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Executive summary

This report describes the activities, achievements and financial situation of the DMFAS Programme of the United Nations Conference on Trade and Development (UNCTAD) in 2014, as well as progress in implementation of the Programme's 2011–2015 strategic plan in its fourth year of implementation.

Since its inception, the Programme has provided country assistance to 106 institutions in 69 developing countries.

The development status of DMFAS clients is as follows: 20 least developed countries, 15 landlocked developing countries and three small island developing States. Currently, 40 DMFAS country clients have either low-income or lower middle-income development status (see annex 3). Additionally, half of all countries with heavily indebted poor country (HIPC) status receive DMFAS support.

The Programme's focus continues to be on the delivery of debt management assistance in its areas of comparative advantage, the downstream activities, at the country level, including in some cases the subnational level and the regional level.

The downstream activities include the maintenance of debt databases, debt-data validation, debt operations, internal and external debt reporting, debt statistics and basic debt analysis, and building system links between debt management and other financial software. They complement more upstream activities such as debt sustainability analysis supplied by other providers such as the World Bank. Additionally, the Programme is increasingly helping countries to establish links between the DMFAS and other governmental software (for example, software used for budgeting, cash management and aid management) or within complex integrated financial management systems as part of the overall public financial management efforts of countries.

The current strategic plan for the DMFAS Programme has reached its third year of implementation. Its overall focus is to help focus countries to manage their debt effectively and sustainably. This relates to downstream functions most commonly associated with back and middle debt management offices, considered the foundations for effective debt management.

In 2014, the Programme continued to make good progress towards achieving its two key objectives, namely that focus countries have the capacity and technology to manage their operational, statistical and analytical debt management functions and that the DMFAS Programme has improved capacity to deliver effective, efficient and sustainable responses to country needs. Under the first objective, the Programme focuses on providing direct solutions to the debt management needs of developing countries. Under the second objective, the Programme concentrates on meeting internal challenges to deliver the solutions of the first objective, such as strengthening the portfolio of public goods it provides, its methods of delivery of those goods and services and the sustainability and predictability of its financing.

For the DMFAS client countries, concrete and sustainable results in 2014 included improved external and domestic debt data recording, enhanced reporting both internally and at the international level and improved debt analysis capacities, in line with the recording and reporting components of the Public Financial Management (PFM) value chain as defined under the Public Expenditure and Financial Accountability (PEFA) Programme.

The Programme has continued to pay particular attention to helping countries produce clearly identifiable outputs through well-designed technical assistance projects. Key outputs from the DMFAS technical and functional missions were DMFAS installations/upgrades, the creation of links with other systems and trained debt officials. Outputs from the capacity-building activities included debt portfolio reviews, data validation calendars, debt statistics bulletins and procedures manuals.

The majority of DMFAS clients use the DMFAS software for day-to-day debt operations and producing internal managerial reports. At the end of 2014, nearly 86 per cent were using the DMFAS software for external reporting purposes and the production of debt statistics.

In addition, 35 countries regularly published official statistical bulletins, and three new countries produced draft debt portfolio reviews as a result of technical assistance activities. Seventeen countries had linked – and one is in the process of linking – the DMFAS to other

government systems. Also, as a result of the Programme's assistance in helping countries in their reporting requirements, 91 per cent of DMFAS client countries effectively reported to the World Bank through the Debtor Reporting System (data available at the end of 2014). Thirty-eight DMFAS clients were participating in the International Monetary Fund (IMF)–World Bank's quarterly external debt statistics database (QEDS), of which 92% were already providing data, and 87 % provided data in 2014. Among them, 13 are participating in the special data dissemination standard/quarterly external debt statistics database and 25 in the general data dissemination system/quarterly external debt statistics database. In addition, nearly 82 per cent of the DMFAS user countries that accepted to report to the IMF–World Bank's public sector debt statistics (PSDS) database effectively did so in 2014 (23 out of 28).

The web-enabled DMFAS 6 software caters to the evolving institutional and operational needs of debt management offices and their changing debt instruments. The Programme released in August a new version of DMFAS 6 containing a large number of enhancements and new functionalities. Progress in the development and enhancements of DMFAS 6 included the debt reorganization module, the short-term and private-sector debts modules, expansion of debt service operations recording, the analytical elements and the enhancement to the open source query tool. Progress has also been made in developing the link to the medium-term debt management strategy tool, and to debt portfolio review and debt sustainability analysis reports. The Programme continued to work closely with its clients, learning where the new DMFAS 6 software could be strengthened and refined, as well as assisting with any difficulties.

In parallel, the Programme undertook a major update of DMFAS 6 users' guides resulting in the publication of updated user documentation.

Debt management products and services offered by the DMFAS Programme remain relevant in the context of continuing financial crisis impacting credit availability for indebted developing countries, especially low-income countries. They constantly adapt to the changing global circumstances and needs of developing countries.

Active cooperation between the Programme and other technical assistance providers in public debt management included contributions to the implementation of the Debt Management Facility (DMF) phase II and participation in a total of 12 DMF missions. DMFAS has continued collaboration with the Inter-agency Task Force on Finance Statistics (TFFS), the International Aid Transparency Initiative (IATI) and the Statistical Data and Metadata Exchange (SDMX). Overall, in 2014, the Programme participated in 13 events organized by other technical assistance providers, including the IMF and the World Bank, to facilitate cooperation. The Programme also continued to regularly share the DMFAS Programme's mission calendar with other technical assistance providers so as to enhance overall mission coordination in countries. Recognizing the importance of monitoring and evaluation, the DMFAS Programme implemented its new monitoring and evaluation framework to further improve the quality of technical assistance provided to client countries, strengthen knowledge-sharing and report more comprehensively on results achieved. The Programme also established a new unit in charge of quality assurance and user support to further guarantee the excellence of the DMFAS software and DMFAS Programme's support services.

As part of the continuing efforts to further improve its services, and building on the recommendations of the 2013 Mid-Term Review (MTR) of the implementation of the Strategy Plan, the Programme mandated an independent consultant to conduct a review of its business model to assess the funding structure and identify funding opportunities. Conclusions and recommendations were presented at the next donors meeting in November.

In line with its strategy, the Programme started developing a new learning product on basic government securities market and financials calculations, building on the capacity development framework developed in 2013.

Progress in improving the sustainability and predictability of the Programme's financial situation was reflected by the stability in the number of donors to the Programme during the period. In 2014, the Programme's donors included Germany, Ireland, the Netherlands, Norway, Switzerland and the European Union. Financial achievements in 2014 included the continuation of multi-year commitments by donors to facilitate long-

term planning and development. Another notable achievement was the positive results from the implementation of the graduated cost-sharing mechanism, lowering the dependency on bilateral donors, which is a priority for the Programme. The continued high level of participation by DMFAS beneficiary countries in the Programme's cost-sharing mechanism is a good indicator of the Programme's

importance to countries. This indicator is reinforced by the increasing number of middle-income countries that are fully financing their national projects. This is a sign of the long-term sustainability and ownership of countries using the DMFAS. Finally, 85 per cent of institutions which benefit from DMFAS have signed a maintenance agreement.

