DMFAS info

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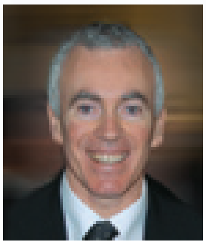
Editorial

From strength to strength. As countries evolve in their debt management capacities and in their borrowing choices, so does the Debt Management and Financial Analysis System (DMFAS) in meeting new needs. In response to the increasing reliance of Governments on domestic financing, for example, the programme will soon be launching its new securities module, expected for mid 2008. This new debt securities module is already an important module of the next update – version 6 – of DMFAS. The development of other modules of the full Web-enabled version of DMFAS 6 is also well on its way. Furthermore, DMFAS 5.3 continues to be reinforced, both technically and functionally. Recent updates include enhancements to the utility for the automatic recording of debt service operations as well as new codes for treating payments eligible for relief in the framework of the Heavily Indebted Poor Countries (HIPC) Initiative or the Multilateral Debt Relief Initiative (MDRI). This ongoing strengthening and adaptation of DMFAS to meet with government needs continues to makes it the obvious choice for debt management offices.



Gerry Teeling, Chief of the Debt Management-DMFAS Programme

Choosing DMFAS also seems to be the case for Gerry Teeling who – after leaving the programme in 2003 – is back, this time as the programme's new chief. A change in management for the programme, but with more than 17 years of experience already accumulated with DMFAS, Gerry already knows it well. Among his responsibilities in his new role, Gerry will lead the DMFAS team in strengthening the programme's products and services. Of key importance will be the need to ensure a stable, predictable and reliable funding base for DMFAS and Gerry is spearheading the programme's new strategic plan in this direction. Welcome back, Gerry!

A big welcome also to all new debt officers who have joined their respective debt offices in DMFAS client countries since the last DMFAS newsletter (2006). Welcome also to Cambodia, which in March of this year became the 66th country to choose DMFAS.

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New debt securities module, including domestic debt

In response to requests from its user community, the DMFAS Programme is planning the **advanced delivery** of its new Debt Securities module – which covers both domestic and external debt – for mid 2008. This early release (originally planned for 2009) is because of the importance of the growing domestic market for government securities in developing countries.

The new Securities module will integrate the following features:

- The ability to record and process debt transactions for all securities: treasury bills, treasury bonds or notes, government bonds in local and foreign currency, fixed/floating and index-linked bonds, zero-coupon bonds, perpetual bonds, stripped bonds and other standard government debt instruments;
- The capability to handle bonds that are stripped in full or in part, where each coupon is treated as a separate zero-coupon bond and the principal or redemption amount as a separate zero-coupon bond;
- Securities pricing and valuation;
- An auction module to handle the tender process for government securities, e.g. treasury bills and treasury bonds; and
- Forecasting of cash flows for all existing debt and debt-related transactions using forecasted interest and exchange rates.

With the new Securities module, DMFAS will also provide a new report-writing tool as well as possibilities for performing basic risk analysis:

- A report-writing tool to generate reports that can be personalized in terms of layout, design and format;
- Basic portfolio analysis including basic debt indicators, vulnerability indicators and risk indicators; and
- An interface between the securities and other analytical tools to perform Debt Sustainability Analysis and to fully integrate with external debt in order to determine total debt positions, debt ratios and risk assessments.

DMFAS version 6

True to its mandate of offering the highest quality debt management software, and in line with new practices in debt management and the latest advances in technology, the Debt Management–DMFAS Programme is now well underway in its development of its next major upgrade of the DMFAS – version 6. The planned release date is early 2009.

DMFAS 6 will be Web-enabled. It will also take into account the latest trends in the organization of a debt management office, by responding to the increasing need for a system that supports the decentralization of debt management functions, as well as one that supports the regionalization of databases and system maintenance activities.

DMFAS 6 will include all of the existing features in DMFAS 5.3; however, the handling of debt instruments and their related operations will be substantially revised and improved. In addition, it will offer end-users the following benefits:

- The possibility to record market instruments such as floating rate notes, Eurobonds and treasury issuances (treasury bills, notes and bonds);
- Powerful analytical and managerial tools for portfolio analysis and reporting;
- Flexible installations that make it easy to set up regional centres, decentralize debt management activities and share resources between institutions (for example, the ministry of finance and the central bank);
- Optimized system performance; and
- Accurate simulations;

In terms of structure, the new system will be highly modular to ensure its easy and flexible customization for users. It will also integrate key technological enhancements, including:

- Robust security;
- Full Web-enabling;
- A modern look and feel of the interface;
- Up-to-date facilities for exporting data to risk management systems;
- Intuitive menu structures and simplified navigation;
- Quick access through the Internet; and
- Convenient interfaces with local and regional systems.

DMFAS 6 will be made available to all requesting user institutions in the languages currently delivered: English, French, Spanish, Russian and Arabic.

