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Key achievements and activities in 2012

Impact of capacity-building activities

- Complete, reliable and up-to-date debt database: 85% of gvt. and gvt guaranteed external debt recorded; 84% of domestic debt recorded.
- In 2012, production of debt portfolio reviews in 5 additional countries; production of data validation calendars in 7 additional countries, and of draft debt statistics bulletins in 8 additional countries.
- Improved capacity for effective debt reporting: Thirty eight of DMFAS clients are participating in the Quarterly External Debt Statistics (QEDS) database of the International Monetary Fund, of which 79% effectively reported for the third quarter 2012. In addition, 75% of DMFAS clients that accepted to participate in the Public Sector Debt Statistics database effectively reported in 2012 (21 countries over 28 for table 1.1 on Gross Central Government Debt Position).
- 89% of DMFAS-client countries effectively reported to the World Bank through the Debtor Reporting System.
- Contribution to the PFM value chain, as defined under the Public Expenditure and Financial Accountability (PEFA) Program, in particular under PI 17: Recording and Management of Cash Balances, Debt, and Guarantees, and; PI-25: Quality and Timeliness of Annual Financial Statements.

Continued support to developing country needs

- 57 current client countries (89 DMFAS-user institutions).
- 20 least developed countries, 17 land-locked developing countries, 3 small island developing States.
- 16 low-income countries; 25 lower middle-income countries.
- 20 heavily indebted poor countries (HIPC).
- 123 field missions were implemented in 2012: needs assessments, project evaluations, on-the-job training for DMOs, national and regional

workshops, and study tours that resulted in South-South and Triangular Cooperation.

Active and new country projects

- Management of 31 active technical assistance projects at the country level.
- Signature of new projects for 5 countries (Bangladesh, Cambodia, Iraq, Mongolia and Uganda) and 1 addendum to an active project (Republic of Congo).

DMFAS system users

- Eight DMFAS 6 installations in 2012.
- More than 93 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).

26% of the user institutions and 35% of the DMFAS countries are using DMFAS 6.

System development and support

- The Programme continued to enhance the DMFAS 6 software in 2012, in response to client requests.
- Continued delivery of DMFAS 5.3 training activities in client countries: Cambodia, Chad, Guinea Bissau and the Lao People's Democratic and Rwanda.
- The DMFAS helpdesk received 467 requests and answered a total of 354 queries in 2012, of which 118 were DMFAS 5.3 queries and 236 were requests on DMFAS 6; 15 requests were marked for future versions.
- IT workshops were provided to 7 countries which are developing interfaces between DMFAS and other IFMIS.

Coordination and sharing of best practices

- Participation of DMFAS in 8 events of other technical assistance providers (e.g. International Monetary Fund, World Bank, MEFMI, TFFS, LAC debt group).
- 7 collaborations with other institutions under the Debt Management Facility (DMF): 3 DeMPA

(Bolivia, Democratic Republic of Congo and Sudan); 2 MTDS (China and Tajikistan); 2 Reform Plan missions (Central African and Zambia); and participation to the DMF forum on 25-26 June in Accra.

- Participation in the annual meeting part of the Inter-Agency Task Force on Finance Statistics (TFFS).

Progress in implementing the strategic plan for 2011 – 2014

The four-year strategic plan for the DMFAS Programme began implementation in January 2011. During the four year period 2011 to 2014 the overall objective of the strategic plan is **to help focus countries to managing their debt effectively and sustainably**. This relates to downstream functions most commonly associated with the back and middle debt management offices, and that are considered as the foundations for effective debt management (see figure 1, debt management pyramid).

The strategic plan 2011–2014 builds on the success of the Programme's previous four year plan 2007–2010, while benefiting from the lessons learned in that period. In line with the overall objective and the Programme's comparative advantages, the plan focuses on two main areas: strengthening the operational, statistical and analytical debt management functions of governments; improving the capacity of the Programme to deliver responses to meet the needs of developing countries and economies in transition. The logical framework for the strategic plan 2011–2014 has been completed with strengthened performance indicators, in line with the recommendations of donors. Baseline statistics were defined in order to identify benchmarks through questionnaires and surveys with client institutions.

This section outlines the two immediate objectives and expected results for the reporting period.

Immediate Objective 1, **Focus countries have the capacity and technology to manage their operational, statistical and analytical debt management functions**. The first objective focuses on providing direct solutions to the needs of developing countries in debt management.

Immediate Objective 2, **The DMFAS Programme has improved capacity to deliver effective, efficient and sustainable responses to country needs**. This second objective focuses on meeting internal challenges the Programme faces to deliver the solutions of objective 1. Under this objective the Programme is strengthening the portfolio of public goods it provides, its methods of delivery of those goods and services, and the sustainability and predictability of its financing.

2012 marks the second year of the four-year strategic plan at the end of which will be conducted the mid-term review. Table 1 provides a summary of the objectives and expected results, as well as achievements in 2012.

The development objective of the DMFAS Programme is that focus countries have the capacity and technology to manage their operational, statistical and analytical debt management functions, with the following expected results:

- Government information systems established for effectively managing complete, up-to-date and reliable debt databases. In 2012, the DMFAS Programme continued meeting expectations by directly supporting 890 active DMFAS-user institutions in 57 countries. As a measure of the progress countries assisted by DMFAS have made in debt recording, 85% of countries have developed comprehensive, reliable debt databases in respect of government and government guaranteed external debt, as well as 84% of domestic debt. Government capacity improved for effectively reporting on debt, conducting debt analysis and providing inputs to debt strategy. For reporting, 89% are reporting effectively to the World Bank's Debtor Reporting System and 67% of DMFAS user countries participate to the QEDS. 30 countries produce statistical bulletins yearly.
- Government debt operational risk management and PFM integration enhanced: increased number of automatic links between DMFAS and other financial systems (3 additional countries); and integration with auction systems in 1 country, Indonesia.
- Improved knowledge of debt management and access to information through the 2011 Debt Management Conference and DMFAS training events (380 participants from 107 countries and 16 international and regional institutions).

The capacity-building modules developed by the Programme and delivered through in-country and regional trainings have tangible results. For example, in 2012, 24 national capacity-building workshops resulted in a debt portfolio review produced

(Argentina, Burundi, Cambodia, Egypt, and Uganda), 6 draft debt statistics bulletins (Angola, Burundi, Guinea-Bissau, Mali, Oman and Paraguay), and 6 data validation calendars produced by Cambodia, the Democratic Republic of Congo, Guinea-Bissau, the Lao People's Democratic Republic (workshop and follow-up), Oman, and Viet Nam. A regional data validation workshop in Harare, Zimbabwe, organized jointly with MEFMI, benefited to participants from 5 countries of the region. In addition, a new capacity building module on the fundamentals of capital markets is being developed.