Key achievements and activities in 2014

Impact of capacity-building activities

- Complete, reliable and up-to-date debt databases. Approximately 85 per cent of countries have developed comprehensive and reliable debt databases in respect of government and government-guaranteed external debt, as well as domestic debt.
- Thirty-five countries produce regularly statistical bulletins on debt; five new countries produced draft statistical bulletins this year.
- Production of debt portfolio reports in three additional countries; production of data validation calendars in two countries and production of draft statistical bulletins on debt in five additional countries (seven national workshops including three follow-up workshops). Production of procedures manual in three countries.
- Improved capacity for effective debt reporting: 38 DMFAS clients were participating in the IMF–World Bank’s quarterly external debt statistics database (QEDS) of which 92% already provided data, and 87% reported in 2014 (13 were participating in the special data dissemination standard/quarterly external debt statistics database and 25 in the general data dissemination system/quarterly external debt statistics database). In addition, 82 per cent of DMFAS clients that accepted to participate in the public sector debt statistics (PSDS) database effectively reported in the third quarter 2014 (two more additional compared to 2013).
- Ninety-one per cent of DMFAS client countries effectively reported to the World Bank through the Debtor Reporting System (data available at the end 2014).
- Contribution to the public financial management (PFM) value chain, as defined under the Public Expenditure and Financial Accountability Programme, in particular under performance indicator 17, recording and management of cash balances, debt and guarantees and performance indicator 25, quality and timeliness of annual financial statements.

Continued support for developing country needs

- Fifty-seven current client countries (85 DMFAS user institutions).
- Twenty least developed countries, 15 landlocked developing countries and three small island developing States.
- Fifteen low-income countries and 25 lower middle-income countries.
- Twenty heavily indebted poor countries.
- In 2014, 115 field missions were implemented: needs assessments, project evaluations, on-the-job training for debt management offices, national and regional workshops and study tours that resulted in South–South and triangular cooperation.

Active and new country projects

- Management of 27 active technical assistance projects at the country level.
- Signature of new projects for six countries (Cambodia, Ethiopia, Iran, Jordan, Mauritania and the Argentinian Province of La Rioja) and three addenda with Bangladesh, the Democratic Republic of the Congo and the Bolivarian Republic of Venezuela.

DMFAS users

- Five DMFAS 6 installations in five countries.
- More than 95 per cent of all the institutions operating the DMFAS in client countries have adopted the latest versions of the software (DMFAS 5.3 or 6).
- Forty-two per cent of the user institutions and 54 per cent of the DMFAS countries are using DMFAS 6.

System development and support

- The Programme continued to enhance the DMFAS 6 software in 2014, in response to client requests.
- In 2014, the DMFAS helpdesk had received 528 requests and answered a total of 442 queries of

which 49 were DMFAS 5.3 queries and 479 were requests on DMFAS 6.

- Information technology workshops were provided to four countries which are developing an interface between DMFAS and other integrated financial management information systems (IFMIS).

Coordination and sharing of best practices

- Participation of DMFAS in 13 events of other technical assistance providers (for example, the IMF, the World Bank, the Macroeconomic Economic and Financial Management Institute of Eastern and Southern Africa, the Inter-agency Task Force on Finance Statistics, the OECD Global Forum on Public Debt Management, the Asian Development Bank Forum on Debt Management and the Latin American and Caribbean Debt Group).
- Twelve cases of collaboration with other institutions under the Debt Management Facility, including five debt management performance assessment missions (Angola, Haiti, Nepal, one sub regional DeMPA in Vietnam and one training in Austria); five medium-term debt strategy (MTDS) missions (Angola, Bosnia and Herzegovina, Ethiopia, Vietnam and Zambia) and two reform plan missions to Bosnia and Herzegovina and Burkina Faso, as well as participation in the Debt Management Facility forum and the Technical Advisory Group meeting in April in Brussels.
- Participation in the annual meeting of the Inter-agency Task Force on Finance Statistics.

Financial reforms

- Six donors support the Programme in 2014, namely Germany, Ireland, the Netherlands, Norway, Switzerland and the European Union.
- Two multi-year commitments were made by Programme donors.
- The majority of DMFAS user countries participated in the Programme's cost-sharing mechanism and 85 per cent of institutions that benefit from DMFAS have signed a maintenance agreement. Since the implementation of the graduation scheme in 2011, cost-sharing is increasing, hence lowering the dependency on bilateral donors. Despite the inter-annual volatility contributions for maintenance were higher in 2014 than any year previously.

Continued relevance of the Programme

- The Doha Mandate reaffirms, inter alia, the importance and the role of the DMFAS Programme in supporting effective debt management (TD/L/427).

Improved Programme capacity

- Establishment of a Quality Assurance and User Support Unit in the Programme.
- Second year of implementation of the Monitoring and Evaluation Framework.
- Design of the new capacity-development framework.

Progress in implementing the strategic plan for 2011–2015

The five-year strategic plan for the DMFAS Programme began implementation in January 2011. Its overall objective is to help focus countries to manage their debt effectively and sustainably. This relates to downstream functions most commonly associated with the back and middle debt management offices, which are considered the foundations for effective debt management. 2014 marks the fourth year of implementation of the strategic plan. Although the strategic plan was originally planned for four years, from 2011 to 2014, the DMFAS Advisory Group approved its extension by one year, based on the recommendations of the MTR, to undertake additional activities, including a Business Model Review of the DMFAS Programme.

In line with the overall objective and the Programme's comparative advantages, the plan focuses on the following two main areas: strengthening the operational, statistical and analytical debt management functions of Governments; and improving the capacity of the Programme to deliver responses to meet the needs of developing countries and countries with economies in transition. The logical framework for the strategic plan for 2011–2015 has been completed with strengthened performance indicators, in line with the recommendations of donors. Baseline statistics were defined in order to set 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 concentrates on providing direct solutions for 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 that the Programme faces in delivering the solutions of the first objective. Under this objective the Programme will strengthen the portfolio of public goods it

provides, its methods of delivery of those goods and services and the sustainability and predictability of its financing.

Table 1 provides a summary of the objectives and expected results, as well as achievements at the end of September 2014.

The expected results for Immediate Objective 1 are as follows:

- Government information systems established for effectively managing complete, up-to-date and reliable debt databases. In 2014, the DMFAS Programme continues meeting expectations by directly supporting 85 active DMFAS user institutions in 57 countries. As a measure of the progress countries have made in debt recording assisted by DMFAS, approximately 85 per cent of countries have developed comprehensive, reliable debt databases in respect of government and government-guaranteed external debt, as well as domestic debt. Government capacity improved for effectively reporting on debt, conducting debt analysis and providing inputs to debt strategy. With regard to reporting, 91 per cent were reporting effectively to the World Bank's Debtor Reporting System (data available at the end of 2014) and 66 per cent of DMFAS user countries participate in the quarterly external debt statistics database. Thirty-five countries produced regular statistical bulletins.
- Enhanced government debt operational risk management and public financial management integration, increased new development of automatic links between DMFAS and other financial systems and integration with auction systems in two countries.
- Improved knowledge of debt management and access to information through the 2011 and 2013 Debt Management Conferences (over 690 participants from more than 110 countries) and DMFAS training events.

The capacity-building modules developed by the Programme and delivered through in-country and regional training courses have yielded tangible results. For example, in 2014, 14 national capacity-

building workshops resulted in production of a debt portfolio reviews (Dominican Republic, El Salvador and Indonesia), five draft statistical bulletins on debt by Bangladesh (two workshops), the Republic of the Congo (follow-up), Dominican Republic, Gabon (two workshops) and Indonesia, and one data-validation calendar produced by Paraguay. In addition, two capacity-building workshops resulted in the production of draft procedures manuals in Gabon, Zambia and Zimbabwe.