Cambodia: new DMFAS country

In March 2007, Cambodia became the 66th country to adopt DMFAS and receive debt management training by UNCTAD. The installation of DMFAS 5.3 in the Ministry of Economy and Finance along with related IT and functional training is paid for by the Asian Development Bank. Project activities started in May, and Cambodian officials will receive intensive training in debt management and in DMFAS, with the objective of creating their database as rapidly as possible. This DMFAS project is part of a much larger effort being undertaken by the Government of Cambodia to reform its public financial management.

Debt officers from the Ministry of Economy and Finance of Cambodia, with UNCTAD consultant.

Nicaragua: celebrating 19 years of cooperation

The Ministry of Finance, the Central Bank of Nicaragua and UNCTAD celebrated 19 years of cooperation in May 2007 with the official handover of DMFAS version 5.3, in the presence of the donor of the project, the Inter-American Development Bank. Within the framework of the present project, the new version of DMFAS is being installed in both institutions and a link is being created between them, allowing the interchanging of data through optical fibre lines. Almost 50 users will be trained in the use of the system (including staff in the Chancellery, General Auditor's Office, Ministry of Foreign Relations, Ministry of Finance and Central Bank).

Moreover, the project has foreseen the creation of a link between the Treasury's bond registration system, the integrated financial management system and the accounting system of the Central Bank.


Handover ceremony of 5.3, Nicaragua, May 2007

Training in data validation, debt statistics and debt portfolio analysis will complete the training programme for the staff.

UNCTAD and the Government are already working on plans to install version 6 of DMFAS in Nicaragua, most likely in 2009, thus effectively reflecting more than 20 years of fruitful cooperation between the Government of Nicaragua and DMFAS.

In 2006, Nicaragua – one of the world's poorest and most indebted nations – obtained debt relief worth $3.8 billion (approximately 60 per cent of all debt owed), thanks to years of negotiation with its creditors, freeing up highly needed resources that could be used for poverty reduction projects. DMFAS helped the country produce up to-date and accurate debt information, which was essential in the negotiating process.

The Bolivarian Republic of Venezuela: the three pillars of a dynamic project

A modest request by the Ministry of Finance of the Bolivarian Republic of Venezuela to upgrade its database from DMFAS 5.2 to 5.3 in late 2004 has now turned into a much larger technical cooperation project with a wide range of activities that will also benefit future versions of DMFAS, including DMFAS 6. This is because the country is currently undertaking a comprehensive reorganization and modernization of its public administration, including its debt management office. The Venezuelan debt office aspires to become one of the leading debt offices of the region.

There are three important pillars to the current project: ensuring an efficient debt data system (DMFAS), integrating DMFAS with other financial systems and taking concrete steps in order to produce effective debt information and analysis.

- **The first pillar** involves training newly recruited staff and updating more experienced debt officials. It has also covered the conversion of the DMFAS 5.2 database to 5.3, including an overview of the latter's new functionalities. In addition, a study tour by the Venezuelan debt office to the Panamanian debt office has been undertaken in order to compare and contrast respective systems and organization, particularly to discuss the regional debt market and institutional issues such as integrated financial systems. This was followed by a comprehensive debt data validation workshop that included the elaboration and testing of a complete plan of activities in order to keep the database "sound" and accessible for the middle and front office.
- **The second pillar** involves linking the DMFAS system with the Government's integrated financial management system. More complex than just linking two systems together, it involves the analysis and streamlining of the many different processes involved in the debt creation and payment cycle.
- **The third pillar** involves the work achieved through the first and second pillars. This will ideally lead to reliable debt information, and should in turn positively affect transparency and strategic thinking in improving the country's debt situation. In order to assist the Ministry, the DMFAS programme will prepare and execute a series of DMFAS workshops over the coming year on the production and improvement of a debt statistical bulletin and on the fundamentals of debt analysis. This third pillar is indeed the most challenging for countries, yet ultimately the most rewarding.

Contribution towards DMFAS 6

The debt office of the Bolivarian Republic of Venezuela is playing an important and active role in helping the DMFAS Programme develop version 6 of the DMFAS software, by clearly communicating its evolving debt management needs to UNCTAD and providing useful feedback on the planned modules of the future version. In addition, over one fifth of the current project funds have been assigned to DMFAS software development. Moreover, the authorities helped the programme organize an expert meeting in 2007, which looked at the concerns of Latin American countries in the development of the new version.

The DMFAS Programme warmly welcomes such sharing of knowledge and resources by country projects, which go to benefit the larger community of DMFAS users and debt managers in general.

Projects update

Since the last newsletter, UNCTAD has signed technical cooperation projects with one new country and country institution, Cambodia (Ministry of Economy and Finance), and new projects for several current user institutions. The latter include Albania (Ministry of Finance), Bangladesh (Ministry of Finance and Central Bank), Burundi (Ministry of Finance), El Salvador (Ministry of Finance), Indonesia (Ministry of Finance) and Rwanda (Ministry of Finance and Central Bank).

Albania

In May 2006, the Ministry of Finance of Albania and UNCTAD signed a new project document for the strengthening of the Government's institutional framework for effective debt management and the capacity to analyze external financing. It also foresees the installation of DMFAS 5.3, related training, as well as a workshop for government information technology staff regarding the integration of the DMFAS system with the Government's Treasury system. The World Bank is financing this latest project.