During the reporting period, the Programme continued ongoing work to update capacity-building modules on debt statistics and debt data validation. These updates take into account DMFAS 6, as well as the latest international standards in debt management, such as coverage and classification as defined in the new Public Debt Statistics Guide produced by the International Task Force on Debt Statistics, the Quarterly External Debt Statistics (QEDS) and Public Debt Statistics (PDS) databases.

The Programme continued to support countries' capacity to produce reports and to meet external reporting requirements. For example, 89% of DMFAS client-countries effectively reported to the World Bank through the Debt Reporting System (DRS). Thirty eight of DMFAS clients are participating to the Quarterly External Debt Statistics (QEDS) database of the International Monetary Fund, of which 791% effectively reported for the third quarter 2012 (85% for the second quarter of 2012). Twenty one have started reporting to the Public Debt Statistics Database representing 75% of the DMFAS countries that accepted to report.

Progress continues in implementation of the new web-based DMFAS version 6. By the end of 2012, the DMFAS 6 software was installed in 20 countries and 23 institutions. 8 installations took place in 2012, namely: the Democratic Republic of Congo, the Republic of Congo, Gabon, Honduras, Indonesia, Madagascar, Mongolia and Uganda (Central Bank). A large number of installations are foreseen over the coming years based on current requests from governments, as well as numerous DMFAS 6 project proposals close to signature or in the pipeline.

The development of DMFAS 6 was the biggest project that the Programme has ever undertaken. The quality of the new software is attested to by client institutions already using DMFAS 6 for their day-to-day operations, specifically debt recording and reporting. Due to the evolutionary nature and special features of DMFAS 6, some institutions immediately began using DMFAS 6 for their day-to-day operations, even integrating DMFAS 6 into their IFMIS systems. As with the introduction of any new software system, the Programme continues to work closely with its clients, learning where the software can be strengthened and possibly refined to serve the evolving needs of our clients. Accordingly, the Programme continues to enhance the DMFAS 6 software, in particular in the areas of increased scope instruments, data quality improvements, and, reporting and analysis.

With respect to the Programme's financing, three different instruments have been designed to ensure efficient cost-sharing and to cover a part of the running costs of the Programme: maintenance fees, development fees, and project management cost-recovery. The maintenance fee for DMFAS 6 has been adjusted to the income levels of client countries based on the World Bank income group classification, better reflecting countries ability to share costs. This graduated maintenance fee policy was recommended by the DMFAS Advisory Group in 2009. In 2012, as an objective in the new strategic plan, all new DMFAS 6 project proposals include a maintenance agreement with the new graduated annual fees. Project management cost-sharing is a standard mechanism in technical cooperation programmes and will continue to be systematically included in all project proposals in the coming years.

The Programme provided effective ongoing support to user countries through its helpdesk, which responded to 354 requests during the reporting period. The Programme provided country technical assistance, namely delivering 123 capacity-building and other activities during the reporting period. The Programme is actively managing 31 technical assistance projects, with 5 new projects signed in 2012 and 1 amendment to an existing project.

In respect of contribution to the PFM value chain. The Programme's achievements contribute to the overall improvements in the following components as defined under the Public Expenditure and Financial

Accountability (PEFA) Program, in particular under PI 17: Recording and Management of Cash Balances, Debt, and Guarantees, Dimension (i): Quality of debt data recording and reporting; PI-25: Quality and Timeliness of Annual Financial Statements, Dimension (i): Completeness of the financial statements and Dimension (iii): Systems for contracting loans and issuance of guarantees.

The strategic plan places considerable importance on coordination with other stakeholders and the Programme continues to pursue this objective. By increasing its coordination with other providers, DMFAS has adopted a policy of avoiding duplication, sharing best practices and maximizing support to other providers. A key result, as expected, 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) 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 2: risk analysis, debt strategy and debt sustainability analysis.

In avoiding duplication, the Programme's initiative of systematically sharing its mission calendar with other providers continues to be very useful in 2012. In 2012, cooperation with other providers involved participation as resource persons in 15 joint events organized by international and regional partners. For example, it participated in the OECD's 21st Public Debt Management forum, three regional workshops on public debt statistics organized by the IMF in Tunisia, Singapore and Vienna.

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 continues its active contribution to the Task Force on Finance Statistics (TFFS). The Programme continues to be an important implementing partner to the Debt Management Facility (DMF) led by the World Bank. In 2012, the Programme participated in 3 DeMPA missions (Bolivia, Democratic Republic of Congo and Sudan), 2 MTDS missions (China and Tajikistan) and 2 Reform Plan Missions (Central African Republic and Zambia). Additionally, the Programme continues its partnership with 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.

As foreseen in the strategic plan 2011–2014, progress has been made towards the creation of a new regional centre; discussions are continuing with MEFMI on a preliminary proposal for a regional centre in Zimbabwe. This will contribute to the Programme's goal of a stronger regional presence and stronger coordination with local partners, particularly in Africa.

In summary, the DMFAS Programme continues with the positive implementation of the Strategic Plan, building on the good start in 2011. The Programme needs to focus on continuing to refine DMFAS 6 and to respond to countries specific needs.

Table 1. Summary of achievements of the strategic plan for 2011–2014

Objective	Expected result	Results as of 31 September 2012	Overall progress
<p>1. Focus countries have the capacity and technology to manage their operational, statistical and analytical debt management functions</p>	<p>1.1 Government information systems established for effectively managing complete, up-to-date and reliable debt databases</p> <p>1.2 Government capacity improved for effectively reporting on debt, conducting debt analysis and providing inputs to debt strategy</p> <p>1.3 Government debt operational risk management and PFM integration enhanced</p> <p>1.4 Improved knowledge of debt management and access to information</p>	<p>Under result 1.1: 89 institutions in 57 countries using the DMFAS system, of which 23 institutions in 20 countries are using DMFAS 6 (26% of institutions and 35% of client countries are using DMFAS 6); Improved debt data coverage: 85% of gvt. And gvt. Guaranteed external debt; 84% of domestic debt recorded; external debt recorded; 16 central banks monitoring private external debt using DMFAS 6.</p> <p>Under result 1.2,7 additional countries produced debt data validation calendars; 5 more client country produced a debt portfolio review; and 8 additional clients produced debt statistics bulletins bringing the number of DMFAS countries producing a debt statistical bulletin to a total of 30. 89% of DMFAS countries reported to the Debtor Reporting System.75% of DMFAS clients that accepted to participate in the Public Sector Debt Statistics database effectively reported in 2012 (21 countries over 28).</p> <p>Thirty eight of DMFAS clients are participating to the Quarterly External Debt Statistics (QEDS) database of the International Monetary Fund, of which 79% effectively reported for the third quarter 2012. In addition, from the 28 DMFAS user countries that accepted to participate in the Public Sector Debt Statistics database 21 reported (75%) effectively for Table 1.1..</p> <p>Under result 1.3, 1 country integrated DMFAS with their Auctions systems and 3 additional countries linked the DMFAS system to other financial management systems.</p> <p>Under result 1.4, 380 participants from 107 countries attended the 2011 Debt Management Conference.</p>	<p>On target</p> <p>Clear progress made in helping countries to build sustainable capacity to independently record, report and analyse their debt</p> <p>Increasing number of countries integrating debt with PMF</p> <p>Steady implementation of DMFAS 6, with robust demand coming from existing and new client institutions</p>
<p>2. The DMFAS Programme has improved capacity to deliver effective, efficient and sustainable responses to country needs</p>	<p>2.1 Improved predictability, sustainability and cost-sharing in Programme financing</p> <p>2.2 Programme operations coordinated with other debt management technical assistance providers</p> <p>2.3 Improved effectiveness and efficiency in Programme operations</p>	<p>5 multi-year commitments from donors in 2012 and 7 donors in total</p> <p>Cost sharing increased to a 14% yearly average</p> <p>DMFAS 6 development ongoing in response to client requests during implementation stage</p> <p>Progress on updating 2 capacity building modules on, debt statistics and data validation.</p> <p>Planning for a regional centre in Zimbabwe.</p> <p>Participation in 7 Debt Management Facility events (3 DeMPA, 2 MTDS, 2 Reform Plans) and 8 additional joint events with other technical assistance providers.</p> <p>Coordination with IATI for linkage between aid and debt management, and SDMX harmonizing data exchange.</p>	<p>On target</p> <p>Successful broadening of donor pool, multiyear financing, and cost-sharing</p> <p>Avoiding duplication through strong collaboration with partners, taking part in new initiatives</p> <p>Results-oriented planning and monitoring with transparent and inclusive involvement of stakeholders</p>