The Programme continued to support the capacity of countries to produce reports and to meet external reporting requirements. For example, 91 per cent of DMFAS client countries effectively reported to the World Bank through the Debtor Reporting System, of which five improved their ratings and three deteriorating). Thirty-eight DMFAS clients are participating in the quarterly external debt statistics database of the IMF jointly developed with the World Bank, of which 87 per cent provided data in 2014. Finally, 82 per cent are effectively reporting to the public sector debt statistics database (23 out of 28).

Progress continued in the implementation of the web-based DMFAS 6. By the end of 2014, the DMFAS 6 software had been installed in 31 countries and 37 institutions. Five installations took place during the period, namely in Cambodia (Ministry of Finance), Côte d'Ivoire (Ministry of Finance), Ethiopia (Ministry of Finance), Jordan (Ministry of Finance) and Zambia (Bank of Zambia).

The development of DMFAS 6 was the largest project that the Programme had ever undertaken. The quality of the software is attested to by client institutions using DMFAS 6 for their day-to-day operations, specifically debt recording and reporting. This is also highlighted in the findings of the mid-term review which found that DMFAS is a high-quality debt recording tool and is extremely relevant to the needs of user institutions. Due to the evolving 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 integrated financial management information systems. As with the introduction of any new software system. The Programme continued to work closely with its clients, refining the software to serve their evolving needs. Accordingly, the Programme had three releases of DMFAS 6, including one new

version in August containing a large number of enhancements and new functionalities, including, the debt reorganization module, the short-term and private-sector debts modules, expansion of debt service operations recording, the analytical elements (debt ratios, sensitivity analysis and average terms) the open-source query tool, and link to MTDS, DPA and DSF reports. A standard feature of the system to produce QEDS and QPDS reports directly from DMFAS is planned for the first quarter 2015. Analysis on expanding scope of instruments type to include non-traditional instruments such as domestic arrears, contingent liabilities as well as derivatives is on-going. In parallel, the Programme undertook a major update of DMFAS 6 users' guides resulting in the publication of a new version of the DMFAS 6 users' guide and of the Control Panel users' guide. In addition, a new documentation on DMFAS 6 utilities was released together with the new documentation on the Trac system, the online helpdesk platform.

With respect to the Programme's financing, the following 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 the abilities of countries to share costs. This graduated maintenance fee policy was recommended by the DMFAS Advisory Group in 2009. In 2014, in line with the objective of the strategic plan, all new DMFAS 6 project proposals included a maintenance agreement with the new graduated annual fees. Project management cost-sharing is a standard mechanism in technical cooperation programmes and will continue to be systematically included in all project proposals in the coming years.

The Programme provided effective ongoing support to user countries through its helpdesk, which responded to 442 requests during the reporting period. It supplied country technical assistance, namely delivering 115 capacity-building and other activities during the reporting period. The Programme is actively managing 27 technical assistance projects, with six new projects signed in 2014 and three addenda to existing projects.

The Programme's achievements contribute to overall improvements in the following components as defined under the Public Expenditure and Financial Accountability Programme, in particular under performance indicator 17, recording and management of cash balances, debt and guarantees, for dimension (i) on quality of debt data recording and reporting and under performance indicator 25, quality and timeliness of annual financial statements, for dimension (i) on completeness of the financial statements and dimension (iii) on systems for contracting loans and the issuance of guarantees.

In line with its strategy, the Programme started developing a new learning product on basic government securities market and financials calculations, building on the capacity development framework developed in 2013. The new learning approach is aimed at answering the needs of users for personalized training, making learning material accessible when and where it is needed.

The strategic plan places considerable importance on coordination with other stakeholders (see figure 1) and the Programme continued to pursue this objective. By increasing its coordination with other providers, DMFAS has adopted a policy of avoiding duplication, sharing best practices and maximizing support to other providers. A key result has been the alignment of the Programme's work within its areas of competitive advantage. This was fully achieved by redefining the Programme's scope within the debt management capacity-building pyramid model (see figure 2) to cover debt recording, operations, statistics and basic analysis layers, also referred to as downstream activities. All Programme activities during the period conformed to these areas of competitive advantage. Cooperation involved providing support to the activities of other providers in the upper layers of the debt management pyramid model in figure 2, i.e. risk analysis, debt strategy and debt sustainability analysis.

In avoiding duplication, the Programme's initiative of systematically sharing its mission calendar with other providers continues to be very useful. In 2014, cooperation with other providers involved participation as resource persons in 13 joint events organized by international and regional partners. For example, it participated in the twenty-third Public Debt Management Global Forum of the Organization

for Economic Cooperation and Development (OECD), in the Asian Development Bank Debt Management Forum, the Latin American and the Caribbean Debt Group, in two regional workshop on public debt statistics organized by the IMF in Brazil and Kuwait and one organized by AFRITAC in Gabon

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 continued its active contributions to the Task Force on Finance Statistics. The Programme continued to be an important implementing partner of the Debt Management Facility phase II led by the World Bank through the signature of a new grant agreement. In 2014, the Programme participated in five debt management performance assessment missions (Angola, Haiti, Nepal, one sub regional in Vietnam and one training in Austria), five medium-term debt strategy (MTDS) missions (Angola, Bosnia and Herzegovina, Ethiopia, Vietnam and Zambia) and two reform plan missions (Bosnia and Herzegovina and Burkina Faso).

As foreseen in the strategic plan 2011–2015, progress has been made towards the creation of a new regional centre. Discussions continued with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa 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 its efforts to further improve the efficiency and effectiveness of the Programme's operations and better measure performance, a new monitoring and evaluation framework was developed and is implemented for the second year at the level of project management activities. In addition, the Programme continued to conduct evaluations of the effectiveness of the DMFAS 6 functional training delivered in 2014, showing a high level of satisfaction. Finally, the Programme started this year the development of a new training product, in line with the strategic plan, a new capacity-development framework for DMFAS learning products that includes a variety of new or enhanced learning and knowledge-sharing activities.

