

Challenges in DMOs and Recommendations



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Outline

- **DMFAS Programme**
- **Problems addressed**
- **Debt recording system: DMFAS 7**
- **Key features**
- **Deployment**



About the DMFAS Programme

The UNCTAD DMFAS Programme:

- Providing technical assistance and services in the area of public debt management.
- Helping governments improve their capacity to manage their debt.
- Working directly with 61 countries (mostly low and lower-middle income)
- 40 years.

DMFAS mission:

Assist countries in strengthening Governments' capacity to manage their debt effectively and sustainably, in support of poverty reduction, development, transparency and good governance

Problems addressed

Debt management

- Increasing complexity of the debt landscape
- Incomplete or unreliable debt databases
- Limited coverage of total public debt
- Weak debt reporting and absence of transparency of public debt and contingent liabilities
- New standards in management and reporting
- Low staff capacity and high staff turnover

Accessibility & usability

- Many different actors need access to the debt system and debt data
- Different roles need differing views and functions
- User interface must adapt to different user needs



Problems addressed

Security

- Increasing vulnerabilities to debt systems
- Risk management ever more critical



Need for integration

- Debt systems often disconnected from other government finance management systems
- Need to connect debt with government Integrated Finance Management Systems (IFMIS)
- Growing requirement to implement International Public Sector Accounting Standard (IPSAS)

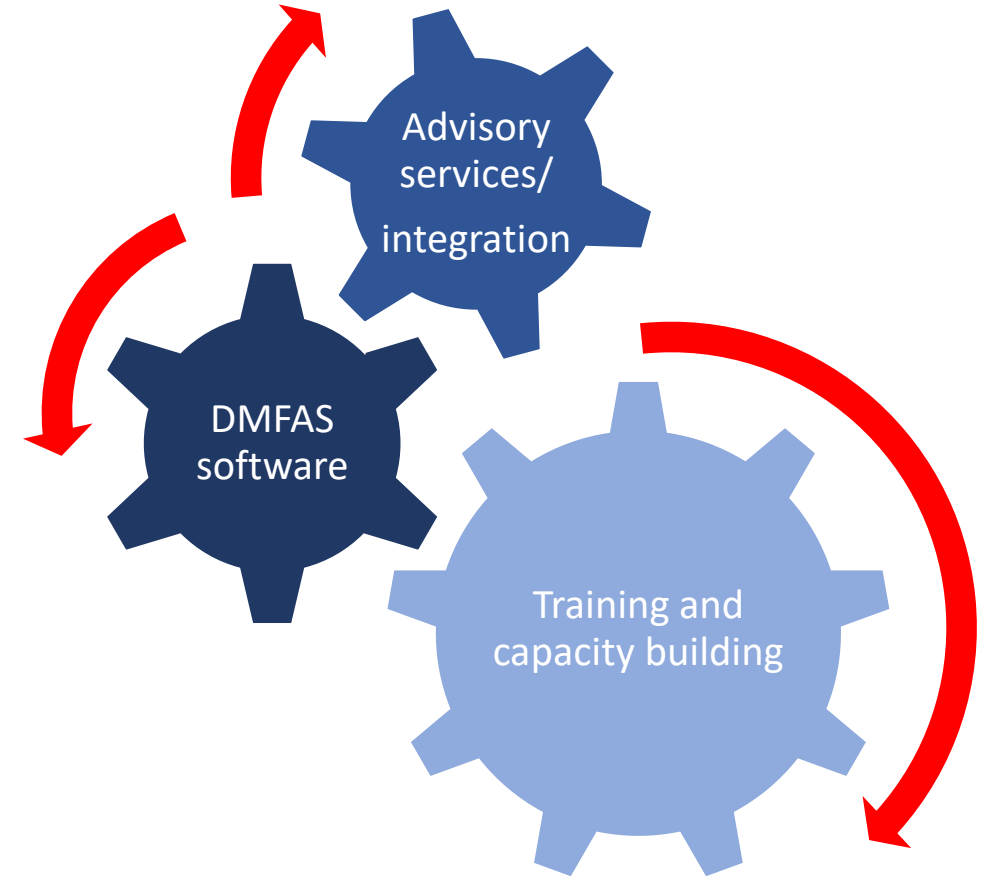
Technology

- Inadequate, obsolete or disconnected information technology
- Proprietary systems vs. Open Source
- DMFAS 6 technological framework will become outdated