Bangladesh

In September 2006, the Government of Bangladesh and UNCTAD signed a new technical assistance project called "Capacity-Building for Management of Foreign Aid". The overall development objective of the project is to assist the central Government to more effectively manage its external resource inflows, particularly concerning debt and aid. Its immediate objectives are to broaden the coverage and reporting of debt and aid to Bangladesh, to enhance the Government's capacity to manage and analyze the country's external debt and aid situation, and to develop and implement national debt management strategies. It will cover the different government institutions involved in aid management, but primarily the Ministry of Finance and the Central Bank. It will deal with the different categories of external debt and aid, including government direct debt, the debt of the state enterprises and the private sector, short-term debt and grants to the Government. The project is financed by the United Nations Development Programme.

Burundi

In July 2006, the Government of Burundi and UNCTAD signed a new project document for the installation of DMFAS 5.3 and the provision of related training in the Treasury Department of the Ministry of Finance. The project also foresees training in debt statistics.

El Salvador

After several years of negotiation, El Salvador obtained funding from the Inter-American Development Bank and officially requested in 2006 a new project to update its system and strengthen the technical and institutional capacity of the Ministry of Finance in managing its debt. This project, which was signed in January 2007, contains two major objectives: a database conversion process from version 5.2 to version 5.3 and a comprehensive training programme that encompasses functional and technical issues ranging from debt data validation to analysis. This opportunity to work with Salvadoran staff will also give the DMFAS Programme a further understanding of the Central American region's needs and it is hoped that DMFAS will play a role in creating a cooperative environment in the area of debt management among these countries, to enhance their technical capacities and promote best practices.

Indonesia

In June 2007, UNCTAD fielded a mission to Indonesia for the installation of and training in DMFAS 5.3, in Indonesia's Ministry of Finance. Implementation of this activity was agreed by the two institutions in February 2007. This latest activity falls within the framework of a larger project financed by the Indonesia-Australia Technical Assistance Management Facility for Economic Governance. The Indonesian Ministry of Finance has one of the largest external debt databases in the world, and the DMFAS system has been used there since 1988 to record the debt, manage the associated payments and to report on the external debt position. The mission took advantage of its stay in Jakarta to visit the Central Bank, which also uses DMFAS. Both institutions are now using the same version, further enhancing cooperation between them.

Rwanda

In November 2006, UNCTAD signed a large-scale technical cooperation project with the Government of Rwanda to upgrade the DMFAS database to 5.3, as well as for training in data validation and debt statistics for staff in both the Ministry of Economic Planning and Finance and in the National Bank of Rwanda. Project activities started the same month. The project is co-financed by the United Nations Development Programme, the United Kingdom Department for International Development and the European Union. Through the project, DMFAS will be installed in both institutions, with a data-sharing mechanism set up between the two. The project also covers an institutional assessment as well as the interface of DMFAS with the Government's new integrated financial management system.

DMFAS 5.3 training at the Ministry of Finance of Indonesia

DMFAS 5.3 update: new patches

The latest patch release for DMFAS 5.3 is patch 19 (i.e. DMFAS 5.3.0.19). Below is information on recent patches 16 to 19, describing their technical as well as functional improvements to DMFAS. These include, for example, a new utility for handling partial capitalization, enhancements to the utility for the automatic recording of debt service operations, and new codes for treating payments eligible for HIPC or MDRI relief. More information about these patches can be found in the 5.3 DMFAS User's Guide updates.

Patch 16

- New utility to delete grants.
- New utility to renumber loans (change a loan ID).
- New utility to allow partial capitalization of interest. The capitalization feature in DMFAS has been expanded to allow partial capitalization in which only a percentage of the interest due is capitalized. This type of capitalization may arise, for example, from a reorganization agreement or in certain types of bond issues.

Patch 17

- Improvement to the Security module, which has been modified to render restrictions visually; any restricted menu items or functions now appear as dimmed or greyed, which facilitates the use of this module.
- Allows selection of any decimal and thousand separators for number values. Particularly useful for French- and Spanish-speaking countries.
- Additional field in the Loan/Information Sheet (status of debt instrument).

Patch 18

- New codes for supporting HIPC and MDRI relief payments. Two new codes have been included in the Debt Service Payments window in order to facilitate HIPC relief and MDRI payments. DMFAS also contains a new list of aggregates for creating user-defined reports for this purpose.
- Enhancements to the utility for the automatic recording of debt service operations. The utility has been extended to include the automatic recording of rescheduled arrears.
- Improved reports for the calculation rules of aggregates.
- A revitalized Help menu that provides an on-line version of the User's Guide and the latest documentation updates.

Patch 19

- Enhancements to the utility for the automatic recording of debt service operations. The utility has been extended to include the automatic recording of write-off.
- A new utility to merge multiple tranches that have the same base currency and the same interest and principal terms.
- A process for creating new maturity groups by month.