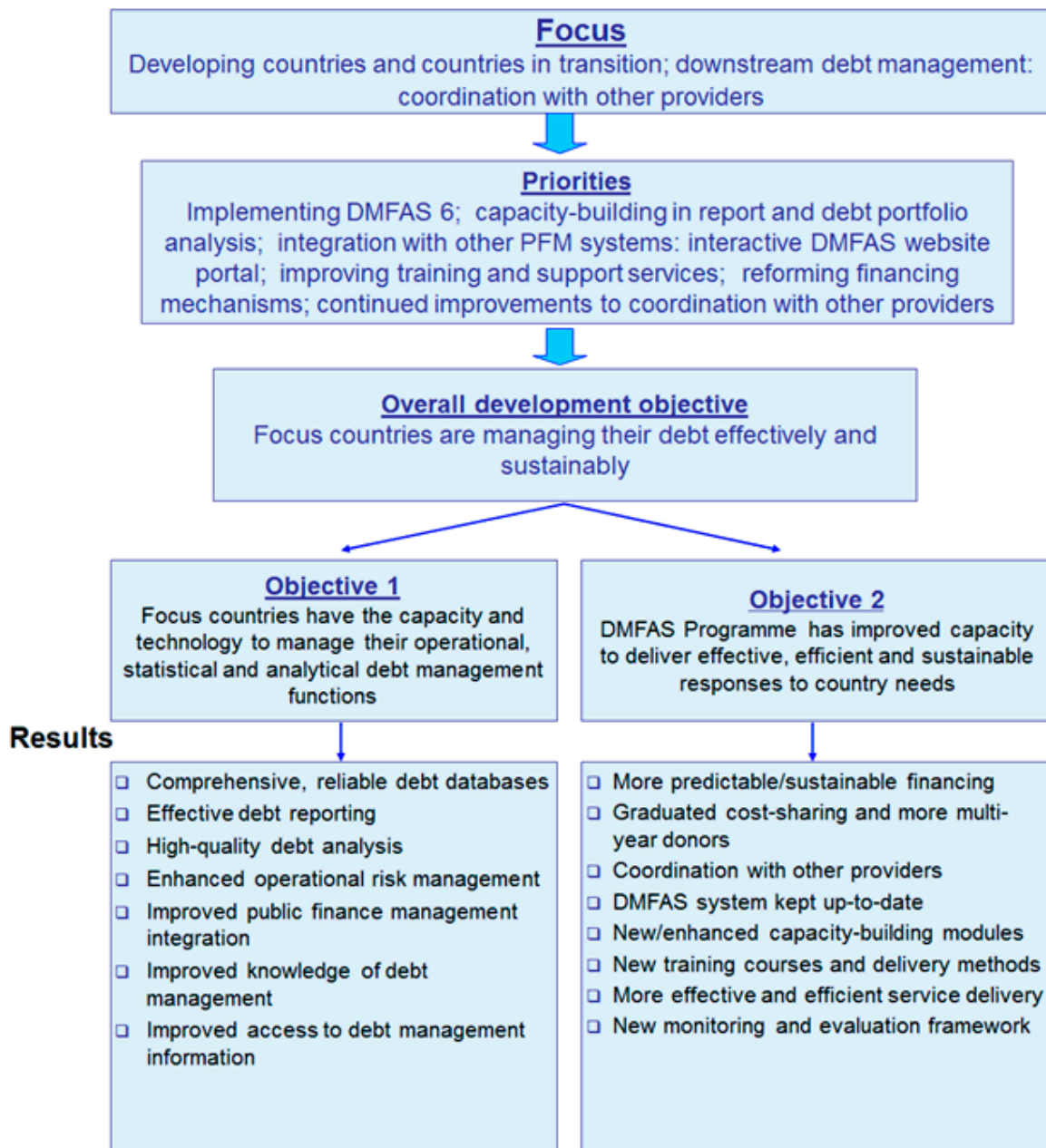
In continuing its efforts to further improve its services, the Programme mandated an independent consultant to conduct a Business Model Review (BMR) of the DMFAS Programme. Conclusions were presented at the donors meeting in November together with the Programme's response to the recommendations.

In summary, the DMFAS Programme has continued with the positive implementation of the strategic plan, building on the good progress made since 2011. With the one-year extension of the current strategic plan, the Programme further focused on refining DMFAS 6 and responding to the specific needs of countries.

Table 1. Summary of achievements of the 2011–2015 strategic plan

| Objective | Expected result | Results as of 31 December 2014 | 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 on 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, 85 institutions in 57 countries are using DMFAS, of which 37 institutions in 31 countries are using DMFAS 6 (42 per cent of institutions and 54 per cent of client countries are using DMFAS 6). Improved debt data coverage, whereby approximately 85 per cent of government and government-guaranteed external debt as well as domestic debt is recorded. Finally, 20 central banks are monitoring private external debt.</p> <p>Under result 1.2, two additional country produced debt-data validation calendars, three more client countries produced a debt portfolio review and 35 countries produced a statistical bulletin on debt. Ninety-one per cent of DMFAS countries reported to the Debtor Reporting System (data available as of end 2014). Eighty-two per cent of DMFAS clients that accepted to participate in the public sector debt statistics database effectively reported in the second quarter of 2014 (23 of countries 28).</p> <p>Thirty-eight DMFAS clients are participating in the quarterly external debt statistics database of the IMF–World Bank.</p> <p>Under result 1.3, two countries integrated DMFAS with their auction systems and 17 countries linked DMFAS to other financial management systems.</p> <p>Under result 1.4, over 690 participants from 110 countries attended the 2011 and 2013 Debt Management Conferences.</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 public financial management.</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>Two multi-year commitments from donors in 2014 and six donors in total. Cost-sharing and cost-recovery income increased by over USD 100,000.</p> <p>DMFAS 6 development ongoing in response to client requests during implementation stage.</p> <p>Completed update of two capacity-building modules on debt statistics and data validation completed. Development of a new capacity building module on capital market.</p> <p>Planning for a regional centre in Zimbabwe.</p> <p>Participation in 12 DMF events (five DeMPA, five MTDS and two reform plans and one training) and 13 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>Implementation of the monitoring and evaluation framework and development of the capacity-development framework.</p> | <p>On target</p> <p>Successful broadening of donor pool, multi-year 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 2011–2015 strategic plan



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 2014. 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 2014.

1.1 Impact at the country level

In line with the strategic plan, the priorities of the Programme in 2014 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;
- 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, 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 active countries.

Overall, in 2014, Cambodia, Ethiopia, Iran, Jordan, Mauritania and the Argentinian province of La Rioja signed new project agreements, and Bangladesh, the Democratic Republic of the Congo and the Bolivarian Republic of Venezuela signed addenda on existing projects.

Figure 3. Geographical distribution of active DMFAS users, 2014

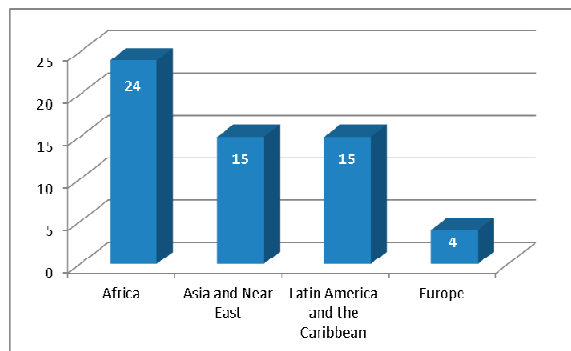
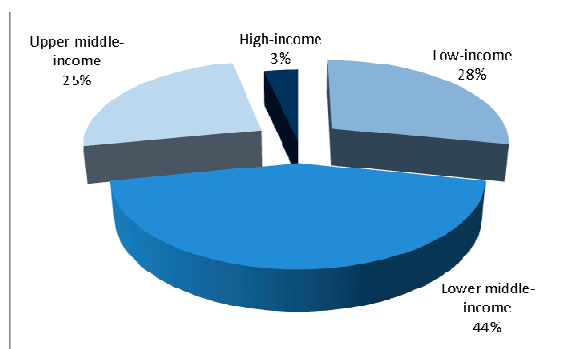


Figure 4. Active users of DMFAS by income group, 2014

(Percentage)



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 type further accentuates the diversity and scope of the technical assistance provided by the Programme. Figure 4 provides a breakdown of the countries that were using DMFAS at the end of 2014. As is shown, the vast majority of DMFAS clients belong to the low-income and lower middle-income category. See annex 3 for a breakdown by country.