Figure 1. Overview of the 2011–2014 strategic plan

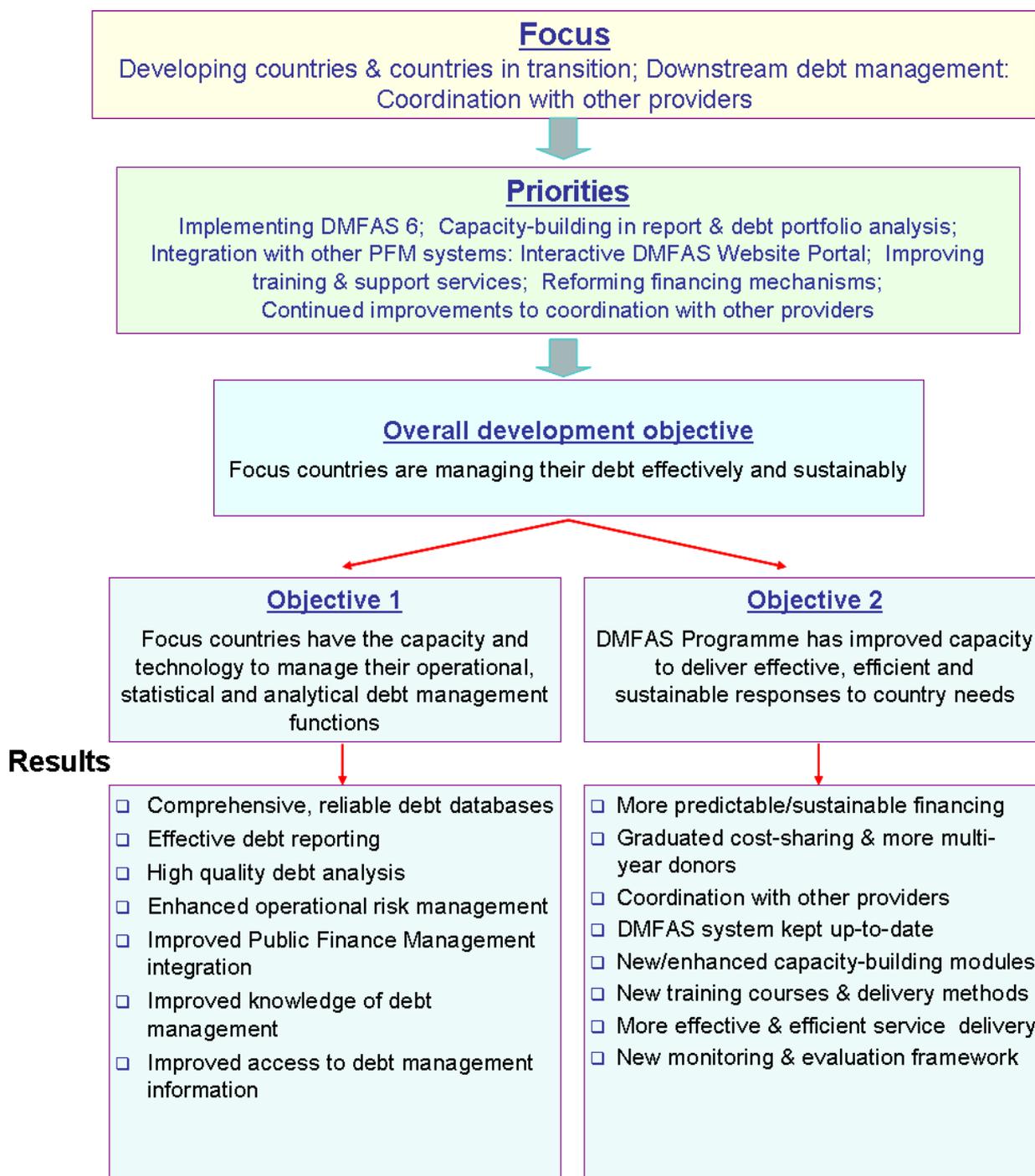
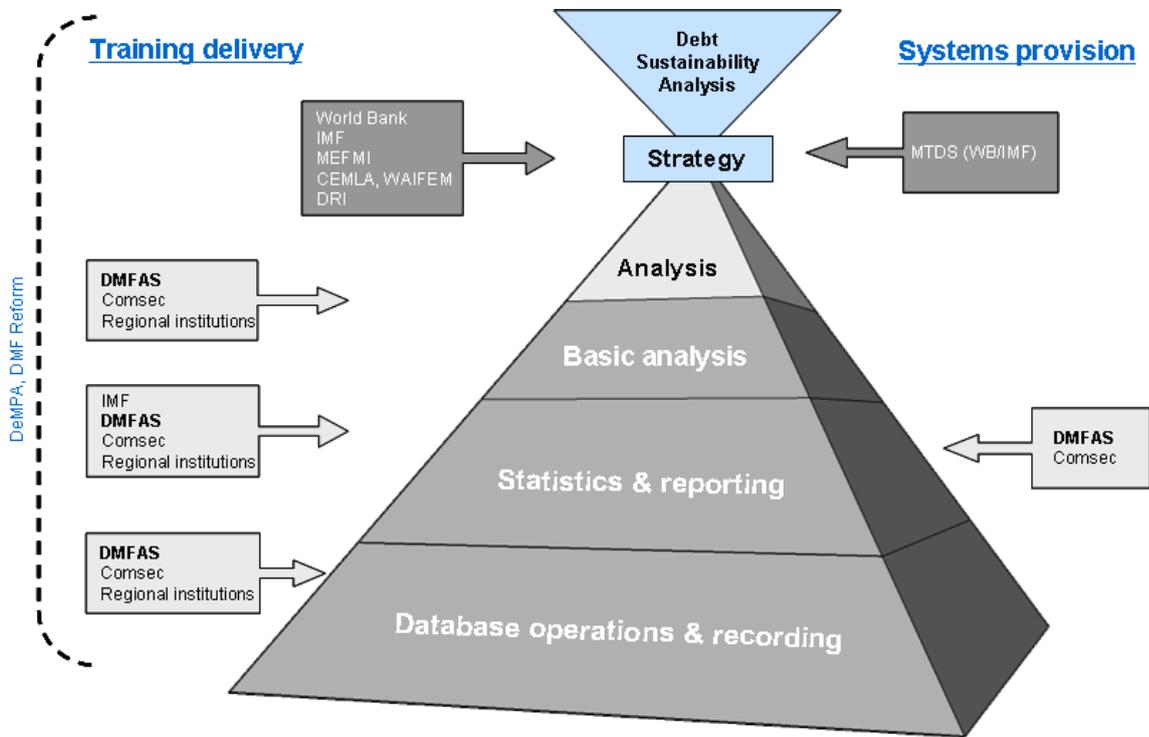


