
Meeting of the Inter-Agency Task Force on Finance Statistics

Minutes of the Meeting of Inter-Agency Task Force on Finance Statistics

**UNCTAD Headquarters, Geneva, Switzerland
March 29-30, 2007**

**Prepared by the Statistics Department
International Monetary Fund**

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Introduction

This note provides a summary of agreements and actions arising from the meeting of the Inter-Agency Task Force on Finance Statistics (TFFS) hosted by UNCTAD at the Palais de Nations in Geneva during March 29-30, 2007. The list of participants is in Appendix I.

In his opening statement, Mr. Heiner Flassbeck, Director of the Division on Globalization and Development Strategies welcomed the Task Force, stressing its role as a standing committee that enhances data quality by going deeper into finance statistics. As the host of the meeting, Mr. Gerry Teeling, Chief of the DMFAS Programme, welcomed participants and reaffirmed UNCTAD's commitment to continue actively participating in TFFS activities. Mr. Henri Laurencin, Head of the Central Statistics and Information Retrieval Branch, also made opening remarks, noting the need for further enhancing countries' external debt data availability.

The meeting was chaired by Ms. Lucie Laliberté, Deputy Director, IMF Statistics Department (STA). After expressing appreciation for UNCTAD's efforts in the organization of the meeting, Ms. Laliberté highlighted the main topics to be covered during the meeting. Following the document for information provided to the UN Statistical Commission meeting of February/March 2007, and in view of the evolution of the TFFS in responding to policy needs, she invited the members to examine the mandate, role, and responsibilities of the TFFS. It was agreed that this topic was to be further discussed at the last session of the meeting.

Thursday, March 29

Occasional reports on activities of TFFS agencies since March 2006

The agencies reported on recent activities relating to external debt statistics. The agencies distributed their occasional reports prior to the meeting.¹ The members welcomed the efforts made by ComSec and UNCTAD to support countries' production of external debt statistics, including capacity building activities. The members also expressed their appreciation to OECD, and Brian Hammond in particular, for their work on the Joint Debt Statistics table since 1999, and to the World Bank for hosting the Joint External Debt Hub (JEDH) since March 2006.

Punam Chuhan (World Bank) informed the TFFS on the South-South reporting initiative. This joint partnership between the World Bank, OECD (Development Assistance

¹ IMF (TFFS 07/03), UNCTAD (TFFS 07/04), ComSec (TFFS 07/05), BIS (TFFS 07/06), World Bank (TFFS 07/07), OECD (TFFS 07/08), and ECB (paper not numbered).

Committee), the Department of Economic and Social Affairs (UN DESA) and UNDP (particularly the Special Unit for South-South Cooperation) had resulted in the development of a questionnaire which sought to achieve an enhanced understanding of the development assistance provided by developing or transition countries, its relative importance in contributing to the needs of developing countries, and possible constraints to enhancing its effectiveness. Nine countries (Brazil, Chile, China, India, Malaysia, Russia, South Africa, Thailand, and Venezuela) were invited to participate in this survey. There had been mixed reaction from countries, and while the follow-up had not yet been decided, it was unlikely that another survey of that sort would be repeated.

Brian Hammond (OECD) felt that the lesson to take from the exercise was that agencies should look for opportunities to encourage important new donor countries to report using the DAC's established surveys and, in this context, noted that with regard to DAC reporting a very preliminary initial dialogue had started with the Chinese authorities. A further opportunity to encourage reporting may arise at an OECD/UNDP policy dialogue on development assistance to be hosted by Korea in September 2007. Karsten von Kleist (BIS) noted that the work with China to report BIS locational banking data was on-going and, while progress is being made, it is slower than initially anticipated. He also informed the TFFS of the BIS's plans to improve coverage of domestic securities, including data from developing countries. Brian informed that the OECD work would monitor both grants and loans to developing countries.