DMFAS projects must take into account the different situations that countries find themselves in and 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 the introduction of appropriate information flows on debt data. Achieving and maintaining level one of the DMFAS pyramid (the creation of an updated and validated debt database, as described in the introduction) are therefore major challenges in themselves. Middle-income countries are usually stronger at the lower levels of the pyramid, and are therefore more concerned with receiving technical assistance from the Programme to improve their capacity at the higher strata of the pyramid (statistics and reporting).

In response to the needs of middle-income countries, the Programme works to further improve the analytical functions of DMFAS in DMFAS 6.

The Programme continues to pay particular attention to the needs of heavily indebted poor countries. Of the 39 countries eligible for debt relief under the HIPC initiative in 2014, 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 was the case with Haiti and the Central African Republic in the past and Guinea-Bissau more recently.

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

assistance in designing, building and maintaining the relevant links. In 2014, the Programme delivered a workshop and technical support for the ongoing development of links in El Salvador and in the Democratic Republic of the Congo.

The following 17 countries currently link DMFAS with other financial management systems, with some upgrading their links to DMFAS 6:

- Argentina (Ministry of Finance and province of Rio Negro)
- Bolivia (Plurinational State of) (Ministry of Finance)
- Burkina Faso (Ministry of Finance)
- Dominican Republic (Ministry of Finance)
- Guatemala (Ministry of Finance)
- Honduras (Ministry of Finance)
- Indonesia (link with internal systems, including treasury modules)
- Iran (Islamic Republic of) (Central Bank)
- Jordan (Ministry of Finance)
- Nicaragua (Central Bank and Ministry of Finance)
- Panama (Ministry of Finance)
- Paraguay (Ministry of Finance)
- Philippines (Bureau of Treasury and Central Bank)
- Republic of Moldova (Ministry of Finance)
- Venezuela (Bolivarian Republic of) (Ministry of Finance)
- Viet Nam (Ministry of Finance)
- Yemen (Ministry of Planning and International Cooperation and Central Bank)

Two countries have developed a link between the DMFAS and their auction systems (Indonesia and the Philippines).

Countries that are recipients of aid are also interested in linking DMFAS with their aid management systems. In 2014, the Programme continues to monitor country requests with the intention to cooperate with relevant partners, such as the United Nations Development Programme (UNDP).

1.2 The DMFAS Programme's training modules

Table 2 provides a breakdown of how DMFAS capacity-building activities distributed by region up to December 2014. Altogether, the Programme organized or co-organized 115 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, 20 related to DMFAS functional training and another 14 to DMFAS 6 installations, technical training and the development of links with integrated financial management systems. Demand for the capacity building module continues to be high. Fifteen were held on advanced capacity-building in debt portfolio analysis, debt statistics, data validation and procedures manuals. They comprised two data validation workshops in Bangladesh and Paraguay, seven debt statistics workshops in Bangladesh (initial and follow-up), Democratic Republic of the Congo (follow-up), Dominican Republic (initial), Gabon (initial and follow-up), and Indonesia (initial); three workshops on debt

portfolio review in El Salvador, the Dominican Republic and in Indonesia; and three capacity-building workshops on the elaboration of procedures manual in Gabon, Zambia and Zimbabwe. A specific capacity-building workshop on analysis and evaluations of ODA/foreign loans was organized in Mongolia. In addition, the Programme participated in the following twelve activities organized under the World Bank's Debt Management Facility: five debt management performance assessment (DeMPA) missions to Angola, Haiti, Nepal, one sub regional in Vietnam and one training; five medium-term debt strategy missions to Angola, Bosnia and Herzegovina, Ethiopia, Vietnam and Zambia and two reform plan missions to Bosnia and Herzegovina and Burkina Faso. The Programme also provided resource persons for 13 additional international and regional seminars organized by other technical assistance providers, including the Asian Development Bank, IMF, OECD, World Bank and MEFMI.

Table 2. Regional distribution of DMFAS capacity-building and other activities, January–December 2014

| | East Asia and the Pacific | Europe and Central Asia | Latin America and the Caribbean | Middle East and North Africa | North America | South Asia | Sub-Saharan Africa | Total |
|--|---------------------------|-------------------------|---------------------------------|------------------------------|---------------|------------|--------------------|------------|
| DMFAS functional training | 4 | | 6 | 2 | | | 8 | 20 |
| Information and communications technology installations/training/links | 1 | | 3 | 3 | | | 7 | 14 |
| Capacity-building in data validation, debt statistics, debt portfolio analysis and other capacity-building workshops | 2 | | 4 | | | 2 | 6 | 14 |
| MTDS, DeMPA and reform plan | 2 | 3 | 1 | | | 1 | 5 | 12 |
| Needs assessments | 1 | 2 | | | | 1 | 1 | 5 |
| Project management | 1 | 3 | 3 | 1 | | 3 | 7 | 18 |
| Partner coordination | | 5 | 2 | 1 | 2 | | 3 | 13 |
| Other, study tours and training of trainers | 14 | 1 | 1 | | | 1 | 2 | 19 |
| Total | 25 | 14 | 20 | 7 | 2 | 8 | 39 | 115 |

DMFAS missions are carried out by consultants and/or central staff. With the aims of encouraging South–South cooperation and sharing of best practices, the Programme regularly hires proficient DMFAS users from debt offices in developing countries as consultants to train new users in the debt offices of other developing countries. 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 2011–2015, the Programme is placing increasing emphasis on the results of capacity-building, using more objectively verifiable indicators. This new emphasis is reflected in the focus on outputs at the end the capacity building workshops. The production of these outputs is made possible through the delivery of workshops, as the initial activity, followed by support provided directly from UNCTAD headquarters or through missions. Assistance is also extended to ensure that the products are sustainable. They are complementary to the activities of other international organizations at more advanced levels of debt analysis and debt 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 the drafting of 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 analysed. The output can be a portfolio review, as in the case of the Dominican Republic, El Salvador and Indonesia, 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 (2004–2014). The result has been the production of statistical bulletins on debt, which may be used internally by the country or disseminated externally. Some examples of bulletins produced are as follows:

- A quarterly bulletin for Bangladesh;
- An annual statistical bulletin for Ethiopia;

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

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

Table 3. Implementation of capacity-building modules, 2004–2014

| | 2004- 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2004- 2014 |
|------------------------------------|---------------|-----------|----------|-----------|-----------|-----------|---------------|
| Total | 65 | 15 | 6 | 22 | 11 | 11 | 130 |
| Debt portfolio analysis | 7 | 3 | 2 | 5 | 4 | 3 | 24 |
| Debt portfolio analysis: follow-up | 0 | 3 | 0 | 1 | 1 | 0 | 5 |
| Debt statistics | 25 | 3 | 1 | 6 | 2 | 4 | 41 |
| Debt statistics: follow-up | 6 | 3 | 1 | 2 | 2 | 3 | 17 |
| Data validation | 22 | 3 | 2 | 7 | 2 | 1 | 37 |
| Data validation: follow-up | 5 | 0 | 0 | 1 | 0 | 0 | 6 |
| Regional workshops | 7 | 1 | 1 | 2 | 1 | 0 | 12 |
| Debt portfolio analysis | 2 | 1 | 1 | 1 | 0 | 0 | 5 |
| Debt statistics | 4 | 0 | 0 | 0 | 1 | 0 | 5 |
| Data validation | 1 | 0 | 0 | 1 | 0 | 0 | 2 |
| National workshops | 58 | 14 | 5 | 20 | 10 | 11 | 118 |
| Debt portfolio analysis | 5 | 2 | 1 | 4 | 4 | 3 | 19 |
| Debt portfolio analysis: follow-up | 0 | 3 | 0 | 1 | 1 | 0 | 5 |
| Debt statistics | 21 | 3 | 1 | 6 | 1 | 4 | 36 |
| Debt statistics: follow-up | 6 | 3 | 1 | 2 | 2 | 3 | 17 |
| Data validation | 21 | 3 | 2 | 6 | 2 | 1 | 35 |
| Data validation: follow-up | 5 | 0 | 0 | 1 | 0 | 0 | 6 |