Figure 2. The DMFAS Programme’s capacity-building framework and the main actors providing technical assistance in debt management



Capacity-building takes place at different levels, and no single institution can adequately provide support in all areas. Figure 2 also shows where the DMFAS Programme fits in this international capacity-building framework, based on its comparative advantages.

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

The Programme’s capacity-building activities aim to support countries by strengthening their capacities to generate validated debt information and produce meaningful statistical and analytical reports on public debt in a sustainable, consistent and periodic manner.

Providing technical assistance through the implementation of country projects

Channeling of the Programme’s technical assistance to countries is mostly carried out through the implementation of country projects, which are managed by project managers. Where possible, the DMFAS software and its related services are provided in any of the following five languages: Arabic, English, French, Russian and Spanish.

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

participation in national and regional workshops, as well as study tours and international meetings.

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

The DMFAS strategic plan

The DMFAS Programme follows four-year strategic plans, based on a performance framework which states clearly the outputs, activities and indicators of achievement for each of the Programme’s objectives. The current strategic plan 2011–2014 takes into account the conclusions and recommendations of the 2009 Mid-term Review, the lessons learned from the previous strategic plan, the changing needs of DMFAS beneficiary countries, the experience accumulated by the Programme over 30 years, and the evolving nature of debt management policies and tools. The plan focuses on the Programme’s comparative advantages in relation to other providers of technical assistance, particularly in the area of operational debt management, from debt data recording, statistical reporting up through basic debt analysis.

Funding of the DMFAS Programme

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

Support is also provided by beneficiaries through a cost-sharing mechanism, and by UNCTAD’s regular budget.

Activities and impact

1 Capacity development

The Programme’s overall objective of assisting 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 2012. 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 2012.

1.1 Impact at the country level

In line with the strategic plan, the priorities of the Programme in 2012 in delivering its services are:

- 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 in 1981 through 2012, the Programme has provided technical assistance to a total of 69 countries and 106 institutions. The vast majority of these countries – 57 in total – are active DMFAS clients, with some former clients reactivating negotiations for DMFAS technical assistance projects. Figure 3 shows the geographical breakdown of the active countries.

Overall, new project agreements for 5 countries and one amendment to an existing project were signed in

2012 namely: Bangladesh, Cambodia, Republic of Congo (amendment), Iraq, Mongolia, and Uganda.

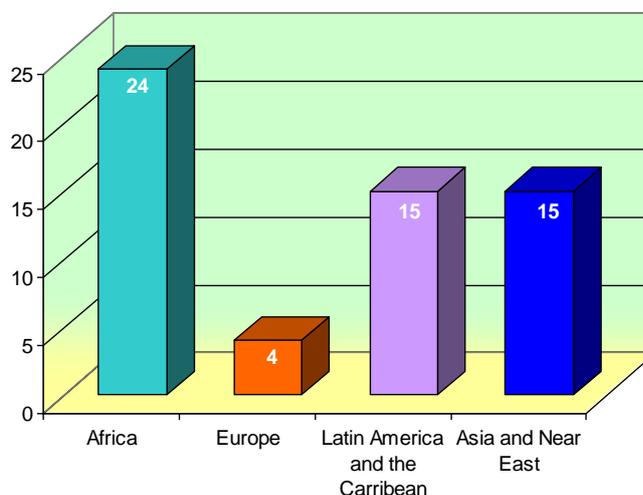
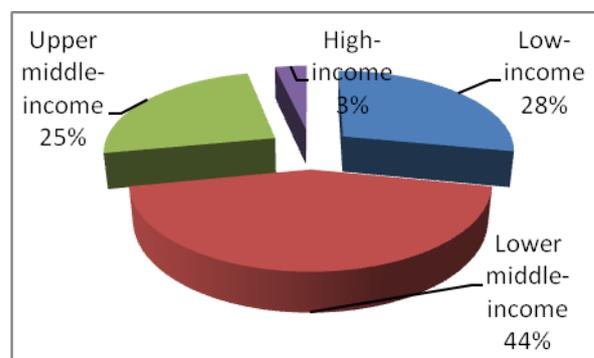


Figure 3. Geographical distribution of active DMFAS users, 2012

Figure 4. Active users of DMFAS, by income group, 2012



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 4 provides a breakdown of the countries that were using DMFAS at the end of 2012. As is shown, the vast majority of DMFAS clients belong to the low-income and lower-middle-income category.

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 manifests itself 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 to improve their capacity in the areas of 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 is also testing the new capacity-building module in debt portfolio analysis.

The Programme continues to pay particular attention to the needs of heavily indebted poor countries (HIPC). Of the 39 countries eligible for debt relief under the HIPC initiative in 2012, 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 ability to reach 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 and more recently Guinea Bissau..

Two trends in debt management have shaped the range of services of the DMFAS Programme: the growing importance of domestic financing, and the need to integrate 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 2012, the Programme delivered workshops and technical support for ongoing

development of links in seven countries: Angola, Honduras, Indonesia, Paraguay, the Philippines, Venezuela and Viet Nam.

Sixteen countries currently link DMFAS with other financial management systems, with some upgrading their links to DMFAS version 6:

- Argentina (Ministry of Finance and Province of Rio Negro)
- Dominican Republic (Ministry of Finance)
- Ecuador (Ministry of Finance)
- Gabon (Ministry of Finance)
- Guatemala (Ministry of Finance)
- Honduras (Ministry of Finance)
- Indonesia (link with internal systems)
- Iran
- Moldova
- Nicaragua (Central Bank)
- Panama (Ministry of Finance)
- Paraguay (Ministry of Finance)
- Philippines
- Venezuela
- Viet Nam (Ministry of Finance)
- Yemen (Central Bank and Ministry of Planning and International Cooperation)

One country has developed a link between the DMFAS system and its auction system, Indonesia.