For DMFAS 5.3 beginners: tutorial on how to record a loan

The purpose of this tutorial is to teach users the main tasks involved in registering a loan agreement and the related drawings and debt service operations in DMFAS. Based on a standard IDA loan, it guides them in performing all the steps necessary to record the data. By the end of the tutorial, they will acquire familiarity with DMFAS and certain key debt concepts.

The tutorial is intended for users who are new to DMFAS version 5.3 or for any user who could not attend DMFAS training. It is available in English and French.

To receive it, please contact your DMFAS Project Manager or the DMFAS HelpDesk.

Web technology: DMFAS 6

The biggest change in technology concerning the development of DMFAS 6 compared with previous versions is that it is Web-enabled. A key factor will be the use of the Java programming language in this development. The most used phrase when developing software using Java technology, especially J2EE (Java 2 Enterprise Edition) renamed to JEE, is the concept of "write-once-run-everywhere". This really means what it claims to mean. With Java, once a source code is written in a Windows operating system, due to its cross-platform ability, it can also be run in UNIX, Linux, IBM AIX or whatever operating system is already in use by the client.

Frequently asked questions about DMFAS

Will DMFAS 5.3 run under Oracle 9i and 10g?

DMFAS 5.3 is certified to run under Oracle 9.2.0.6 and Oracle 10.2.0.1. It is also certified for Oracle 8.1.7 but not versions older than this.

Will DMFAS 5.3 run in Windows Vista?

Our tests indicate that DMFAS 5.3 will run on Windows Vista. The Oracle Forms 6i tools, through which the screens and reports of DMFAS are accessed, can be installed and run without problems on a Windows Vista client platform. Furthermore, Oracle Database Client 10.2.0.3 is certified on Windows Vista, meaning the DMFAS database can also be installed in this environment.

How is data security handled in DMFAS 5.3?

Data security is handled in DMFAS 5.3 by setting up users, user groups, module access rights, roles and data sets. Each user group can be assigned a set of debt data as well as specific modules to access in the system. In turn, each user is assigned to a user group and, in addition, is given a role to update data or view data only.
To give a specific example, user group X has access to external loans, group Y to domestic loans and Z to onlending loans. The onlending debt module can be disabled for users X and Y and enabled for group Z. User A, if assigned to group X, can access external loans only but not domestic and onlending loans. In addition, with the role of consultant, user A can only browse external loans but not update them. On the other hand, with the role of operator, user A can enter and update external loans.

How does DMFAS 6 compare with DMFAS 5.3?

DMFAS 6 will be Web-enabled while DMFAS 5.3 is client-server-based. In terms of functionalities, DMFAS 6 will include new features such as short-term debt, debt securities, reorganization, prepayment and buyback transactions, banking and non-banking days, improved reporting, analytical elements, debt ratios, and portfolio analysis. It will also have an enhanced look and feel.
For answers to other frequently asked questions, check the DMFAS Programme's website (www.unctad.org/dmfas), send an e-mail (dmfas@unctad.org) or telephone (+ 41 22 917 6291.)

There is something about domestic debt...

By Ugo Panizza

Ugo Panizza is currently Chief of the Debt and Finance Analysis Unit, Division on Globalization and Development Strategies, UNCTAD. He has conducted research and published extensively on international finance, banking, macroeconomics and political economy.

A recent trend in sovereign debt management in both emerging and low-income countries is the switch from external to domestic borrowing. Latin America is a good example of this trend. In 1994, about 60 per cent of Latin American public debt was issued abroad, by 2004 the share of external debt dropped to 40 per cent. Over the last two years, several large countries pursued an aggressive policy aimed at retiring external debt and issuing more domestic debt. Mexico and Brazil are two examples. In December 2004, about 38 percent of Mexican public debt was owed to external creditors. By June 2006, the share of external debt was below 32 per cent. In Brazil, the share of external debt went from about 20 per cent in January 2004 to 10 per cent in October 2006.

The switch from external to domestic debt is related to the fact that a series of devastating debt crises has made policymakers well aware of the risks of foreign borrowing. While the international capital markets can provide large amount of funds, the supply of funds tends to be volatile, pro-cyclical, and subject to "sudden stops". Moreover, while large industrial countries can borrow abroad in their own currency, most international borrowing by emerging and developing countries is in foreign currency. In addition, the presence of foreign currency debt, together with the volatility of the real exchange rate that characterizes most developing countries, greatly increases the risk of sudden debt explosions. Finally, placing debt on the domestic market has become easier and easier because of the increasing interest of international investors in domestically issued debt.

This last point raises the issue of what is external debt. According to the traditional definition, external debt is all the debt owed to non-residents. This definition has the advantage of allowing one to understand the income effects of changes in the debt stock, to assess the degree of international risk sharing, and to measure the net foreign assets position of the country. However, it has one important practical drawback: while tracking the residency status of the ultimate holder was rather easy in a world where most cross-border lending consisted of either official loans or syndicated bank loans, this is much more difficult to do when most of the borrowing is done by issuing bonds, which are traded in anonymous markets often located in offshore centres. For this reason, several analysts are even abandoning the traditional definition and calling external debt all liabilities issued in foreign jurisdictions and domestic debt liabilities that are issued under domestic law, no matter who the ultimate holder is.

