

**Twentieth Meeting of the  
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**Activities of the Inter-Agency Task Force on Finance Statistics (TFFS)  
Since the Last Committee Meeting**

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International Monetary Fund**

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## **Activities of the Inter-Agency Task Force on Finance Statistics (TFFS) Since the Last Committee Meeting**

### **EXECUTIVE SUMMARY**

*The annual meeting of the Inter-Agency Task Force on Finance Statistics (TFFS)<sup>1</sup> at UNCTAD's headquarters in Geneva on March 29-30, 2007 was an occasion to discuss the following: a new project to extend the World Bank debt database to GDDS participants; the availability of public sector debt statistics; the results of a survey on external sector data collection (a paper for discussion is in the agenda of the Committee); work on methodology, including the update of the External Debt Guide on issues emerging from BPM6 and the need for a public sector debt compilation guide; quality of external debt data work; and capacity building, including training on external debt statistics. The TFFS, a valuable forum that promotes inter-agency cooperation in the field of debt statistics, both domestic and external, also discussed its role, mandate and action plan. This report is provided to the Committee members for information.*

### **I. AVAILABILITY OF EXTERNAL DEBT DATA**

#### **National data**

1. With regard to data from national sources, the IMF and the World Bank have continued work on promoting the availability and monitoring the quality of data provided by countries for dissemination in the Quarterly External Debt Statistics (QEDS) database. Since the last meeting of the Committee in October 2006, five countries (Bolivia, Bulgaria, India, Moldova, and Paraguay) have agreed to participate, bringing to 60 the number of countries currently providing data to QEDS. These data are the source of national data for the JEDH.
2. In an IMF Executive Board meeting in late 2006, Directors stressed the importance for the IMF and the World Bank in supporting sustained efforts aimed at improving the quality and availability of data on overall financial flows to low-income countries (LICs). To this end, the IMF and the World Bank designed a project to promote timely dissemination in standard formats of external debt data by extending QEDS to GDDS participants, primarily to LICs.
3. The TFFS endorsed the GDDS/QEDS project. The minimum requirements to participate are consistent with the *External Debt Guide* and the GDDS framework—public and publicly-guaranteed external debt stock data, broken down by maturity with quarterly

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<sup>1</sup> The TFFS agencies represented in the meeting were the BIS, Commonwealth Secretariat (ComSec), European Central Bank, IMF, OECD, UNCTAD, and the World Bank—the other TFFS agencies, Eurostat and the Paris Club Secretariat did not attend.

periodicity and 3-to-6 months' timeliness. The project also encourages the dissemination of the associated debt-service payment schedule (principal and interest), creditor sector data, and instrument breakdown. In August 2007, a relatively small number of GDDS countries were invited to participate. The group includes 12 HIPC post-completion point (including a few other LICs) that are likely to meet minimum requirements of the project—several countries have already expressed their willingness to participate. The project is expected to be launched by end-2007.

### **Creditor/Market Data in the JEDH**

4. The creditor data series comprise (i) loans and other credits, (ii) debt securities, (iii) supplementary information (officially supported trade-related credits and debt securities held by nonresidents), and (iv) memorandum items covering international reserves (excluding gold), portfolio investment assets, and total cross-border deposits with foreign banks. A country breakdown of counterpart countries is also provided for some of these series.

5. As reported to the Committee in October 2006, the OECD secured in 2006 the funding for the resumption of the compilation of bilateral loans. It is expected that by end-2007, the OECD would cleared the backlog of work on bilateral loans, which would make it possible to feature bilateral loans data series in the JEDH up to end-2005, in a first stage.

6. The BIS has continued working with the Berne Union (International Union of Credit and Investment Insurers), following the mandate of the TFFS to provide an alternative data source for export credits. The Berne Union has submitted to the BIS successive sets of data for testing purposes. The coverage of the data has been clarified. Metadata have been drafted and agreed among the Agencies of the TFFS Sub-group. To reflect some discrepancies with the methodology of the *External Debt Guide*, the new data will be labeled “insured export credit exposures” and will be shown as supplementary information, rather than core data. They are expected to be published in the near future.

## **II. AVAILABILITY OF OTHER DATA**

### **Public Sector Debt Statistics**

7. As reported to the Committee in October 2006, the IMF conducted a prototype compilation exercise based on the framework set out in the public sector debt template (PDT).<sup>2</sup> Several countries were approached but few countries responded positively to this initiative.