Countries that are recipients of aid are also interested in linking DMFAS with their aid management systems. In 2012, the Programme continues to monitor country requests and cooperate with partners, such as UNDP.

1.2 The DMFAS Programme's training modules

Table 2 provides a breakdown of how DMFAS capacity-building activities are distributed by region in 2012. Altogether, the Programme organized or co-organized 123 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, 17 related to DMFAS 6 functional training, 25 to DMFAS 6 installations and training and to development of links with countries integrated financial management systems (IFMIS), and 24 to advanced capacity building in debt portfolio analysis, debt statistics and data validation. These included seven data validation

workshops in Cambodia (initial workshop and follow-up workshop), Democratic Republic of Congo, Guinea-Bissau, Lao People's Democratic Republic, Oman and Viet Nam. A regional data validation workshop was also held with MEFMI in Zimbabwe, and representatives from five countries (Angola, Rwanda, Zambia, Zimbabwe and Uganda) participated. Eight (8) debt statistics workshops were conducted in Burundi, Cambodia, Guinea-Bissau, Madagascar, Oman and Paraguay and follow-up debt statistics missions to Mali and Angola. Six (6) debt portfolio analysis workshops were delivered in Argentina, Burundi (workshop and follow-up workshop), Cambodia, Egypt and Uganda.

Two (2) missions were also fielded to Honduras on analysis of institutional and legal framework and to Gabon on the analysis of workflows and business processes. In addition, the Programme participated in 7 activities organized under the World Bank's Debt Management Facility, (3 DeMPA missions to Bolivia, the Democratic Republic of Congo and Sudan; 2 Medium-term Debt Strategy missions to Tajikistan and a workshop in China; and 2 Reform Plan missions to Central African Republic and Zambia. It also provided resource persons for 8 additional international and regional seminars organized by other technical assistance providers including the IMF and World Bank.

Table 2. Regional distribution of DMFAS capacity-building and other activities, January to December 2012

	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	8	1	1	1			12	23
ICT installations / trainings / links	6		6	1			12	25
Capacity-building in data validation, debt statistics, debt portfolio analysis and other capacity building workshops	6		3	3			12	24
MTDS and DeMPA	1	1	1				4	7
Needs assessments			2				2	4
Project Management	8		3	2			7	20
Partner coordination		1	1		1	1	1	5
Other, Study tours, Train for Trainers	3	3	2	3	1		3	15
Total	32	6	19	10	2	1	53	123

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 debt experts and 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 2011–2014, 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 and 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 analysis – in which the debt portfolio is analyzed. The output can be a portfolio review, as in the case of Argentina, Burundi, Cambodia, Egypt, and Uganda, and the results can be used to perform risk analysis and debt sustainability analysis, support for which is provided by other international institutions.

Table 3 illustrates the total number of capacity-building modules that have been implemented in countries since the first year of their implementation (2004–2012). The result has been 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 semiannual statistical bulletin for Ethiopia;
- a six-month bulletin for Haiti;
- a quarterly statistical bulletin for Indonesia;
- a joint Bank Indonesia - Ministry of Finance monthly statistical bulletin on external debt for Indonesia and a quarterly Central Government debt bulletin by the Ministry of Finance ;
- yearly, quarterly and monthly bulletins in Paraguay;
- a bulletin for external debt in Rwanda;
- a six-month bulletin for Sudan;
- a bulletin for external and domestic debt in Togo;
- an annual statistical bulletin for Viet Nam ; and
- a six-month 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.

Box 1. Improving debt management capacity in Madagascar

The DMFAS system has been used in Madagascar since 2001 and is housed in the IT department of the *Banque central de Madagascar* (BCM). The system is accessed by both the debt officials of the Public Debt Directorate (*Direction de la Dette publique* - DDP) of the Treasury Department of the Ministry of Finance and Budget (MoFB), and those of the External Debt Directorate (*Direction de la Dette extérieure* - DDE) of the BCM.

The Government has recently introduced several measures to reinforce the debt management capacity of the DDP, including a law in January 2012 fixing the new responsibilities of the MoFB, the subsequent reorganization of the DDP, the incorporation of domestic debt as part of DDP's management and reporting responsibilities, and the modernization of DDP's IT solutions. In parallel, the BCM was interested in updating its old DMFAS installation.

A one-year technical assistance project was signed in November 2011 between the two above institutions and UNCTAD's DMFAS Programme to reinforce the debt management capacity of the country through the introduction of the latest version of the DMFAS system and the provision of relevant training in different areas of debt management. Implemented during 2012, the project was financed in equal parts by the two national institutions demonstrating their ownership. It successfully achieved its objectives and was implemented on time and within budget. The major activities performed included a large conversion exercise of the debt data from an earlier version of the DMFAS system, the installation of version 6.0 of the system at the BCM and the training of the two teams of debt officials in its use. One of the major deliverables of the project was the elaboration of the country's first debt statistical bulletin, generated from the debt database and using the methodology of the DMFAS Programme based on best international practices. A copy of the first bulletin was presented to the Governor of the Central Bank and high-ranking officials of the MoFB during an official presentation ceremony at the end of the project in November 2012.

This project contributed to this modernization effort, and the DMFAS Programme is pursuing ongoing discussions with Government, the BCM and the donor community regarding future modalities of cooperation to further enhance the country's capacity to manage its public debt, and especially to reinforce the analytical capacity of the DDP, and its ability to manage domestic, on-lent and guaranteed debt instruments.

Table 3. Implementation of capacity-building modules during the period 2004–2012

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2004– 2012
Total	1	3	8	8	24	21	15	6	22	108
Debt portfolio analysis	0	0	0	0	1	6	3	2	5	17
Debt portfolio analysis: follow-up	0	0	0	0	0	0	3	0	1	4
Debt statistics	1	2	3	4	9	6	3	1	6	34
Debt statistics: follow-up	0	0	0	0	4	2	3	1	2	12
Data validation	0	1	5	4	7	5	3	2	7	34
Data validation: follow-up	0	0	0	0	3	2	0	0	1	6
Regional workshops	1	0	3	1	1	1	1	1	2	11
Debt portfolio analysis	0	0	0	0	1	1	1	1	1	5
Debt statistics	1	0	2	1	0	0	0	0	0	3
Data validation	0	0	1	0	0	0	0	0	1	2
National workshops	0	3	5	7	23	20	14	5	20	97
Debt portfolio analysis	0	0	0	0	0	5	2	1	4	12
Debt portfolio analysis: follow-up	0	0	0	0	0	0	3	0	1	4
Debt statistics	0	2	1	3	9	6	3	1	6	31
Debt statistics: follow-up	0	0	0	0	4	2	3	1	2	12
Data validation	0	1	4	4	7	5	3	2	6	32
Data validation: follow-up	0	0	0	0	3	2	0	0	1	6

New developments in capacity-building modules, other training materials, and consultants

In response to the evolving needs of the developing countries, and the advances related to the release of DMFAS 6 as well as the latest evolutions in the area of debt statistics, debt audit and more broadly debt management, the Programme has embarked on developing the second versions of its capacity building modules on debt statistics and data validation. The guidelines introduced in the *Public Sector Debt Statistics: Guide for Compilers and Users*, the update to the *External Debt Statistics: Guide for Compilers and Users* and the *Handbook on Securities Statistics*¹ are also being incorporated and the revision of the debt statistics module will be completed shortly. The data validation module has been revised and tested during the regional data validation workshop that took place in Harare in June in

collaboration with MEFMI. Final changes were incorporated based on the results of the workshop. In addition, the development of a new capacity building module on the fundamentals of capital markets is in progress.