Robert Gadsby (ECB) provided an overview of the data work carried out within the European Community that is especially relevant to the Task Force work: the government finance statistics quarterly debt, the quarterly international investment position, and the security database project.

Eduardo Valdivia-Velarde (IMF) updated the TFFS on the progress with the IMF's proposed Coordinated Direct Investment Survey, a survey to measure direct investment positions by counterpart country, with a reporting date of end-2009. He noted that while the survey was likely to proceed a final decision by Fund management had not yet been taken.

Action points

1. The BIS agreed to share information on which central banks report data on domestic securities and, more generally, on what data are available.
2. On South/South data developments, the World Bank will inform on the subject during the next meeting and the OECD agreed to keep members informed periodically.
3. ComSec requested other agencies to keep them informed on external debt issues related to countries where their debt system is used, as ComSec does not itself collect data.
4. The Fund agreed to continue collaboration efforts in regional training activities on external debt with ComSec and UNCTAD (subject to budget constraints); particularly, considering that STA training on external debt statistics will be reduced significantly from 2008 onwards.

5. IMF will report back to the next TFFS meeting on progress with the CDIS.

Extension of the Quarterly External Debt Statistics (QEDS) to GDDS Participants

Following the IMF's (PDR, Ms. Guerguil) well-received presentation on the external debt data needs for low-income countries (LICs) (TFFS 07/11), the TFFS endorsed the IMF-World Bank project proposal to extend the QEDS to GDDS participating countries on a voluntary basis (TFFS 07/09). The main features of the project were agreed as follows:

- Minimum external debt requirements to participate would be consistent with the core data category in the GDDS—public and publicly-guaranteed external debt stock data, broken down by long- and short-term (original maturity) with quarterly periodicity and three to six month timeliness.
- Some flexibility for preliminary reporting of external debt stock data was agreed. Each quarter, countries could provide initially general government data only, with revisions to provide full public sector data in subsequent data provisions.
- Three external debt encouraged items:

External debt stock data broken down by instrument. Several members cautioned about the ability of countries to provide instrument detail.

Associated external debt-service payments schedule (principal and interest). The members agreed to the proposed encouraged debt service table.

Creditor data. The breakdown by type of creditor should separately identify multilateral and bilateral creditors. There was some interest in debt borrowing terms.

- The priority list of LICs for this stage of the project was agreed. The priority list will include LICs that have reached HIPC post-completion point and where data are readily available. The rest of the LICs priority list in the project proposal paper would be addressed in a later stage.
- The need for TA was discussed. The World Bank informed of the possible creation of a Trust Fund for such TA in mid-2008.

Action points

6. The IMF and the World Bank will prepare additional templates for the minimum external debt requirement and the creditor data in line with the *External Debt Guide*.
7. ComSec and UNCTAD agreed to identify in April 2007 the countries among the LICs priority list (and a few other countries) that are likely to be able to meet minimum requirements of the GDDS/QEDS project in the near future.
8. The IMF and the World Bank will jointly invite the countries identified as priority countries to participate in the pilot project.

9. ComSec and UNCTAD agreed to collaborate in the project's implementation subject to their own priorities.
10. The World Bank will inform on progress in the availability of TA funds that could facilitate the work of ComSec and UNCTAD with these countries.
11. The World Bank/IMF will report on progress on the project during the next meeting.

Enhancing creditor/market data in the JEDH

OECD informed that work on processing debt stock data on bilateral aid and non-trade credit loans had just been resumed based on funding provided by Austria for two years. Regarding export credits, OECD informed that the lack of funding for processing debt data remains the major constraint (TFFS 07/08). Nonetheless, a positive development had been the willingness of the OECD's export credit group to take ownership of export credit position data. On other hand, BIS informed that the regular provision of insured export credit data (total and short-term, original maturity) by the Berne Union to the BIS could start soon (TFFS 07/10). However, the Berne Union was having processing problems.

