaboration and coordination between the institutions involved, namely BCN, MHCP and GAO. This has an impact not only on operational matters – BCN is now fully integrated into the payment process – but also on the policy side. Debt officers of the different institutions, well trained in debt concepts and DMFAS, now work together efficiently and understand each other's needs for information. The development of the interface has led to large improvements in efficiency in the debt payment process.

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 374 client requests on DMFAS 5.3 as at the end of September 2010. Of these, 355 requests were resolved 3 were marked for future versions, 5 were in process, and 11 were in waiting. See annex 4 for details.

The DMFAS helpdesk received a total of 514 client requests on DMFAS 6 as at the end of September. Of these, 498 requests were closed, 2 reopened and 14 assigned. See annex 4b for details.

In 2010, the Programme also started work on the modernization of its helpdesk system, to follow the high-quality standard set with the release of DMFAS 6. This has involved the testing the launching of the online TRAC system, which is open-source, to register and track client requests.

User documentation

Several deliveries of DMFAS 6 user documentation have been made during 2010, in line with the development of the software. These include the User's Guide of DMFAS 6, the User's Guide of DMFAS 6 Control Panel and the on-line help for both DMFAS 6 core functions and DMFAS 6 Control Panel. The Glossary of Debt and DMFAS, which is intended to complement DMFAS 6 user documentation, has been finalized in 2010 and is available in English, French and Spanish.

3 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 continued to be made during 2010. 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.

3.1 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 providers of technical assistance to countries. Active collaboration also helps to ensure that best practices are shared.

In 2010, 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 other's events. Additionally, collaboration included direct participation as an implementing partner in such initiatives as the World Bank's Debt Management Facility. 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.

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 2010, collaboration with the World Bank has 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. In 2010, the Programme participated in a number of DMF events. In April, the Programme's Chief attended the

World Bank Forum and DMF Technical Advisory Group meeting in April in Tunis, as a participant and resource person. Indeed, the downstream activities of the DMFAS Programme are complementary to the upstream work of the DMF, and there is a clear interdependency between the activities of DMF and of the DMFAS Programme. Under the DMF Grant Agreement for the period 2009-2010, signed by UNCTAD, the DMFAS Programme agreed to participate in seven missions, including two training events. By mid 2010, this agreed number had already been reached. As such an Amendment to the Agreement was signed in the year for DMFAS participation in 6 additional missions. The DMF missions so implemented in 2010 have included three Debt Management and Performance Assessment (DeMPA) missions: the first to Djibouti and the second to Mauritania, with a third DeMPA mission to Yemen foreseen in October – as well as a Mid-Term Debt Strategy (MTDS) mission to Nicaragua. The Programme's participation in these DMF activities has so received positive feedback from the DMF stakeholders as well as the country beneficiaries. These instances of DMF cooperation augur well for excellent results in the future.

DSM+ development and training: As co-owner – together with the World Bank – of the Debt Sustainability Model Plus (DSM+) analytical tool, the Programme has historically provided training in the use of DSM+.

Debtor Reporting System: The Programme both encourages and assists countries technically in providing information to the Bank's Debtor Reporting System (DRS). In 2010, 56 DMFAS countries reported to the RRS.

Providing resources for seminars: The Programme participated as a speaker at the DMF and Technical Advisory Group meeting in Tunis in April.

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 2010, the annual visit will take place in October. 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.

The Programme also collaborated, where possible, with the 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 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.

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 French-speaking countries in Africa.

The 2009 workplan had included the organization of a regional workshop with Pôle-Dette. Unfortunately, due to a lack of funds, this was 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 2010 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, Laos and Rwanda) currently being tested under the "Delivering as One" pilot initiative.

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 the regional capacity-building activities organized by the Latin American and Caribbean Debt Group, and, where possible, tries to coordinate activities.

Debt Relief International

In line with commitments reached between UNCTAD and Debt Relief International in 2007, the two institutions regularly shared information during 2010 on their respective capacity-building activities.

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 transregional 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. In 2010, the Programme provided resource persons to an IDI workshop on audit plans in March, to a regional training workshop for auditors, held in Kenya in March and to a regional training workshop for auditors, held in Indonesia in April 2010. This is in addition to the Programme's support to the IDI e-learning course "Audit of public debt management".