DMFAS programme: solutions

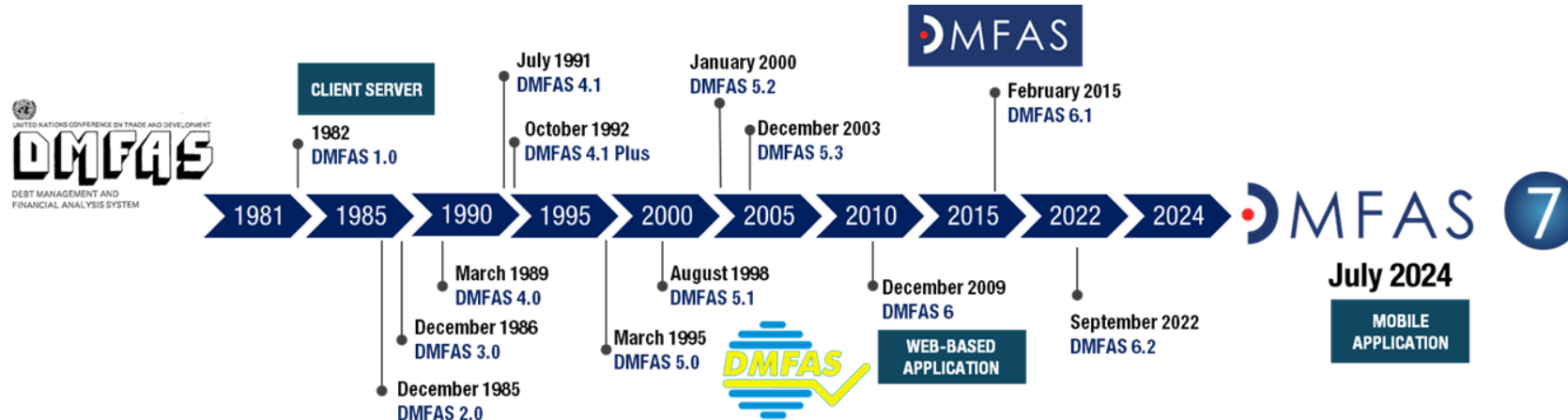
- Provision of public goods for **debt recording, monitoring, reporting**
- Integrate **international standards and best practices**
- Synergy and **cooperation** with other organizations
- Commitment to **continuous and adaptable response** to countries' evolving need



Sustainability requires a long-term continuous, iterative process of learning and adapting to change!

What is DMFAS 7?

History: Seventh major version of the Debt Management & Financial Analysis System (DMFAS) software



Purpose Provide developing countries with a software that responds to the latest requirements in debt management and the evolution in technology by delivering effective responses to critical challenges faced by debt management offices

Development Major software development project involving team based in multiple locations