Action points

12. The OECD will make bilateral aid and non-trade credit loans data available on a comparable basis for 2002–2005 for inclusion in the JEDH by August 2007.
13. The BIS will inform agencies when Berne Union data will become available for inclusion in the JEDH. The first set could become available by end-April 2007.

Public sector debt statistics

Given that only a limited number of countries had reported data for the public debt template (PDT), the members agreed with the Fund's proposal to populate the PDT first with data available to the international agencies (TFFS 07/12). ComSec and UNCTAD should not make the PDT operational in their systems until this work be completed. It was agreed that LICs on the GDDS/QEDS project's priority list will not be contacted regarding the PDT project to avoid overloading them.

Action points

14. STA will populate the PDT with information available to agencies. No further additional data will be requested from countries at this stage.
15. To facilitate the work, a subgroup on Public Debt Statistics will be created. The subgroup will be chaired by the IMF and will also comprise the World Bank, ComSec, and UNCTAD. Work in Eurostat should also be drawn upon.
16. The Fund will report back on the PDT work during the next meeting.

Friday, March 30

Data validation and debt statistics

UNCTAD made a well-received presentation on the DMFAS approach for data validation, including its relationship with the external debt DQAF (TFFS 07/16). The cooperation between the DMFAS Programme and the International Organization of Supreme Audit Institutions (INTOSAI) was highlighted. The members welcomed this project and underlined that it should remain focused on debt recording without losing sight of the larger statistical picture.

The World Bank's government debt management performance measurement framework (GDM-PMF)

The World Bank made a presentation on its GDM-PMF, which is a methodology for assessing government debt management performance through a set of fifteen performance indicators. This is the cornerstone of the program to improve debt management in LICs by strengthening their capacity and institutions to manage government debt in an effective and sustainable manner (TFFS 07/18).

While there was general recognition of the importance of this initiative, and that it was a work in progress, a number of concerns were raised. These included: the need (i) for greater coordination with other agencies; (ii) for consistency with other external debt data initiatives, including the DQAF; (iii) to link the exercise with TA; (iv) to get buy-in from TA providers, and particularly the active involvement of ComSec and UNCTAD; (v) to link with the GDDS/QEDS project to disseminate public and publicly-guaranteed external debt data; (vi) to move ahead faster than the project's three-year time horizon; (vii) to link the work with the debt sustainability analysis; and, (viii) to link the work with the Paris Declaration on Aid Effectiveness, considering that strengthening public financial management is a key aspect for its implementation and that the GDM-PFM draws on some of the indicators of public management and deepens them. A joint World Bank/IMF (MCM) paper is being prepared on this initiative for the Executive Board.

Action points

17. The World Bank will report on progress on this initiative during the next TFFS meeting.

Capacity building in the production and dissemination of external debt data

ComSec presented its capacity building program on external debt data, including the main tools of intervention (hands-on training, debt data validation, advice on institutional arrangements), resources, and partnership with other agencies (TFFS 07/17). ComSec also discussed its main achievements, constraints, and challenges ahead. The members welcomed the comprehensive presentation of COMSEC and noted that its conclusions were common to the experiences of other agencies. The need to coordinate TA efforts was stressed and, as a first step, an exchange of information on TA activities could be initiated.

Action points

18. The capacity building issue would be further assessed during the TFFS meeting in 2008.

Public Sector Debt Statistics Guide

In response to the demand of several agencies, STA raised for discussion the need for a compilation guide on public sector debt statistics, which would draw on the PDT guidelines and the *External Debt Guide* (TFFS 07/15). The members agreed in principle with the need for a compilation guide. Most members expressed a willingness to be involved in its preparation, but requested a project outline before making any commitments.