1.3 Operational status of DMFAS in countries

At the end of 2012, 57 countries (89 institutions) were actively using (or reactivating) the DMFAS system, out of 69 countries (106 institutions) using the system since the Programme's inception. This represents a fidelity rate of 84 per cent over a period of 30 years. In 2004, the percentage of countries actively using DMFAS was 80 per cent. The increased fidelity rate shows the continued relevance of the system to developing countries. In 25 client countries, the system is being used by more than one institution. In about half of these cases, the system was shared by the two institutions. Otherwise, each institution had its own database. Sharing between institutions is an

¹ <http://www.tffs.org/PSDStoc.htm>

option that is being selected more and more often by DMFAS clients, thanks in particular to the Advanced Security function, which manages access rights for the institutions involved and enables complete coordination in public financial management.

The DMFAS Programme analyses the evolution of countries in their overall implementation of the DMFAS system. Five main stages of implementation have been identified, which are numbered from 1 to 5. These stages reflect the DMFAS pyramid concept described in the introduction, with its three broad categories: database operations and recording, statistics and reporting, and support for basic debt analysis. As the stages are progressive, only the highest stage per reported year is given, with the exception of stage 5, which is indicated separately. Where DMFAS is no longer being used by a country, the abbreviation N/A (not applicable) is used. Where DMFAS is integrated within other national financial management systems, the abbreviation IFMIS is used.

If a country is shown as being at the highest stage – stage 5 – this means that staff have received training in the use of DMFAS for analysis, either in producing an analysis of the debt portfolio (i.e. review), in formulating debt strategies (i.e. as part of an MTDS mission) during the year reported. It does not attest to the ability of staff to use the DMFAS for debt analysis on a routine basis.

Stage 4 is reached when the country is regularly using the DMFAS database for external reporting, and in many cases for the production of statistics. Not all countries at this stage use the DMFAS system to the same degree. Some, such as Indonesia, use it to produce regular debt statistical bulletins. Others may only use the system for external reporting to international organizations, such as the World Bank. (One of the features of the DMFAS system is an automatic facility that allows countries to report to the World Bank's Debtor Reporting System.)

The stage 2 and stage 3 status mean that DMFAS is being regularly updated and used for monitoring and internal reporting, without necessarily being used for external reporting or for the publication of statistics. Stage 1 status for a country in a reported year indicates that the DMFAS system was installed, but that the database was not completed, or the system was not fully operational. In most stage 1 cases, the database was still being built or being converted from

a locally developed debt management system to the DMFAS system.

Where countries have decided to discontinue use of the DMFAS software for the time being, the abbreviation N/A (not applicable) is used. In those cases where countries have stopped using DMFAS, this has mainly been due to reasons beyond the control of the DMFAS Programme, such as institutional, staffing or political problems. In certain cases, countries have decided to develop their own system.

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 to effectively serve countries' needs. 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; and
- Support and maintenance.

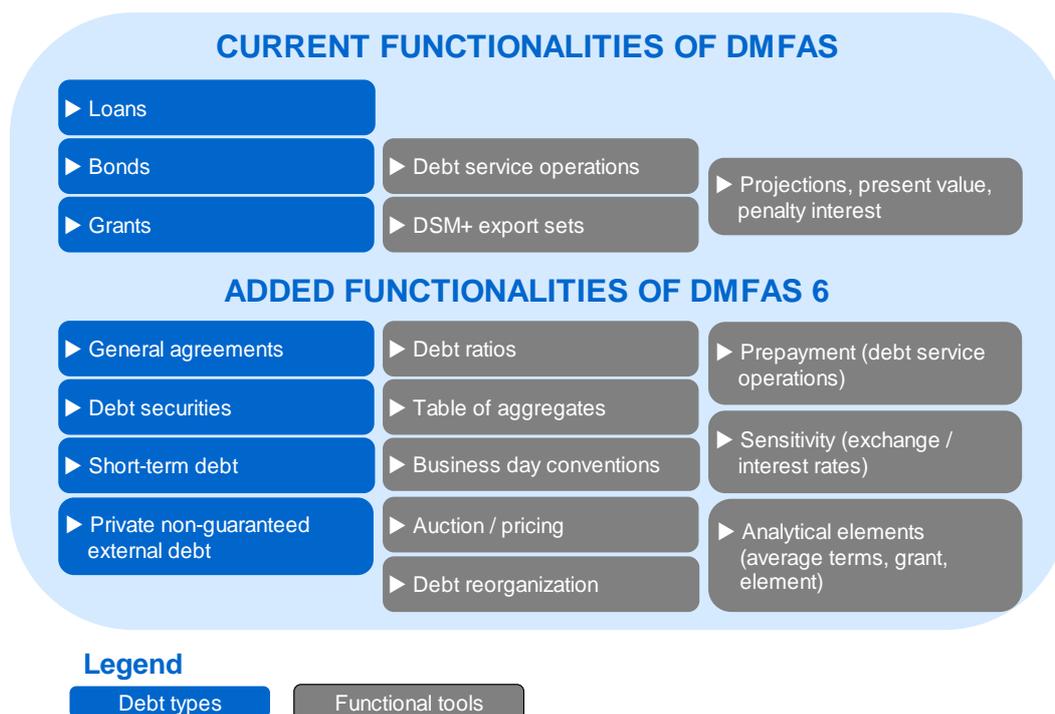
2.1 System development

DMFAS 6

The Programme officially launched DMFAS 6 at the DMFAS Advisory Group meeting in November 2009. As shown in figure 5, DMFAS 6 offers many new functionalities:

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

Figure 5. Functionalities of DMFAS



- Facilitate interfaces with other analytical software, such as debt sustainability and risk analysis models.
- 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.

During the reporting period, the Programme's development strategy continued as in 2011, that is the majority of the development was outsourced while the priority of the central team was on distribution of the new version. However, considering that the objective is to assume the maintenance of DMFAS 6 from 2013, certain key developments were undertaken internally,

as for example the enhancements to DMFAS query tool and the integration of the Data Validation reports.