Release date 1 July 2024

Supported by

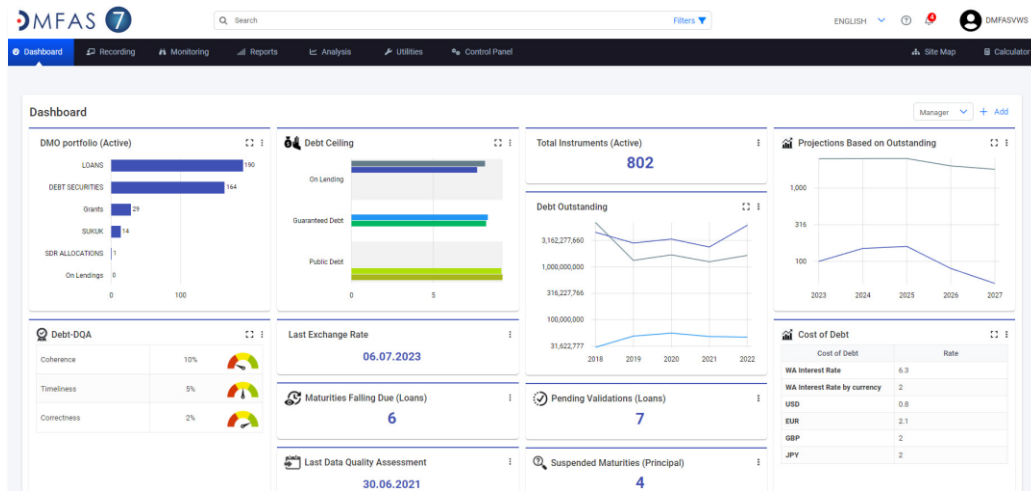


DMFAS 7- Objectives



DMFAS 7 responds directly to the requirement to improve **debt data transparency** by:

- expanding **debt data coverage**
- enhancing **reporting** functions
- improving **data quality**



Functional Block 2

- Contingent Liability
- Front Office
- Borrowing Plan
- Workflow
- Financial Derivatives
- Compliance with IPSAS (accrual accounting)

Functional Block 1

- DMFAS 6+
- Enhanced Reporting and Dashboard
- Redesigned Debt Securities module
- Non-traditional Debt Instruments
- Expanded Analysis - links to DSF and DPA reports
- Improved Security and Audit
- Customized calculations and enhancements on existing instruments

Technical

- User Interface Standards
- Updated frameworks and latest technology
- Cloud technology
- Interfacing and integration
- Mobile access

7

New version of the DMFAS software providing:

Functional enhancements

- **Expanded debt data coverage.**
- **Latest international standards** (public and external debt statistics)
- **Modern user interface** (User friendly, Workflow, In line validation)
- **Improved reporting** (easy access and Dashboard)



Technological enhancements

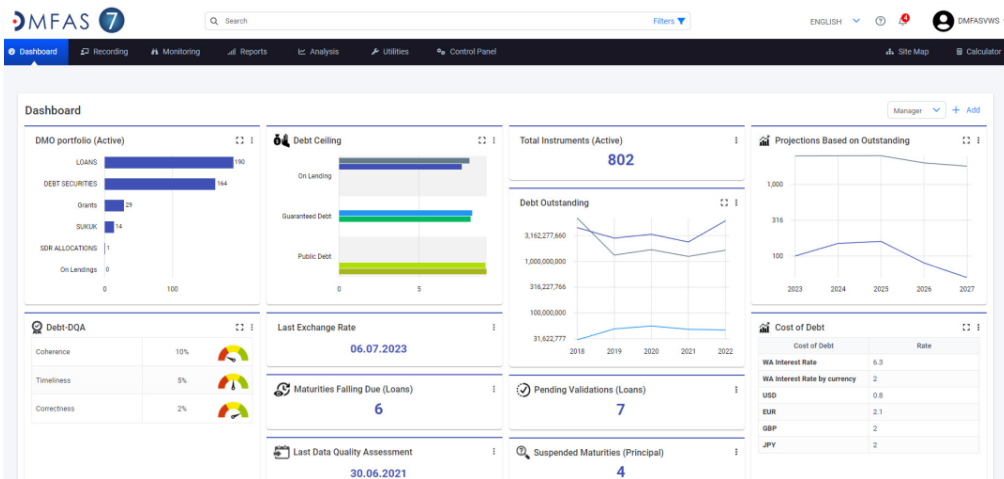
- **Latest standards in technology**
- **Open source**
- **Independence** (Minimising the need for third party technology licensing)