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

In response to the evolving needs of the developing countries as well as the latest evolutions in the area of

debt statistics, debt audits and, more broadly, debt management, the Programme completed the development of the second versions of its capacity-building modules on debt statistics and data validation. The guidelines introduced in *Public Sector Debt*

Statistics: Guide for Compilers and Users, the update to the previous *External Debt Statistics: Guide for Compilers and Users* and the *Handbook on Securities Statistics*¹ have been incorporated and the revision of the debt statistics module.

Based on the capacity development framework developed last year, the DMFAS Programme started developing a new learning product on the basics of Government securities market and financial calculations. Its main objective is to strengthen the capacity of the national debt office to assess and select the most beneficial/cost-effective terms of debt securities and to issue those through an issuance policy in line with the debt strategy. This course will consist of modules delivered through a mix of distance learning and face-to-face instruction during a workshop. The DMFAS Programme already completed the needs assessment phase of the new learning product and started the development phase. The new learning products will help the Programme addressing an important challenge faced by developing countries, the high staff turnover.

The Programme also commenced the development of a new course on Basic Debt Management, one component which will deal with the use of computerized systems, such as UNCTAD's DMFAS to support debt management activities ((operational, analytical and strategic). A questionnaire was sent to DMFAS staff, consultants and a sample of client-countries to assist in the selection of the topics to be included in this module. In addition, and as a result of several recommendations made as the DMFAS Advisory Group meeting in November 2013, the Programme launched a survey in the last quarter to help identify the priorities for the development of training courses. The proposed courses are *Asset and liability management (ALM)*, *Complex debt instruments*, *Debt reorganization*, *Operational risk management (ORM)*, and *Private non-guaranteed debt (PNGD)*. Responses will be compiled and development started on the priority courses in 2015.

With regard to DMFAS 6 functional training modules, as all modules planned for the DMFAS 6 project were produced, the next phase is to keep these modules updated in line with the latest version of the software.

¹ Available at <http://www.tffs.org/PSDStoc.htm>.

Consequently, the module on DMFAS 6 Control Panel was updated. Concerning technical training modules, the module on Security and Auditing developed in 2013 was validated and the development of a new module on the architecture and database structure is in progress.

1.3 Operational status of DMFAS in countries

At the end of 2014, 57 countries (85 institutions) were actively using (or reactivating) the DMFAS, out of 69 countries (106 institutions) using the system since the Programme's inception. This represents a country-fidelity rate of 82 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 22 client countries, the system was being used by more than one institution. In about half of these cases, the system was shared by the two institutions. Otherwise, each institution had its own database. Sharing between institutions is an option 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. More details can be found in annex 1.

The DMFAS Programme analyses the evolution of countries in their overall implementation of the DMFAS. Five main stages of implementation have been identified, which are numbered from 1 to 5 (see Annex 2). These stages reflect the DMFAS pyramid concept described in the introduction, with its three broad categories of 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. Annex 2 shows the operational status of the DMFAS software over the seven-year period up to 2013 (that is, 2006–2013), as evaluated and revised by the Programme.

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 (that is, review), or in formulating debt strategies (that is, 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 DMFAS 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 is an automatic facility that allows countries to report to the World Bank's Debtor Reporting System).

Stage 2 and stage 3 statuses 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 DMFAS was installed, but that the database was not completed or the system was not fully operational. In most stage one cases, the database is still being built or being converted from a locally developed debt-management system to DMFAS.

Where countries have decided to discontinue use of the DMFAS software for the time being, the abbreviation n/a (not applicable) is used. In 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 systems.

2. Systems management

As countries constantly evolve in their debt-management capacities and in their borrowing choices, so must DMFAS 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 systems management focused in particular on the following areas during the year:

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

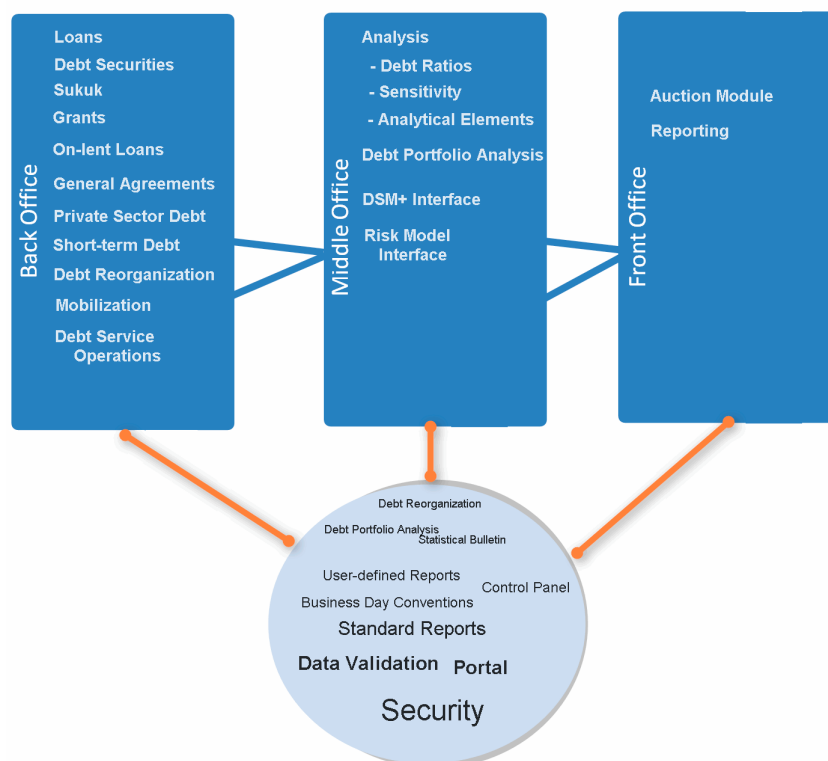
2.1 System development

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 additional functionalities, including the following:

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

Figure 5. Functionalities of DMFAS



During the reporting period, the Programme's development strategy to outsource the development of new features of DMFAS 6 continued to be implemented in close coordination with the central team.

In this context, all the features included in the first three blocks of the system's development plan were delivered, integrated and tested. This included all the functions of DMFAS 5.3 in addition to the debt securities instrument approach, the enhanced auction platform, the debt reorganization module, the short-term and private-sector debts modules, expansion of debt service operations recording including prepayment and buyback, the analytical elements (debt ratios, sensitivity analysis and average terms) and enhancements to the open-source query tool, as well as the control panel components, including the powerful system security and the auditing module (reporting transactions at a given closing date and recording of extended amendments).

The technical documentation (installation instructions as well as distribution notes) and the automatic data conversion programmes continued to be updated during the reporting period.