Whatever the correct definition of domestic debt, there is now a widespread belief that issuing in the domestic market greatly reduces the risk in sovereign finance. There is some truth to this; domestically-issued debt often has the advantage of being denominated in domestic currency (and not indexed to foreign currency) and may count on a more stable investor base. Therefore, policymakers who are trying to improve debt management by developing the required infrastructure and institutional setup for a well working domestic debt market should be applauded and encouraged.

However, as with everything in life, there are important trade-offs in debt management. Firstly, policymakers switching from external to domestic debt need to make sure they are not trading a currency mismatch for a maturity mismatch (this may happen if domestic debt has a shorter maturity than external debt). Secondly, Governments should not put pressure on institutional investors and banks to absorb "too much" government debt, as this may have a negative effect on financial stability (this is especially the case when domestic banks hold a large share of domestic debt). Thirdly, the cost of borrowing in different currencies needs to be evaluated carefully. In an environment in which several emerging currencies are expected to appreciate vis-à-vis the United States dollar, the ex post interest rate in the domestic currency may end up being higher than that in dollars. Fourthly, expanding the market for domestic government bonds may have positive externalities for the domestic corporate bond market. (Government bonds may provide a benchmark curve and equip the market with the minimum size required for trading infrastructures.) However, there is also the risk that, by flooding the market with bonds, the public sector may crowd out private borrowers. Finally, there are important political economy reasons that may make domestic debt more difficult to restructure. In fact, a few highly indebted countries that were able to use debt relief initiatives to address their external debt problems are still burdened with high levels of domestic debt.

Ugo Panizza, Chief of the Debt and Finance Analysis Unit, UNCTAD.

The recent switch to more domestic borrowing may have important positive implications for debt management and for policymakers who are developing a medium-term debt strategy aimed at developing the domestic debt market. Such strategies should be commended and encouraged because they could play a significant role in reducing currency mismatches. Moreover, a well-developed domestic debt market would reduce sensitivity to external shocks such as sudden stops in capital flows, and hence help decrease rollover risks.

However, policymakers should not be too complacent. According to Paul Krugman, "The history of crisis modelling in international macroeconomics reveals that each successive wave of crises exposes possibilities for crises that were overlooked in earlier analysis."[1] As vulnerabilities are often identified after a financial crisis starts to unravel, crisis prevention requires detailed and prompt information on debt structure. Yet most research and analysis focuses on external borrowing and prompt and detailed information on the level and composition of domestic public debt is often not available to policymakers and analysis. DMFAS has a key role to play in helping countries to keep track of their domestic liabilities.

[1] Krugman P (2006). Will there be a dollar crisis? April: 25. Available at: *http://www.econ.princeton.edu/seminars/WEEKLY%20SEMINAR%20SCHEDULE/SPRING_05-06/April_24/Krugman.pdf.*

The Debt Management–DMFAS Programme organized or participated in the following regional and international events since the last newsletter (2006).

22–24 January 2006
International Monetary Fund (IMF) debt statistics seminar, United Arab Emirates.

6–28 February 2006
European Organization of Supreme Audit Institutions (EUROSAI)/INTOSAI Development Initiative (IDI)/UNCTAD regional workshop on public debt auditing (Commonwealth of Independent States countries), Baku, Azerbaijan.

6–9 March 2006
Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI)/Commonwealth Secretariat (COMSEC)/UNCTAD regional workshop (Eastern and Southern Africa) on public domestic debt management, Windhoek, Namibia.

13–17 March 2006
Meeting of the Inter-Agency Task Force on Finance Statistics, Washington, United States.

20–21 April 2006
Inter-American Development Bank workshop on capital markets, Cartagena, Colombia.

22–28 April 2006
UNCTAD/Pôle-Dette regional workshop on debt data validation (West and Central Africa), Libreville, Gabon.

24–28 April 2006
Regional workshop on debt statistics (Latin America), Buenos Aires, Argentina.

15–26 May 2006
European Organisation of Supreme Audit Institutions (EUROSAI)/INTOSAI Development Initiative (IDI)/UNCTAD public debt audit regional workshop (Commonwealth of Independent States countries), Astana, Kazakhstan.

10–19 July 2006
Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI)/UNCTAD regional workshop on debt statistics (Eastern and Southern Africa), Kampala, Uganda.

Meeting of the Inter-Agency Task Force on Finance Statistics, Switzerland, March 2007.

15–16 August 2006
International seminar on debt sustainability and debt negotiations experiences, Quito, Ecuador.

22–25 October 2006
Sovereign Debt Management Forum, Washington, United States.

30 October–1 November 2006
Debt sustainability and development strategies workshop (Latin America), Buenos Aires, Argentina.

24 November–2 December 2006
Conseil Régional de Formation des Institutions Supérieures de Contrôle de Finances Publiques de l'Afrique Francophone Subsaharienne (CREFIAF)/INTOSAI Development Initiative (IDI)/UNCTAD workshop on public debt auditing, Lome, Togo.