ORM enhancements

- **Security and Audit:** strengthened control and auditing features according to international standards
- **Data quality:** Debt-DQA

Improved data transparency by:

- ✓ Expanding debt data coverage, debt instruments, contingent liabilities
- ✓ Enhancing reporting functions
- ✓ Improving data quality and completeness



Improved debt analysis and risk management by:

- ✓ Greatly enhanced analytical tools
- ✓ Linkages with debt strategy and debt sustainability systems
- ✓ Dashboards
- ✓ Integrated Borrowing Plans

Improved integration of public debt within Public Finance Management by:

- ✓ Supporting accrual accounting (IPSAS)
- ✓ Facilitating workflow & linkages with other systems (IFMIS)

Expanded Debt data Coverage

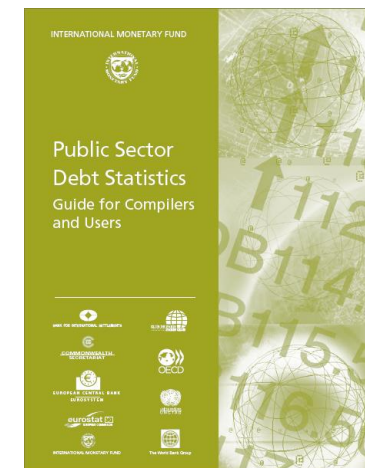
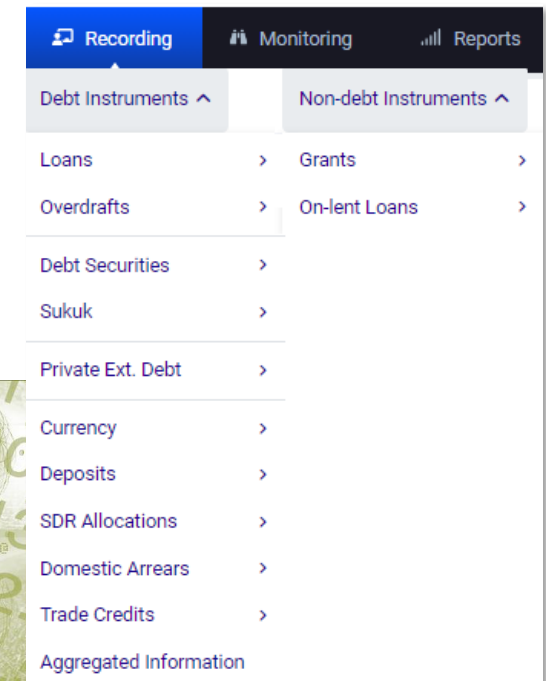
- ✓ Debt instruments on detailed basis and aggregated basis (Loans, Debt Securities, Sukuk)
- ✓ Nontraditional debt instruments (Overdrafts, SDR Allocations, Currency & Deposits, Domestic Arrears..)
- ✓ Non debt instruments (Grants, On-lending)
- ✓ PNED, SOEs, Local Government

Classification as per International Standards

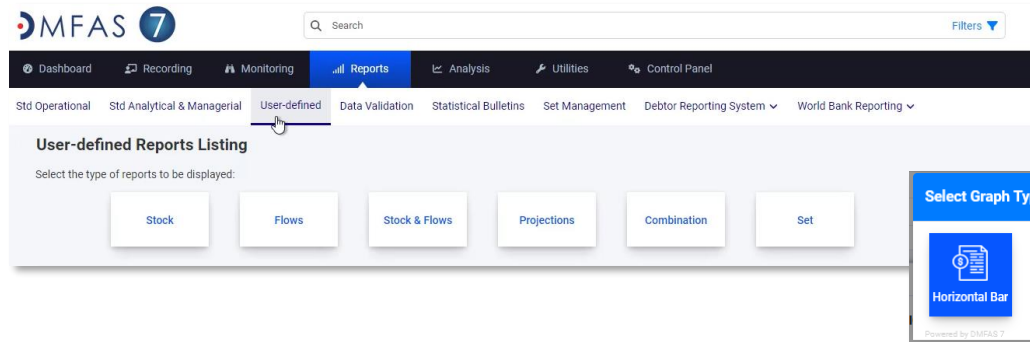
- ✓ Residency, Debtor/Creditor types, Maturity, Currency, Type of Interest
- ✓ Economic Sector/Purpose, Public Guarantee, Collateralization, etc.