The development work of the new features included in DMFAS 6 was also intense during the reporting period, resulting in the following progress:

- (a) Increased scope of instruments: Private external and short-term debt and sukuk modules were completed and the support for revolving credits was enhanced;
- (b) Increased scope of transactions: Enhancements to the prepayment and buy-back modules were included; a new module for the recording of drawing requests was completed and functions for recording new transaction types (like "suspension") were included;

- (c) Data quality improvements: A new data verification feature was completed and distributed; a new double verification module was also completed during the period and it will be distributed during the first quarter of 2015
- (d) Continuous adherence to international standards, different enhancements to reporting features to facilitate the production of statistical bulletins following recommended best practices in Debt Management;
- (e) Additional modules to support the recording of "Issuance Authorization" information for debt securities were also added.

Significant progress was also made in the elaboration of the user requirements documents for the Debt Sustainability Framework interface, the Debtor Reporting System, the Statistical Data and Metadata Exchange, the managerial and template reports and the workflow began during the period, all of which are planned for implementation during the first half of 2015.

The latest installations and testing of the system deliverables demonstrated that the system performance problems were solved and that the hardware capacity of servers 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 2014, DMFAS 6 had been installed in 36 institutions in the following 31 countries:

Argentina (Ministry of Economy and province of Buenos Aires), Armenia (Ministry of Finance), Bangladesh (Central Bank and Ministry of Finance), Burundi (Ministry of Finance), Cambodia (Ministry of Finance), the Congo (Caisse Congolaise d'amortissement), the Democratic Republic of the Congo (Bureau de la dette), Côte d'Ivoire (Ministry of Finance), the Dominican Republic (Ministry of Finance), Egypt (Ministry of Finance and Central Bank), El Salvador (Ministry of Finance), Ethiopia (Ministry of Finance), Gabon (Ministry of Finance), Georgia (Ministry of Finance), Guatemala (Ministry of Finance),

Honduras (Ministry of Finance), Indonesia (Ministry of Finance), Iraq (Ministry of Finance), Jordan (Ministry of Finance), Lebanon (Ministry of Finance), Madagascar (Central Bank), Mongolia (Ministry of Finance), Nicaragua (Ministry of Finance and Central Bank), Panama (Ministry of Finance), Paraguay (Ministry of Finance), the Philippines (Treasury), Rwanda (Ministry of Finance), Uganda (Ministry of Finance and Central Bank), the Bolivarian Republic of Venezuela (Ministry of Finance), Zambia (Bank of Zambia with Ministry of Finance sharing the same database) and Zimbabwe (Ministry of Finance).

Five installations took place during the reporting period Cambodia (Ministry of Finance), Côte d'Ivoire (Ministry of Finance), Ethiopia (Ministry of Finance), Jordan (Ministry of Finance) and Zambia (Bank of Zambia). .)

Overall DMFAS installations

More than 95 per cent of all institutions operating DMFAS in client countries have adopted one of the latest versions of the software (DMFAS 5.3 or 6). Of the 74 installations being used, DMFAS 6 was installed in 36 institutions, DMFAS 5.3 was used in 34 institutions, DMFAS 5.2 was used in three institutions and older versions of DMFAS were no longer actively used (see annexes 1 and 2).

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 provided support to Bangladesh, Salvador, El Salvador, the Democratic Republic of the Congo, Honduras, Nicaragua and Uganda in the development of a link between its own system and DMFAS 6 through a workshop on conceptual design on creating an interface. The Democratic Republic of the Congo has validated the link with its integrated financial system which will be fully operations soon. In addition, the Programme supported Lebanon to import its domestic debt database to the DMFAS database (one time conversion).

The Programme also conducted national workshops on creating and/or updating interfaces, conceptual design and interface development in El Salvador and Honduras.

Ongoing DMFAS support and maintenance provided to countries

Extensive support in using DMFAS, 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 programmes and instructions through the Trac System, by CD-Rom, by e-mail, telephone and fax and through the UNCTAD FTP server. Where applicable, databases were also sent by clients and installed in UNCTAD headquarters to facilitate the resolution of queries and problems.

The Programme continued to monitor and refine its online Trac System, which is open-source, to register and track client requests to the helpdesk.

The DMFAS helpdesk received a total of 49 client requests on DMFAS 5.3 in 2014. Of these, 48 requests were resolved and one is being processed (see annex 4a for details).

The DMFAS helpdesk received a total of 479 client requests on DMFAS 6 at the end of 2014. Of these, 394 requests were closed, one was reopened by the client country and 84 assigned for processing or queries to clients (see annex 4b for details).

User documentation

This year, the objective was to undertake a major update of DMFAS 6 user's guides which were produced in 2010. This required restructuring the documentation, and as a result a new version of the DMFAS 6 user's guide and the Control Panel user's guide was produced together with new documentation on DMFAS 6 Utilities.

Work continued on completing and updating the online help systems for DMFAS 6 and the Control Panel. In particular new versions of the English online help systems were released in March, June and October 2014. They included numerous updates and corrections.

Also, a new version of the helpdesk platform (Trac) documentation was produced and tested. It consists of

a quick reference, frequently-asked questions and a glossary.

With regard to the French and Spanish versions of the user documentation, the last set of deliverables related to the online help systems was received from the localization company at the end of January 2014. It should be noted that the localization process results in a more advanced version of the English version compared to the French and Spanish ones. The localization of new English user documentation and online help systems was launched in July 2014 and is expected to be completed in early 2015.

3. Programme management

As part of its efforts to improve overall efficiency and effectiveness under the second objective of the strategic plan, and in order to better deliver on the first objective, a number of improvements by the Programme's management on administration and communication continued to be implemented in 2014. 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 Mutually beneficial relations and cooperation with external partners and other agencies in debt management

In recent years, momentum has intensified among the various providers to coordinate capacity-building efforts using a more holistic approach to meeting the multifaceted challenges that developing countries face in building their debt-management capacities. Efforts have been made to clearly understand the comparative 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 ensure that best practices are shared.

In 2014, efforts by the Programme to strengthen its collaboration with the other main organizations involved in providing debt management include the regular sharing of information on technical assistance activities such as mission schedules and reports, where possible, and also include organizing joint workshops and participating 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 phase II. Another important example is the continued participation by UNCTAD (through the DMFAS Programme) in the Inter-agency Task Force on Finance Statistics, which strives to improve the capacity of countries to produce reliable statistics.

Debt Management Facility Phase II (World Bank & IMF)

Having contributed to the DMF since its conception, the Programme officially became a partner of the DMF in 2009. The first phase of the DMF ended in 2014 and a new grant agreement was signed between the World Bank, with the a new partner in the IMF, and UNCTAD to allow the Programme to support DMF II activities. 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. Since 2009, the DMFAS Programme has contributed to 55 missions. The Programme's participation in these DMF activities received positive feedback from the DMF stakeholders as well as the country beneficiaries. In 2014, the following 12 Debt Management Facility missions were completed: five debt management performance assessment missions (Angola, Haiti, Nepal, one sub regional in Vietnam and one training in Austria); five medium-term debt strategy missions (Angola, Bosnia and Herzegovina, Ethiopia, Vietnam and Zambia); and two reform plan missions to Bosnia and Herzegovina and Burkina Faso. In addition, the DMFAS Programme participated in the Debt Management Facility Stakeholders' Forum held in Brussels in April.

World Bank

The Programme collaborates with various departments involved in debt management within the World Bank.