In that context nearly all the features included in the first three blocks of the systems development plan were delivered, integrated and tested by the end of December 2012. This includes all the functions of DMFAS 5.3 in addition to the new debt securities instrument approach, the enhanced auction platform, the debt reorganization module, the short term and private sector debts modules, the expansion of recording debt service operations, the analytical elements (debt ratios, sensitivity analysis and average terms), the enhancements to the open source query tool as well as the completion of the Control Panel components including the powerful System Security and the new Auditing module (including reporting transactions at a given closing date and the recording of extended amendments).

In conjunction with the documentation team, final adjustments were included during the period to the Graphical User Interface. As a consequence, DMFAS 6 is currently available in English, Spanish and French.

For the preparation of the systems distribution, the technical documentation and the automatic data conversion programs were also updated during the reporting period.

In the context of the elaboration of the new version of the technical documentation (e.g. Systems Architecture, Systems Security, Error Handling), a new framework to facilitate the development of interfaces with other application was defined, and its future implementation is planned.

The specification work of the new features to be included in DMFAS 6 in future deliveries was also intense during the period. The progress of work is the following:

- i) Increased scope of instruments: private external and short term debt modules that are currently being finalized and the Sukuk is under final testing.;
- ii) Reporting and analysis: enhanced analytical reporting, risk indicators, query tool, classification and security audit module are implemented.
- iii) Data quality improvements: Extended Auditing and Extended amendments are implemented, while a new data verification feature is now under analysis

The elaboration of the user requirements documents for the Interface with DSF, the DRS –SDMX, the managerial and template reports and the Workflow has been rescheduled for the next period.

The latest installations and testing of the system deliverables demonstrated that the system performance problems were solved and that the servers' hardware capacity is key for the proper functioning of DMFAS 6.

Several rounds of deliverables were received, reviewed, tested and distributed during the period.

2.2 Installation of DMFAS and its updates in countries

Installation of version 6

At the end of 2012, DMFAS 6 was installed in 23 institutions in 20 countries: Armenia (Ministry of Finance), Argentina (Ministry of Economy and Province of Buenos Aires), Burundi (Ministry of Finance), the Democratic Republic of Congo (Bureau de la dette), the Republic of Congo (Caisse Congolaise D'Amortissement), the Dominican Republic (Ministry of Finance), Egypt (Ministry of Finance and Central Bank of Egypt), Gabon (Ministry of Finance), Georgia (Ministry of Finance), Guatemala (Ministry of Finance), Honduras (Ministry of Finance), Indonesia (Ministry of

Finance), Madagascar (Central Bank), Mongolia (Ministry of Finance), Panama (Ministry of Finance), Paraguay (Ministry of Finance), the Philippines (Treasury), Rwanda (Ministry of Finance), Uganda (Ministry of Finance and Central Bank), and Venezuela (Ministry of Finance).

8 installations took place during the reporting period in the Democratic Republic of the Congo, the Republic of the Congo, Gabon, Honduras, Indonesia, Madagascar, Mongolia and Uganda (central bank).

Preparations have been initiated for DMFAS 6 installation missions in Iraq and Bangladesh.

In some cases, for example in Argentina, DMFAS 6 was initially used in parallel with DMFAS 5.3, in order to test the integrated environment that includes interfaces with accountancy, treasury and budget modules. Other country institutions, such as Armenia, Guatemala and the Dominican Republic, immediately utilized the new version for day-to-day operations, with DMFAS Helpdesk support.

Installation of version 5.3

More than 93 per cent of all institutions operating the DMFAS system in client countries have adopted one of the latest versions of the software (DMFAS 5.3 or 6). Of the 76 installations being used, DMFAS 6 was installed in 23 institutions, DMFAS 5.3 is in use in 48 institutions; DMFAS 5.2 was is in use in 5 institutions and older versions of DMFAS 5.2 (e.g. 5.1 or DMFAS 4.1 Plus) are no longer actively used.

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.

Additionally, the Programme is currently supporting the Bureau of the Treasury of the Philippines in the development of a link between its own systems for capturing domestic securities data and the DMFAS 6. The Programme is also supporting the Government in its future plans to integrate DMFAS 6 with other future Treasury modules (i.e. cash management, risk management).

At the Central Bank of the Philippines, the Programme has continued to provide technical support regarding the migration of the Bank's Integrated External Debt

Management System (IEDMS), an in-house developed system, to the DMFAS 6.

The Programme also conducted national workshops on creating and or updating interfaces, conceptual design and interface development, in different countries. These included workshops in Angola, Honduras, Indonesia, Paraguay, the Philippines, Venezuela and Viet Nam .

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 122 client requests on DMFAS 5.3 between January and September 2012. Of these, 118 requests were resolved and 4 are in process.

The DMFAS helpdesk received a total of 345 client requests on DMFAS 6 as at the end of September. Of these, 236 requests were closed, 15 are marked for future versions and 90 assigned for processing.

The Programme continues to monitor and refine its online TRAC system, which is open-source, to register and track client requests to the Helpdesk.

User documentation

Work continued to complete and update user documentation for DMFAS 6 which includes the DMFAS 6 User's Guide, the Control Panel User's Guide, DMFAS 6 Installation Guide, user documentation supplements as well as the on-line help systems for DMFAS 6 and the Control Panel. In particular:

- New versions of the English online help systems were released in July, August and November of this year. They included numerous updates and corrections including amendment history, closing dates and background processing.

- New documentation developed this year includes user documentation supplements on DMFAS 6 Reorganization, DMFAS 6 Calculation Methods and DMFAS 6 Analysis. Existing user documentation supplements on DMFAS 6 Reports, DMFAS 6 Private Non-guaranteed External Debt and Short-term External Debt were updated.
- DMFAS 6 Installation Guide for Oracle 10g was updated and a new Installation Guide for Oracle 11g was produced.

With regard to the French and Spanish version of the user documentation, a second round of deliverables (user documentation supplements on Reorganization, Reports, Private Non-guaranteed External Debt and Short-term External Debt, and online helps systems in French and Spanish) have been received from the localization company and validated. It should be noted that the localization process results in a more advanced version of the English version compared to the French and Spanish one.

Nearly all training modules planned for the DMFAS 6 project have been produced and validated. The training module on DMFAS 6 Reorganization was finalized this year and two new training modules, DMFAS 6 Private Non-guaranteed External Debt and Short-term External Debt, were developed and validated. In addition, almost all training material has been translated into French.

Based on the new on-line survey tool acquired by the Programme to gather complete participant feedback while ensuring the confidentiality of information, the first comprehensive evaluation report on functional trainings delivered in 2011 was produced in 2012. This on-line facility is increasingly replacing paper evaluations.