Valuation

- ✓ Nominal Value , Market Value
- ✓ Amortized cost -IPSAS

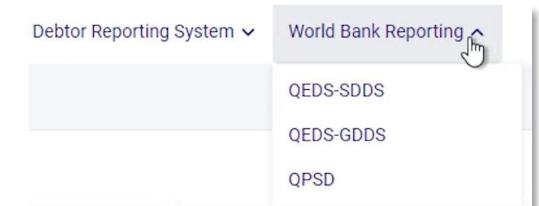
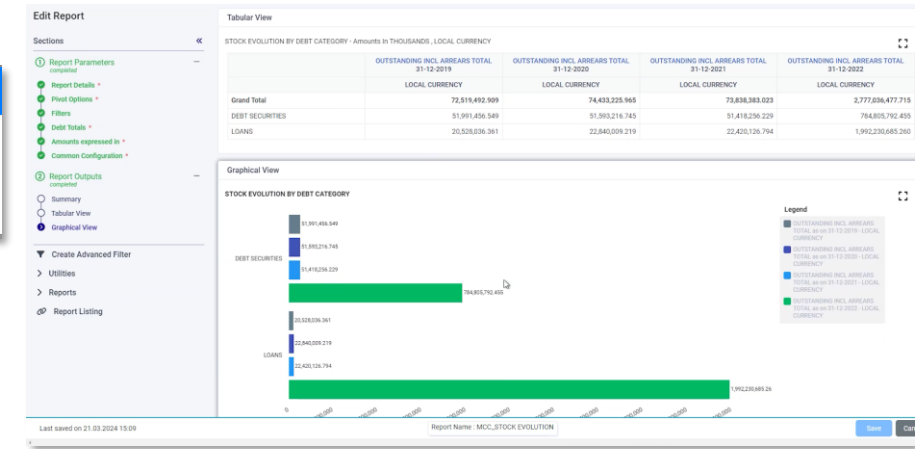


Improved reporting



New, fully integrated reporting tools including:

- ✓ Tables and graphs
- ✓ Comprehensive set of standard reports
- ✓ Fully redesigned, user-friendly user-defined reports generator
- ✓ All World Bank Debtor Reporting System (DRS) reports
- ✓ World Bank Quarterly External Debt Statistics (QEDS) tables
- ✓ World Bank Quarterly Public Sector Debt Statistics (QPSDS) tables

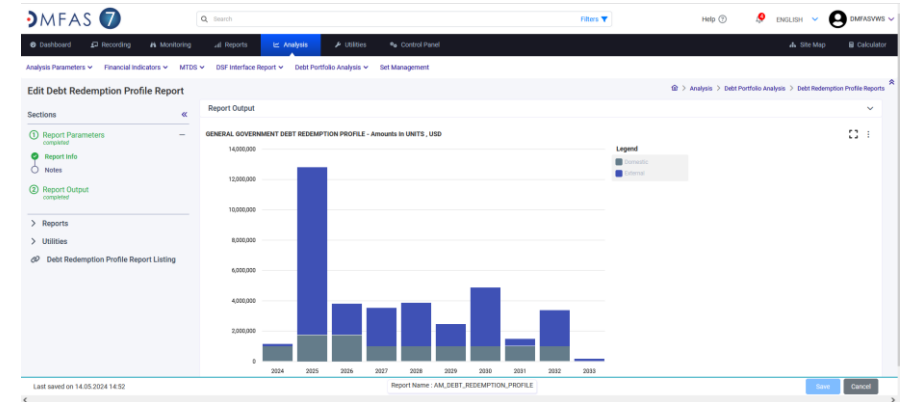


Expanded analytical tools



Automated calculation of:

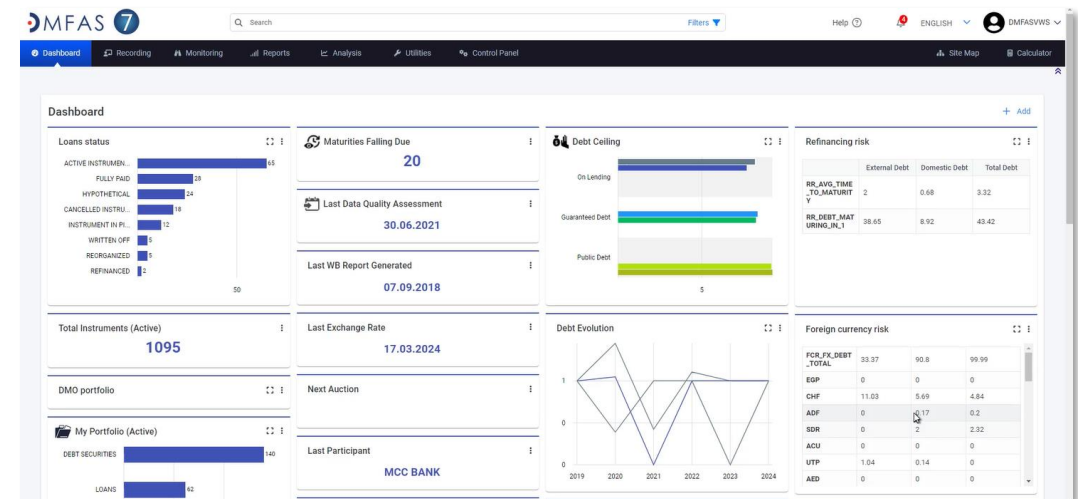
- ✓ Financial indicators
- ✓ Debt ratios
- ✓ Scenarios
- ✓ Debt Portfolio report



Customizable Management Dashboard

- ✓ Large no. of widgets covering data composition, trends, indicators, alerts etc.
- ✓ Customizable by user and profile
- ✓ Displays configurable: graphs, colours etc.

Data export interface (MTDS, DSF etc.)



New user interface tools and features:

- ✓ Intuitive navigation
- ✓ Instrument-based recording
- ✓ Workflow support
- ✓ Inline validation guiding users
- ✓ Automated Debt-Data Quality Assessment
- ✓ Classification according to latest international standards