6–8 December 2006
Organization for Economic Cooperation and Development (OECD)/Swedish International Development Cooperation Agency (SIDA) Global Forum on Public Debt Management, Amsterdam, the Netherlands.

29–30 March 2007
Meeting of the Inter-Agency Task Force on Finance Statistics, Geneva, Switzerland.

23–27 April 2007
Regional seminar on debt statistics (Central America), Panama City, Panama.

20–31 August 2007
Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI)/UNCTAD workshop on DMFAS 5.3, Harare, Zimbabwe.

19–21 November 2007
UNCTAD's Sixth Inter-regional Debt Management Conference, Geneva, Switzerland.

22–23 November 2007
Sixth DMFAS Advisory Group Meeting, Geneva, Switzerland.

MEFMI/UNCTAD regional workshop on debt statistics...

As part of UNCTAD's ongoing collaboration with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) to deliver capacity-building activities to the region, the two institutions co-organized a regional workshop on debt statistics, in Kampala, Uganda, from 10 to 19 July 2006. The workshop was attended by 22 representatives from MEFMI member States. Five MEFMI states are DMFAS country users: Angola, Rwanda, Uganda, Zambia and Zimbabwe. At the end of workshop, each country presented a set of draft debt statistical bulletins, which were to be taken back to their respective country for follow-up.

Central American regional seminar on debt statistics, April 2007.

Central American regional seminar on debt statistics

The Ministry of Economy and Finance of Panama and UNCTAD jointly organized a regional seminar on debt statistics in Panama the week of 23–27 April 2007. Delegates from Costa Rica, the Dominican Republic, Haiti, Honduras, Nicaragua and Panama participated in this event, during which the IMF, UNCTAD and the participants themselves presented the latest developments in statistical concepts and publications on debt.

The objective of the seminar was to identify best practices for the compilation and dissemination of debt statistics, be it in the form of a bulletin, or through websites. The users identified a number of statistical tables as "musts", to be included in all statistical publications, and a number of "should" and "could" options. The result of this workshop was to strengthen regional cooperation on the dissemination of statistics on debt, as the region is perceived as a single unit by investors. Therefore, it was decided to harmonize/standardize the publications on debt statistics.

The Central American Monetary Council will organize a follow-up meeting during the fourth quarter of 2007 to develop standard templates for the publication of statistics on the Governments' websites, following unified and internationally accepted criteria (External Debt Statistics: Guide for Compilers and Users, IMF). In a second phase, it was proposed to organize a workshop with representatives of the users of the information (international organizations, investors, academics, general public) in order to assess the users' needs for statistical information, which should be reflected in statistical publications.

Sharing best practices in debt statistics and analysis in Latin America

Latin American countries met twice in 2006 for regional UNCTAD meetings in the field of debt statistics and debt analysis. Both events took place in Buenos Aires and were hosted by the Argentine Ministry of Economy and Production.

The first meeting was a weeklong workshop on debt statistics, where 29 participants from five Latin American DMFAS user countries, one Argentinean subnational Government, and three international organizations (including UNCTAD) were present in order to study recent material and methodology produced by the DMFAS Programme for the production and improvement of a debt statistics bulletin. The second event was a regional workshop on debt sustainability.

The statistics workshop took place in April 2006 and was an opportunity to consider best practices and revise important concepts in the production and dissemination of debt statistics, whether from a HIPC perspective, such as Bolivia, or from an emerging middle-income country, such as the Bolivarian Republic of Venezuela. As well as providing valuable feedback on the proposed DMFAS training methodology in debt statistics and concepts involved, the participants presented their own examples of debt tables, including the techniques they used when producing DMFAS user-defined reports for their statistical bulletins. The conclusion was that the workshop was an interesting and useful forum to exchange ideas and further improve the quality of debt statistics produced by countries. The input it gave to the DMFAS proposed methodology would also be of great value in the delivery of future national seminars on debt statistics, organized by the programme. Participants also recommended that this regional activity be repeated somewhere in South America in 2007 in order to follow up on this very important issue.

The second workshop, which took place

Latin American workshop on debt statistics, April 2006.

in October and November 2006, was designed to promote an interactive dialogue and exchange of experiences among participants on issues related to debt sustainability and development strategies. It was attended by Argentina's Minister of Economy and Production, Ms. Felisa Miceli, as well as UNCTAD's Secretary-General, Mr. Supachai Panitchpakdi. The workshop was organized within the context of a larger capacity-building technical assistance project, and managed by UNCTAD's Debt Finance and Development Branch, to which the DMFAS Programme belongs. It covered, among other issues, analytical frameworks for debt sustainability and development strategies, lessons learnt from country cases, bonds financing and domestic debt issues, the impact of credit rating agencies on developing countries, and institutional arrangements for public debt management.