International Aid Transparency Initiative (IATI)

In 2010, the DMFAS Programme continued to participate in the IATI Technical Advisory Group, an initiative launched in Accra in September 2008 during the High-level Forum on Aid Effectiveness. The Technical Advisory Group was set up in 2009 to provide technical advice to the IATI Steering Committee. 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 Burundi, the Democratic Republic of the Congo, Haiti and Rwanda.

As a member of the Technical Advisory Group, the DMFAS Programme participated in (a) the 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 discussing an important strategic partnership, which could have concrete implications for developing countries. Indeed, the objective is to link debt management to aid management in the context of the governments overall public administration through interfaces between the DMFAS system and the Development Gateway Foundation (DGF) software. To this end, 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)

SDMX is an initiative aiming to study business practices in the field of statistical information that would allow more efficient processes for the exchange and sharing of data and metadata within the current scope of their collective activities. The DMFAS Programme decided to adopt the SDMX standards to follow evolving international practices. The Bank for International Settlements, the European Central Bank (ECB), EUROSTAT, IMF, OECD, the World Bank and COMSEC are also participating.

A plan has been discussed between the DMFAS Programme, the World Bank and COMSEC delegates to utilize SDMX to produce and remit the countries' information to the Debtor ReporRS).

3.2 Synergies within UNCTAD

Within UNCTAD, the DMFAS Programme and the Debt and Financial Analysis Branch (its sister unit within the Debt and Development Finance Branch) collaborate and address debt issues jointly. During the period, key examples of collaboration included the preparation of UNCTAD reports for the Trade and Development Board for the UNCTAD Secretariat and office of UNCTAD's Secretary-General. This collaboration also includes the sharing of one staff member between the Debt Research Unit and the DMFAS Programme, who is responsible – among other things – for contributing to the improving and delivering of the DMFAS Programme's capacity-building module in debt portfolio analysis.

The DMFAS Programme also contributes to a number of UNCTAD and United Nations reports. In 2010, these included the:

- UNCTAD *Economic Development in Africa Report* and the contribution by UNCTAD to the Secretary-General's report on the New Partnership for Africa's Development (NEPAD);
- *UNCTAD Annual Report 2009*; and
- Annual Trust Fund Progress Reports;
- Report of the Secretariat on Technical Cooperation Activities carried out in 2009 (cluster 11: strengthening the debt management capacity of developing countries)
- Update of the Thematic Clustering of Trust Funds
- Evaluation and review of UNCTAD's implementation of the Accra Accord"

Additionally, in 2010, in line with Trade and Development Board decision 492 (LIV) 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, entitled "Strengthening the debt management capacity of developing countries", which is cluster 11 of the 17 clusters. These clusters aim to streamline UNCTAD's technical cooperation.

3.3 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:

Decentralization

One objective of the Programme's current strategic plan was to establish a regional support centre in Africa and for Latin America. Having established these new centres, in 2010 the DMFAS Programme effectively operated from three parts of the world: the headquarters in Geneva, and two regional centres – one in Buenos Aires, Argentina, and the other in Bamako, Mali.

The Programme is currently analysing the benefits and modalities of establishing further regional centres. To

this end, a consultant was hired in 2010 to undertake a feasibility study, which will include the lessons learnt to date.

3.4 Improved communications and information-sharing, within and outside the Programme

In 2010, the Programme implemented its intention to disseminate a regular electronic newsletter presenting in a short and attractive format the main current trends and activities in the work of the DMFAS Programme. In keeping with its usual practice, the Programme produced the *Annual Report 2009*, which presented the activities of the Programme up until the end of December 2009.

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 exchange of information. The Programme has since made this a standard communications activity, with the calendar systematically being sent out on a quarterly basis to partners.

In 2010, the Programme continued to actively contribute to the UNCTAD projects 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.

3.5 Debt Management Conference and DMFAS Advisory Group

In the second half of 2010, the Programme started preparations for UNCTAD's eight Debt Management Conference will be held in Geneva in November 2011, followed by the eighth DMFAS Advisory Group.

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.