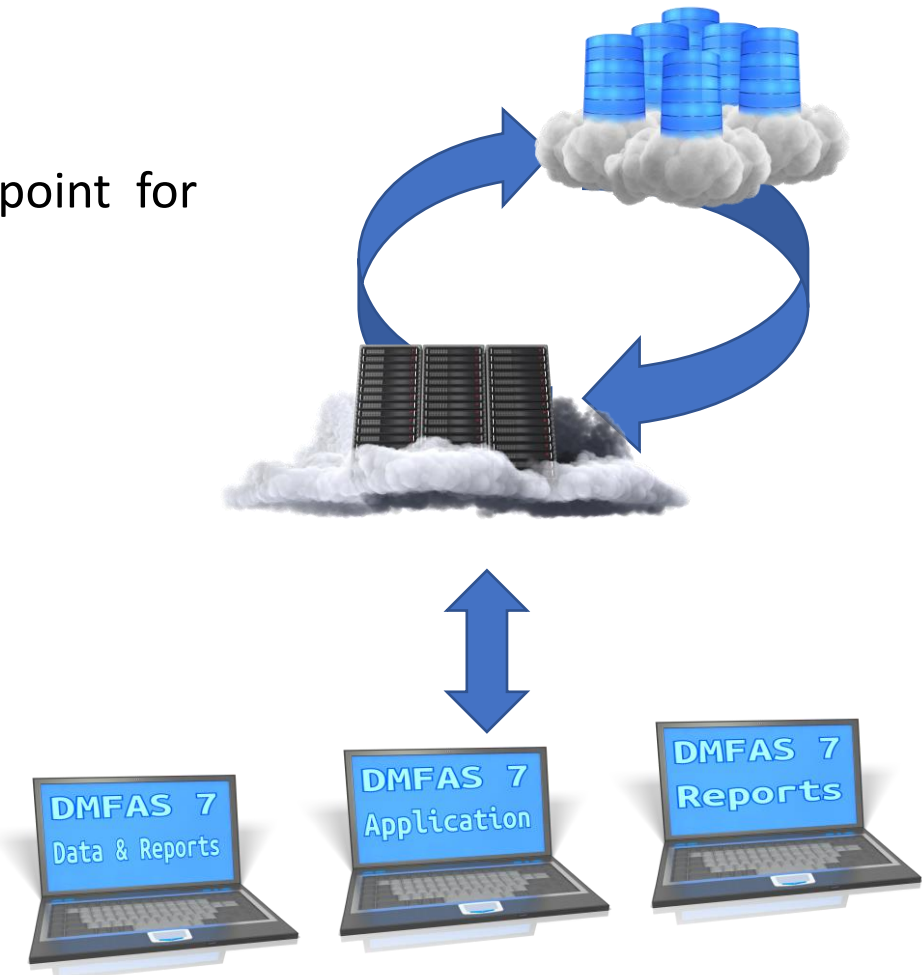
The screenshot displays the MFAS 7 user interface. The top navigation bar includes links for Dashboard, Recording (active), Monitoring, Reports, Analysis, Utilities, and Control Panel. Below this, a secondary navigation bar lists various instrument types: Reference Files, Negotiation, Debt Instruments (selected), Other Debt Instruments, Non-Debt Instruments, Debt Reorganization, and General. The main content area is titled 'Edit Loan' and features a progress bar indicating '1 mandatory fields remaining'. A sidebar on the left lists sections: General Information (in progress), Agreement Info (marked with a red asterisk), Other Details (checked), User Info, and Notes. The main form contains fields for Instrument ID (RKDEMOSEP2018), Status (HYPOTHETICAL), and Creditor Reference. A 'Full Name' field is also present. To the right, a 'Sections' panel lists five sections: 1. General Information (completed), 2. Agreement Info (marked with a red asterisk), 3. Other Details (checked), 4. User Info, and 5. Notes (checked). Below the main form, a 'Debt-DQA' (Debt-Data Quality Assessment) tool is shown, displaying three metrics: Coherence (10%), Timeliness (5%), and Correctness (2%), each with a corresponding gauge chart.

Metric	Value	Visual Indicator
Coherence	10%	Gauge chart showing 10% completion
Timeliness	5%	Gauge chart showing 5% completion
Correctness	2%	Gauge chart showing 2% completion