Regional workshop on public debt auditing in Central and Western Africa

In November 2006, UNCTAD played an active role in a regional workshop in public debt auditing, which was organized by the Conseil Régional de Formation des Institutions Supérieures de Contrôle de Finances Publiques de l'Afrique Francophone Subsaharienne (CREFIAF) and Pôle-Dette, a regional technical training unit for Central and Western Africa (created by the Central Bank of West African States (BCEAO) and the Bank of Central African States (BEAC)). Some 30 public office auditors from 15 African countries, mainly French-speaking, participated in the workshop, which took place in Lome, Togo. The event highlighted the importance and interest that public sectors auditors have in debt management as a means to improve transparency in countries' finances.

DMFAS staff members were asked to provide the auditors with a week of intensive debt management training that included an overview of the debt cycle, basic debt management tasks, institutional considerations such as the role of a debt office, and general concepts on debt data validation and debt statistics. This was because the organizers and auditors believed that the auditors would be able to conduct a more constructive professional assessment of a debt office if they knew more about the basic tasks and concerns of a debt office. Receiving this background to debt management would also facilitate the second week of the workshop, facilitated by Pôle-Dette, which looked at the practicalities of implementing an auditing plan in debt offices.

Pôle-Dette/UNCTAD debt data validation workshop

Data validation is an essential activity that countries must undertake in order to guarantee reliable debt data. Thanks to an ever-growing partnership between the DMFAS Programme and Pôle-Dette, some 30 participants from 11 potential and current DMFAS user countries, attended a debt data validation workshop in Libreville, Gabon, in April 2006.

Pôle-Dette facilitated the event, and provided the technical support in terms of software and hardware. UNCTAD provided resource persons for the training, as well as training material. Each participant had the possibility to follow the workshop using his or her own database, as well as present their current practices in debt data validation to the others in the workshop. The first day was entirely devoted to country presentations and conceptual issues related to the topic. The second day continued with the country presentations and the DMFAS Programme introduced the concept of a "validation checklist". Day three looked at the production of such a checklist and allowed delegates to draft their own national debt data validation procedures according to the established methodology. During day four, participants carried out data validation exercises according to their own country-specific procedures, a presentation of which was made to the other participants in the group on the final day.

By the end of the workshop, each delegation had prepared a draft debt data validation procedure, which would be submitted by the delegations to their respective hierarchy upon their return, for further discussion and eventual implementation. Participants also offered useful recommendations on improving the proposed DMFAS debt data training methodology, which would be useful in all future data validation workshops. It was widely agreed that more time should be allowed for the workshop, in order to focus on the checklist itself. The workshop also provided an opportunity to the programme to discuss project implementation issues as well as reaffirm DMFAS' cooperation with Pôle-Dette in the future.

Pôle-Dette/UNCTAD debt data validation workshop, April 2006.

New appointments

Renato da Silva Viana joined the DMFAS Programme in July 2006 as Systems Architect/Web Developer. He will be working with the DMFAS IT staff in the development of DMFAS 6. Renato, has previous international experience with helping Governments (including those of Angola, Brazil, the Dominican Republic and Panama) strengthen their overall management through improved information systems, including integrated financial management systems. In Brazil, Renato also worked in the private sector as a systems analyst.

Khaled Mohamed Ibrahim joined the DMFAS Programme in September 2006, as a User Representative, after having been a DMFAS user for some 20 years in the Debt Management Unit of the Central Bank of Egypt. An economist and statistician, he was a member of the Egyptian delegation to the Paris Club in 1987 and 1991. Over the last 12 years, Khaled has also carried out many missions for the DMFAS Programme, as a DMFAS trainer, to English- and Arabic-speaking countries. In his new role, Khaled will be responsible for handling user requirements as well as working with the DMFAS IT in system development, including system testing.

Josep Sintes Vinent joined the DMFAS team in September 2006 as Project Manager. He is currently responsible for DMFAS projects in Chad, Haiti, Mauritania, Senegal and Sudan. He previously worked in economic research, academia and corporate finance. As an academic, he performed research on the linkages between production, monetary policy and real business cycles. In corporate finance, he elaborated debt sustainability models applied to private sector development projects. He holds a Ph.D. in Macroeconomics.

Gerry Teeling took up his new functions as Chief of the Debt Management–DMFAS Programme on 1 December 2006. Gerry is not new to the DMFAS Programme, however. He previously worked with the programme for more than 17 years. Amongst the responsibilities he previously held within the programme are those of Systems Coordinator and Head of the DMFAS IT team. Prior to taking up his new post, Gerry was Chief of Integrated Management Information Systems at the United Nations Office at Geneva, where he was responsible for the implementation of the enterprise resource planning system that supports the United Nations' core administrative business processes, including finance and budget.

Albi Tola joined the DMFAS team in January 2007 as Project Manager/Debt Expert, and UNCTAD itself in May 2005. In his work so far in UNCTAD, he has performed research on the linkages between debt, trade and development, and was a member of UNCTAD's capacity-building technical assistance project in debt sustainability and development strategies. Previously, he also worked for the National Commercial Bank of Albania, where he held different positions ranging from money market trader, foreign exchange trader, trade-financing economist and head of the front office. As DMFAS Project Manager, Albi is responsible for DMFAS projects in Bangladesh, the Islamic Republic of Iran, Uganda, Zambia and Zimbabwe. He also supports the programme in its work on debt analysis. He holds a Ph.D. in International Economics.