3 Programme management

As part of its efforts to improve overall efficiency and effectiveness under objective 2 of the strategic plan, and in order to better deliver on objective 1, a number of improvements by the Programme's general management, administration and communications activities continued to be implemented in 2012. 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 2012, efforts by the Programme to strengthen its collaboration with the other main organizations involved in providing debt management includes the regular sharing of information on technical assistance activities, such as mission schedules and reports, where possible. It also includes organizing joint workshops, and participation in each other's events. Additionally, collaboration includes direct participation as an implementing partner in such initiatives as the World Bank's Debt Management Facility. Another important example is 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 collaborates with various departments involved in debt management within the World Bank. These include 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 2012, collaboration with the World Bank includes 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. The downstream activities of the Programme are complementary to the upstream work of the DMF, and there is a clear interdependency between the activities of DMF and of the Programme. Under the DMF Grant Agreement for the period 2009–2010, 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 Programme's participation in these DMF activities received positive feedback from the DMF stakeholders as well as the country beneficiaries. At the end of 2012, 7 DMF missions were completed: 3 DeMPA (Bolivia, Democratic Republic of Congo and Sudan), 2 MTDS (China and Tajikistan) and 2 Reform Plan missions (Central African Republic and Zambia). In addition, the DMFAS Programme participated in the Third DMF Stakeholders' Forum that took place in Accra in June.

Debtor Reporting System: The Programme both encourages and assists countries technically in providing information to the Bank's Debtor Reporting System (DRS).

International Monetary Fund

The Programme is in regular contact with two main departments of the International Monetary Fund. These are the Statistics Department, and the Monetary and Capital Markets Department. Contact with the International Monetary Fund 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, public debt statistics and securities statistics, and in coordinating capacity-building activities in debt statistics. The DMFAS Programme participated in the annual meeting of the Task Force in the United States, in March.

The Programme also collaborated, where possible, with the International Monetary Fund 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.

The Programme has jointly organized in June, a regional data validation workshop in Harare with MEFMI.

United Nations Development Programme

The DMFAS Programme's collaboration with UNDP in 2012 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.

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, coordinates activities.

International Aid Transparency Initiative (IATI)

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 pursuing 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.

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, International Monetary Fund, OECD, the World Bank and COMSEC are also participating.

A plan was discussed in 2010 between the DMFAS Programme, the World Bank and COMSEC delegates to utilize SDMX to produce and remit the countries' information to the Debtor Report (DRS). The development of the required specifications for the implementation of the new methodology started in 2011 and continues to be implemented.

3.2 Synergies within UNCTAD

Within UNCTAD, the DMFAS Programme and the Debt and Finance Analysis Unit (its sister unit within the Debt and Development Finance Branch) collaborate and address debt issues jointly. In 2012, key examples of collaboration include the preparation of UNCTAD reports for the Trade and Development Board for the UNCTAD Secretariat and the office of UNCTAD's Secretary-General. This collaboration also includes the sharing of one staff member, who is responsible – among other duties – for contributing to the improvement and delivery of the DMFAS Programme's capacity-building module in debt portfolio analysis. In addition, the DMFAS Programme actively cooperates with the Debt and Development Finance Branch in the implementation of United Nations Development Account projects of the Branch, namely asset and

liability management and risk management. In this framework, the Branch and the DMFAS Programme organized a joint domestic debt workshop for the Ministry of Finance of Uganda in August. In December 2012, the DMFAS Programme participated in a joint Debt Portfolio Analysis / Asset Liability Management workshop in Ethiopia, coordinated by the Debt Analysis Unit of the Branch.

The DMFAS Programme also contributes to a number of UNCTAD and United Nations reports. In 2012, these included the:

- UNCTAD *Annual Report 2011*; and
- Annual Trust Fund Progress Reports;
- Report by the secretariat on technical cooperation activities carried out in 2011 (cluster 11: strengthening the debt management capacity of developing countries);

Additionally, in line with Trade and Development Board decision 492 (LIV) to establish thematic trust funds within and among divisions of UNCTAD, the DMFAS Programme continues 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 second objective in the 2011–2014 strategic plan, the Programme continued monitoring and improving its efficiency. This is reflected in the following points:

Decentralization

One objective of the Programme’s strategic plan 2011–2014 is to establish two new regional support centres, in addition to the regional centres already in operation (Bamako, Mali, and Buenos Aires, Argentina). However, early April, due to the deterioration of security conditions in Mali, the Bamako office was closed and the staff relocated to Geneva.

Initiated in 2011, the Programme and its regional partner the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI),

continue discussions to develop a regional centre in Harare, Zimbabwe. This proposal has been distributed to governments in the region for their feedback.

Results-based monitoring and evaluation

Internal improvements are implemented in monitoring and evaluation procedures through more transparent and inclusive involvement of stakeholders.

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

In 2012, the Programme continues to implement its electronic newsletter presenting in a short and attractive format the main current trends and activities in the work of the DMFAS Programme. Three issues of the DMFAS newsletter were published, in February, June and October and posted on the Programme website in English and French.

Periodic activities calendars are distributed to stakeholders, keeping them informed of Programme technical assistance country activities, regional events, and cooperation with implementing partners.

In keeping with its usual practice, the Programme produced the *Annual Report 2011*, which presents the activities of the Programme up until the end of December 2011.

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 2012, the Programme continues 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.

3.5 Challenges faced by the DMFAS Programme in 2012

As with any programme DMFAS faced a number of challenges during the year.

In April, the DMFAS West Africa Office located in Bamako was closed and the staff relocated to Geneva due to the deterioration of the security conditions in

the country. Activities are conducted from the head office and are implemented as planned with limited negative impact.

In implementing the agreed plan to further decentralize some functions. The Programme needs to carefully evaluate the different options available for locating these new offices. Any decision will take into account costs and prioritization for Africa as well as the lessons learned from the existing regional centres .

In addition, the Programme continues to outsource the translation of new user documentation supplements to face the growing demand of material in French and Spanish.

Among the key challenges faced by developing countries in managing debt are dealing with high staff turnover and the updating of skills, organizational procedures and information management systems in order to keep pace with the dynamic changes in global finance and public financial management practices. The Programme thus needed to factor these realities into its support interventions during the year, maintaining adequate flexibility to address these needs.

Another challenge is that the Programme is relying on external consultants to implement some of its activities. However, only a limited number of competent experts are available in the market, in particular for French-speaking experts, and this can impact the timely delivery of activities. Training for new consultants has continued in 2012 based on the experience gained in 2011, with a view to raising the number of experts.

In response to the request of some countries, the Programme is considering translating the DMFAS 6 in Russian, which was not foreseen in the current strategic plan and consequently incurring additional workload. In this case, the Programme will outsource the translation of the interface and will ensure the quality control of the Russian version.

In regard to the technical challenges, the Programme continues to face the challenge of ensuring compatibility of the DMFAS 6 software with newer versions of supported application servers.

Furthermore, the Programme receives numerous demands for advanced capacity building in debt analysis, for example in risk analysis and linkages. Many of these demands are in addition to the areas covered by the strategic plan 2011–2014. The challenge the Programme had in 2012 and will have beyond is to try

to incorporate timely responses in its planning, given an already ambitious plan, and work with partners where applicable.