Technological benefits

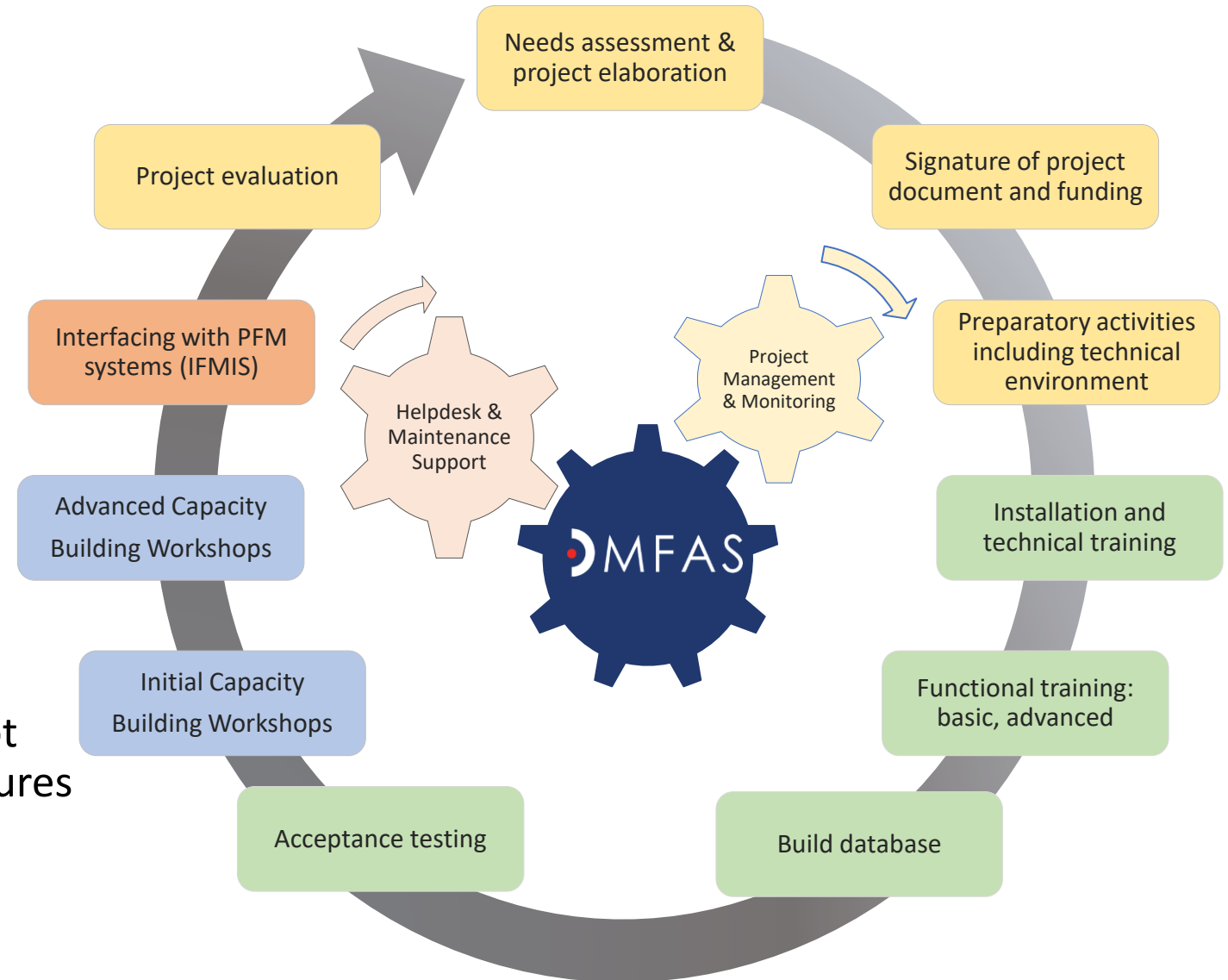


- ✓ **Full support for cloud computing**, taking advantage of the Architecture as a Service Model
- ✓ **Open Source** priority
- ✓ **Easy integration with other systems**, using one single entry point for information sharing, Web Services
- ✓ **Enhanced security and auditing** features.
- ✓ **Facilitated maintenance**, due to Microservices Architecture
- ✓ **Automated distribution** of updates
- ✓ **Multiple platform support** (Unix/AIX/Linux/Solaris)



New TC project with each country involving:

- Preparation of data for conversion
- Migration of DMFAS 5.3/6 database
- Technical training
- Functional training
- Support for upgrading IFMIS interfaces
- Capacity-building on data validation, debt statistics, debt portfolio analysis, procedures



Thank you

unctad.org/dmfas