Nuria Castells, Economic Affairs Officer, joined the DMFAS Programme in May 2007, as the DMFAS Programme Officer. She will bring to the programme a range of skills acquired from her previous professional experience within the United Nations system. Nuria joined UNCTAD in 2001 as an Expert on Trade, Environment and Development issues and was Regional Project Officer for Central America and the Caribbean. As a project officer and focal point for training and technical cooperation reports in UNCTAD's Trade Division, she addressed project management issues, as well as performed research and capacity-building activities. She was also the Division's focal point for gender issues. Prior to joining UNCTAD, Nuria worked as a researcher in prospective methodologies, science and technology, and modelling. She holds a Ph.D. in Economics.

Departures

Alain Bodin, Senior Debt Management Expert, one of the longest-serving members of the DMFAS team, has left the programme after more than 20 years of service. Alain played a key role in the development of DMFAS, from version 2 (a mix of COBOL and FoxPro! – some of you may remember it!) through version 3 and the different releases of version 4 up to today's version 5. He also managed a number of DMFAS projects in French-speaking Africa as well as Haiti. He has now joined the IMF's West Africa Technical Assistance Center (West AFRITAC) where he acts as Debt Management Advisor.

Raúl Javaloyes has left the programme to join UNCTAD's Division of Management, after having worked for the DMFAS Programme for almost eight years. As the DMFAS Programme Officer, Raúl was mainly involved in the administration of the programme, which included budgetary work, the implementation of an internal client and project management system, reporting and donor relations. He was also responsible for a few country projects, including the Dominican Republic and Haiti. His new function is that of Chief of the Office of the Director of UNCTAD's Division of Management.

Fernando Archondo retired in June 2007 after having worked with the DMFAS Programme for seven consecutive years as Senior Debt Management Expert and Coordinator of the programme's debt analysis activities. He also acted as the programme's focal point with the international organizations based in Washington. Fernando's relationship with the programme, however, goes back much further. In 1984, he helped the debt office in Togo install one of the first versions of DMFAS and later, in his work at the World Bank, he collaborated with the programme regarding DMFAS projects in Argentina, Bolivia, Nicaragua, Honduras and Peru, among others. In 1993, Fernando was hired by the DMFAS Programme, as Chief Technical Advisor, for a project in Argentina, where he stayed for two years. He was also later hired by the programme as an international consultant for various country projects. Fernando was appreciated by his colleagues for his professionalism, high standards, team spirit and constant good humour.

Debt Management–DMFAS Programme staff

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Pål Ivar Børresen	Senior Debt Management Expert	917 5917
María Cecilia Caligiuri*	Regional User Representative	
Nuria Castells	Economic Affairs Officer/ Programme Officer	917 1796
Renato da Silva Viana	Systems Architect/Web Developer	917 5859
Marilyn de Guzman	Systems Analyst/Programmer	917 6291
Vanessa de Thorpe Millard	Communications Expert / Project Manager	917 5557
Jaime Delgadillo	Senior Debt Management Expert	917 5856
Hélène Fabiani	Documentation Expert	917 5835
Rubén Darío Guillén Velázquez	Computer Programmer	917 5653
Khaled Mohamed Ibrahim	Tester/User Representative	917 5813
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Ricardo Murillo	Project Manager	917 5574
François Oyharçabal	Technical Writer	917 2073
Gabor Piski	Project Manager	917 4687
Ximena Renault	Secretary	917 5852
Josep Sintes Vinent	Project Manager	917 3282
Gerry Teeling	Chief	917 1635
Albi Tola	Project Manager/Debt Expert	917 5733
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The DMFAS central team

DMFAS TEAM

DMFAS consultants

The following consultants have worked for the Debt Management–DMFAS Programme over the past year:

Name	Country of origin
Ms. Irene Alvarez Jonson	Philippines
Mr. Dovi Coco Anthony	Togo
Mr. George Berishvili	Georgia
Ms. Karen Bihr	France
Mr. Sebastián Javier Cataldi	Argentina
Mr. Komenan Dago	Côte d'Ivoire
Mr. Khaled Daher	Canada
Mr. Abdelali Eddebbagh	Morocco
Mr. Khaled Mohamed Ibrahim	Egypt
Mr. José Flores	Honduras
Ms. Roula Katergi	Lebanon
Ms. Manana Kharchilava	Georgia
Mr. Marcos Llanos	Bolivia
Mr. Javier Lobo	Honduras
Mr. Rolando Ochoa	Bolivia
Mr. Jacques Brudon	France
Mr. Emilio Nastri	Argentina
Mr. Jildas Ngonkoua Abouli	Congo (Republic of)
Mr. Désiré Sawadogo	Burkina Faso
Mr. Erwin Schurjin	Argentina
Mr. Alessandro Scipioni	Italy/Switzerland
Mr. Diego Vazquez	Argentina

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