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**Occasional Paper on Debt Management and
Financial Analysis System Programme**

Prepared by UNCTAD





Debt Management and Financial Analysis System Programme:
Occasional Report - 2016



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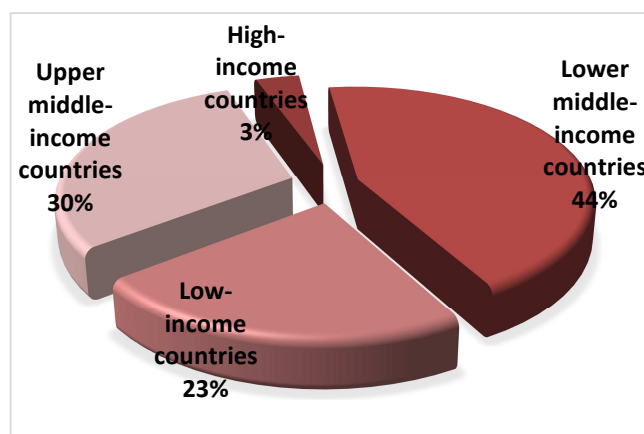
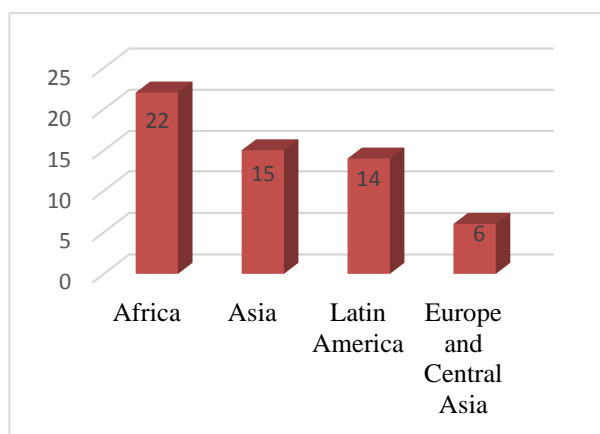
This report describes the key activities and achievements in 2016 of the DMFAS Programme of the United Nations Conference on Trade and Development (UNCTAD) relevant to its work as member of the Task Force for Finance Statistics.

The DMFAS Programme

The DMFAS Programme, in support of good governance and poverty reduction, offers developing countries a set of proven solutions to improve their capacity to manage public debt and consequently public resources. As a leading provider of technical cooperation and advisory services in debt management, it strengthens the capacity of countries to handle the day-to-day management of public liabilities and produce reliable debt data for policymaking purposes. The Programme works in close cooperation with other international bodies, such as the World Bank, the International Monetary Fund and regional institutions, to enhance coordination and avoid duplication.

Since its inception, in synergy with UNCTAD policy, research and analytical work on debt issues, the Programme has provided country assistance to 107 institutions in 69 developing countries. The vast majority of these countries – 57 in total – are active DMFAS clients, with some former clients reactivating negotiations for DMFAS technical assistance projects. Figure 1 shows the geographical breakdown of active countries and figure 2 by income group in 2016.

Figure 1. Geographical distribution of active DMFAS users, 2016 **Figure 2. Active users of DMFAS by income group, 2016**



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 central government level, including in some cases the subnational level as well as central banks.

The downstream activities include the provision of the DMFAS software, 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 public financial management software. They complement more upstream activities such as debt strategy elaboration and debt sustainability analysis supplied by other providers such as the IMF and World Bank. Additionally, the Programme is increasingly helping countries to establish links between the DMFAS and other public financial management software.

The Programme's technical assistance to countries is mostly channelled through the implementation of country projects, which encompass a wide range of products and services such as installation of the DMFAS software and training in its use, assistance in database creation, data validation, statistical reporting and support for debt analysis. Where possible, the DMFAS software and its related services are provided in any of the following five languages: Arabic, English, French, Russian and Spanish.

The DMFAS software

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

2016 Activities

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 capacity-building activities related to the work of TFFS at the country project level carried out in 2016 as well as DMFAS system developments and new installations over the same period.

Capacity building missions in areas related to debt statistics

Table 1 shows DMFAS capacity-building missions linked to TFFS activities undertaken in 2016 by region. Altogether, the Programme organized 57 such missions, including on-the-job training, national and regional workshops

Table 1. Regional distribution of DMFAS capacity-building missions linked to TFFS activities, 2016

	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	3	7	4	2			4	20
Information and communications technology installations/training/links	4	8	5				5	22
Capacity-building in data validation, debt statistics, debt portfolio analysis and other capacity-building workshops	3	5	1	1			5	15
Total	10	20	10	3			14	57

Systems management and new DMFAS 6 installations

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 2016, two new up-dates of DMFAS 6 version were released: DMFAS 6.1.1 in January and DMFAS 6.1.2 in December. These new releases included many enhancements, of which:

- Reporting on accrued interest on debt securities;
- Recording of short term and private non-guaranteed external debt;
- Improved data export features allowing users to export data sets to be used on other databases for reporting purposes;
- Recording of swap operations.

In addition to above, development work continued on DMFAS version 6 to program the following modules which are expected to be released in 2017 and which contribute to improved debt reporting:

- Data validation/workflow module;
- Automated production of QEDS and QPSDS reports;
- Pricing and valuation of Debt Securities

Installation of DMFAS version 6

In 2016, seven new DMFAS 6 installations took place: in Albania (Ministry of Finance), Central African Republic (Ministry of Finance), Costa Rica (Ministry of Finance), Indonesia (Bank Indonesia), Moldova (Ministry of Finance and Central Bank), Sudan (Ministry of Finance and Central Bank) and Uzbekistan (Ministry of Finance). At the end of 2016, DMFAS 6 was installed in 40 countries and 48 institutions, representing 55 % of DMFAS user institutions and 70% of DMFAS countries.

DMFAS 7

In line with the 2016-2019 Strategic plan aiming at the development of a new major version, the DMFAS Programme conducted an analysis of the needs and requirements for the development of a new version of the DMFAS system. The overall development plan, containing the list of features and enhancements to be included in the new version is expected to be completed by March 2017.