Action points

19. The IMF will prepare a brief project outline including the potential level of involvement for agencies to make a decision about their level of potential participation. This will serve as input for the IMF to assess if and when to pursue this project within its budgetary allocation

Update of the *External Debt Guide* on issues emerging from the draft *BPM6*

Robert Heath (IMF) identified the major changes arising from the draft *BPM6* that will affect the *External Debt Guide*, inviting the members to review closely the two appendices on exceptional financing and debt reorganization. The members noted that changes have a limited effect on the *External Debt Guide*. Consequently, the Fund's proposal for the update (rather than a rewrite) to start in 2011 was agreed, with the objective of having the next *External Debt Guide* ready by 2013 (TFFS 07/20). Advice to countries on the appropriate methodological treatment between the completion of *BPM6* at end-2008 and when the *External Debt Guide* is updated needs to be considered. This is particularly relevant to the issue of arrears.

Action points

20. The members will provide written comments to the Fund on the exceptional financing and debt reorganization appendices.
21. The Fund will compile a list of issues to be addressed and provide updates annually at the forthcoming meetings.
22. The Fund will address the issue of providing advice to countries on the appropriate methodological treatment during the next meeting.

IIP and External debt comparison work

STA made a presentation on progress made on its new project to assess the consistency of external debt data reported by SDDS subscribers to the QEDS and corresponding international investment position (IIP) data reported to STA (TFFS 07/14). The main

findings based on comparator tables with end-2004 data and lessons learned were presented. STA will take stock of this exercise after the end-2005 data are analyzed but intends to continue with this initiative as part of its external debt quality work program. The members welcomed the continuing work on IIP and external debt comparison, as a method of improving external debt data quality.

Action points

23. The members will send comments to STA on the project's findings.

Survey on external sector data collection by agencies represented in the TFFS and the IMF Committee on Balance of Payments Statistics (the Committee)

The members welcomed the survey conducted by STA at the request of the Committee with the view to help agencies achieve a greater coordination in their data collection from countries (TFFS 07/13). The survey form benefited from comments made by several agencies represented in the TFFS and the Committee. Nineteen surveys from six agencies (BIS, ECB, Eurostat, IMF, OECD, and UNCTAD) were made available for review. It was identified that some surveys were missing.

Action points

24. At the request of OECD, STA will prepare a clearer explanation on how the survey will be used.

25. The members will provide comments on the reported information.

26. The Fund will present a final report to the Committee for discussion in October 2007. TFFS members will be kept informed.

Mandate, Role, and Responsibilities of the TFFS

The members reexamined the mandate, role, and responsibilities of the TFFS looking at a four-five year time span in the future. This was done in light of the composition of its membership and the tasks achieved so far. The membership represents a mixture of statistical and policy needs. The outputs evolved over the years, encompassing external debt methodology and data quality; external debt data, notably for LICs; public debt data requirements; and the JEDH, a valuable data platform initially focused on external debt and expanded to cover comprehensive creditor data, both debt and equity. The members stressed the need to maintain the collaborative efforts among agencies to coordinate their efforts and to be responsive to policy needs.

It was agreed that:

- Reporting to the UN Statistical Commission should continue.

- The identifier “Inter-Agency Task Force” was no longer appropriate and be replaced by “Inter-Agency Group,” subject to approval by the UN Statistical Commission.
- The term “finance statistics” was to be retained as the outputs of the Group deal with financial activities of the various sectors of the economy notably as measured by position data.
- The scope of its work should encompass finance statistics, both domestic and external, notably on debt, and continue to be responsive to policy makers’ concerns.

Action points

27. Submit the name “Inter-agency Group on Finance Statistics (IAGFS) for approval by the UN Statistical Commission.
28. Develop an outline of functions of the IAGFS focused on methodology, quality, availability, and coordination among agencies on finance statistics, notably debt, and related issues. The outline should be flexible enough to allow the work of the TFFS to evolve to meet emerging policy needs.

Next meeting

The members agreed to meet again in Washington D.C. in February or March 2008. The meeting will be hosted by the Fund. The exact dates are to be set in around six months, when the schedule of other international meetings is better known.

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