These include the World Bank's Development Data Group, the Treasury, the Banking and Debt Management Group and the Economic Analysis and Debt Department. The Programme meets with each of these departments at least once per year to discuss modalities of cooperation.

In addition to the Debt Management Facility 2014, collaboration with the World Bank included:

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

International Monetary Fund

The Programme is in regular contact with two main departments of the IMF. These are the Statistics Department and the Monetary and Capital Markets Department. Contact with the IMF also includes the 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, public debt 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 Washington, 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 capacities to design and enact policies that promote growth and reduce poverty.

Macroeconomic and Financial Management Institute of Eastern and Southern Africa

The Programme has 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 jointly organized with MEFMI a regional DMFAS 6 workshop in Uganda in September.

United Nations Development Programme

The DMFAS Programme's collaboration with UNDP in 2014 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 14 active DMFAS client countries in the Latin American and Caribbean region, UNCTAD takes a keen interest in the regional capacity-building activities organized by the Latin American and Caribbean Debt Group and, where possible, coordinates activities, including the annual LAC debt group meeting in August in Asunción, Paraguay.

Statistical Data and Metadata Exchange

SDMX standards are the result of an initiative aimed at studying business practices in the field of statistical information that would allow more efficient processes for the exchange and sharing of data and metadata. The DMFAS Programme decided to adopt the SDMX standards to follow evolving international practices. The Bank for International Settlements, the Commonwealth Secretariat (COMSEC), the European Central Bank, Eurostat, the IMF, OECD and the World Bank 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 country information to the Debtor Reporting System. Development of the required specifications for the implementation of the new methodology began 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 associate unit within the Debt and Development Finance Branch) collaborate and address debt issues jointly. In 2014, key examples of collaboration included the preparation of UNCTAD reports for the Trade and Development Board for the UNCTAD secretariat and the office of the Secretary-General of UNCTAD. This collaboration also included the sharing of one staff member, who is responsible –

among other duties – for helping improve and deliver the DMFAS Programme's capacity-building module in debt portfolio analysis.

The DMFAS Programme also contributed to a number of UNCTAD and United Nations reports. In 2014, these included the following:

- *UNCTAD Annual Report 2013*;
- Annual trust fund progress reports;
- Report by the UNCTAD secretariat on technical cooperation activities carried out in 2013 (cluster 11 on strengthening the debt-management capacity of developing countries).

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

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

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

Quality Assurance and User Support

In order to further tighten quality controls over the DMFAS software, the Programme established a new unit called "Quality Assurance and User Support". The unit's objective is to ensure that the DMFAS software is of high quality and responds to the needs of the debt management offices by conducting advanced testing of the system and by monitoring clients' requests and needs. It is also responsible to support clients through the Helpdesk and TRAC system.

Business Model Review

The latest DMFAS Programme's Advisory Group and Annual Donor Meetings held in 2013 recommended

that the Programme conducts a review of its business model to provide recommendations for ensuring its financial sustainability. The Review assessed the Programme's current funding structure and identified and evaluated funding opportunities for the future. This review provides inputs for the next Programme's strategic planning and informs donors and potential donors on future financial support. The Programme contracted an independent consultant in May 2014 and the results of this study were presented at the annual DMFAS Donor Meeting in November 2014 and will be at the DMFAS Advisory Group in 2015.

Decentralization

One objective of the Programme's strategic plan 2011–2015 is to establish two new regional support centres. The experience of operating two centres, in Buenos Aires and in Bamako, has provided the Programme with opportunities to improve the decentralization process, including incorporating lessons learned from the closure of the DMFAS centre in Mali in 2012 due to the security situation. Attention is placed on finding alternative solutions and reliable funding for the regional centres.

Initiated in 2011, and based on lessons learned, the Programme and its regional partner, the Macroeconomic and Financial Management Institute of Eastern and Southern Africa, continued discussions to develop a regional centre in Harare.

Results-based monitoring and evaluation

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

In line with the second objective of the strategic plan, the DMFAS Programme developed a framework to improve monitoring and evaluation of the technical assistance projects and to objectively measure their performance, including a comprehensive set of monitoring and evaluation activities, which was implemented in pilot countries for the first year in 2013 and generalized to all new projects in 2014. The monitoring and evaluation will strengthen monitoring of DMFAS technical cooperation projects used to track progress and better address the needs of countries. Evaluation of DMFAS projects contributes to assessing the Programme's effectiveness, ensuring accountability

to stakeholders and strengthening internal coordination while facilitating information-sharing, workflow and learning.

In addition, the Programme conducted national evaluations of the effectiveness of the DMFAS 6 functional training delivered in 2014.

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

The DMFAS Programme revamped last year its website. It offers a more relevant, modern, accessible and interactive website with new functionalities and the number of DMFAS users having registered to the client area is increasing regularly. The website contains update information on the DMFAS activities, documentation and releases of the software. Among the most downloaded pages are the user documentation files and the capacity-building material.

In addition, the Programme continued 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 March, June and December, and were posted on the Programme's website in English and French.

Periodic activity calendars were distributed to stakeholders, keeping them informed of the Programme's technical assistance activities in countries, regional events and cooperation with implementing partners.

Since 2008, the Programme has been sharing its calendar of upcoming missions with its partners. This initiative has proved successful, as partners are increasing their coordination and exchanges of information. The Programme has since made this a standard communications activity, with the calendar sent out every two months to partners.

In keeping with its usual practice, the Programme produced an annual report for 2013, which presented the activities of the Programme until the end of December 2013.

In 2014, 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, incomes and expenditures.

3.5 Challenges faced by the DMFAS Programme in 2014

Besides the positive results attained this year, the Programme also faced some challenges.

Regional offices. The Programme continues its efforts to seek funding for the creation of two regional offices. It received a concrete proposal from MEFMI to set up the joint regional office in Harare and is looking for donor support.

DMFAS 5.3 maintenance. The Programme ensures the support for DMFAS 5.3 for its clients. However, with ever evolving technology standards, it becomes more difficult and more expensive to provide this support due to incompatibilities with new technology. In addition, the Programme is receiving an increasing number of demands for IT remote support for which it is necessary to allocate resources while retaining local capacity. Responding to unforeseen clients requests for new software development, training missions and other additional support activities, requires the Programme to continuously adjust its work plan. This impacts the delivery of other services and activities to clients.

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

Multi-language software. The DMFAS software is available in three languages, English, French and Spanish and will be available in 2015 in Russian. Being a key strength, this is also a challenge for the Programme to ensure that the interface, the documentation (technical and functional) and the capacity-building material are translated promptly with high quality standards.

Negotiation of agreements. Negotiating agreements with institutional donors and partners are complex and

require long negotiations to finalize agreements due to varying rules and regulations between organizations. Having standard agreements with some institutional donors would greatly facilitate project agreement finalization.

Monitoring and evaluation. The Programme needs to invest in the development of a computer software platform to support the implementation of its new monitoring and evaluation framework. However, this activity will be postponed until 2015 due to an increase workload related to new unexpected requests for the DMFAS software.

Advanced capacity-building. The Programme receives numerous requests for advanced capacity-building in debt analysis, including for more upstream activities - for example in risk analysis and linkages. Many of these demands are beyond the areas covered by the strategic plan 2011–2015. The challenge the Programme has, and will have, is to try to fulfil these requests and coordinate with partners.