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<sup>2</sup> The PDT initiative aims at developing a uniform presentation of public sector statistics base on recognized methodologies—*Government Finance Statistics Manual (GFSM 2001)* and the *External Debt Guide*—and promoting public debt statistics through international cooperation in debt reporting, technical assistance, and IMF surveillance work. The PDT covers the nonfinancial public sector, comprising the central government, state and local governments, and nonfinancial public corporations, and prescribes data broken down by residency, instrument, currency, maturity, and interest rate.

However, some interesting conclusions may be drawn: (i) general government is the institutional coverage for which countries can most easily report public debt data; (ii) the PDT framework proved to be flexible enough to accommodate a wide range of country specifics; (iii) all dimensions of the PDT proved to be relevant from an analytical perspective; (iv) data compilation in line with the PDT framework would require significant enhancement of accounting and information data systems; and (v) high level of coordination between reporting agencies is required at a national level to improve public debt data.

8. Given that only a limited number of countries reported data for the PDT, the TFFS agreed with the IMF's proposal to populate the PDT first with data available to the IMF and other international agencies. The IMF will enhance cooperation, at country level, with other international agencies that are already providing technical assistance in debt statistics (e.g., ComSec and UNCTAD) to ensure that debt management software promoted by those partners is supportive of the PDT statistical needs.

### **Survey on External Sector Data Collection by Agencies (TFFS and the Committee)**

9. Following the request of the Committee in October 2006, the IMF—in consultation with international agencies represented in the TFFS and the Committee—designed a brief survey to get an initial overview of the external sector data collected by international agencies, with the view to help them achieve greater coordination in their data collection from countries. Nineteen surveys from six international agencies (BIS, ECB, Eurostat, IMF, OECD, and UNCTAD) were made available to TFFS members for review. A final report is being presented to the Committee for discussion.

## **III. METHODOLOGY**

### **Update of the *External Debt Guide* on Issues Emerging From *BPM6***

10. The IMF identified the major changes arising from the draft *BPM6* that will affect the *External Debt Guide*, and reviewed the two appendices on exceptional financing and debt reorganization. Considering that changes have a limited effect on the *External Debt Guide*, the IMF's proposal for the update (rather than rewrite) to start in 2011 was agreed, with the view of having the update ready in 2013. Advice to countries on the appropriate methodological treatment (particularly relevant to the issue of arrears) would be provided between the completion of *BPM6* at end-2008 and when the *External Debt Guide* is updated.

### **Public Sector Debt Guide**

11. In response to the demand of several of its members, the TFFS agreed in principle with the need for a guide on public sector debt to enhance the technical abilities of officials at the national level to compile public debt statistics that are consistent with the PDT and the *External Debt Statistic Guide*. The IMF commenced work on developing an outline for the

guide and will report on progress at the next TFFS meeting along with possible involvement of other international organizations and TFFS members in the preparation of the guide.

#### IV. QUALITY OF EXTERNAL DEBT DATA

##### External Debt Data Quality Framework (External Debt DQAF)

12. The External Debt DQAF has become a useful tool in external debt training activities conducted by the IMF and other TFFS agencies since mid-2005. The IMF also uses the External Debt DQAF in designing and monitoring technical assistance programs and data and metadata dissemination practices. At the request of an IMF member country, and in coordination with the IMF's European Department, the IMF for the first time will assist the country's authorities in assessing the quality of its external debt statistics through the use of the External Debt DQAF.

##### IIP/External Debt Comparison Work

13. The IMF continued with the project initiated in 2006 with the view to assess the consistency of external debt data reported by Special Data Dissemination Standard (SDDS) subscribers to QEDS and corresponding data series in the international investment position (IIP).<sup>3</sup> During the first half of 2007, the project also included end-2005 data. The exercise revealed that for several countries the differences between both datasets were reduced significantly from those revealed in the previous year's exercise. When appropriate, the comparator tables were sent to countries' authorities for comments. In general, the response to the project has been quite positive. Many countries overcame the different treatment of debt instruments in both datasets. Some countries indicated that they would resolve the differences in their next data submission, and others identified next steps for closing the gaps. The IMF will continue such crosschecking as part of its on-going external debt quality program.

#### V. CAPACITY BUILDING

##### Training On External Debt Statistics

14. During 2007, the TFFS agencies continued making a significant contribution in promoting best practices in the compilation and dissemination of external debt statistics through joint training activities to build countries' capacity building based on the *External Debt Guide*. The IMF—with the collaboration of the BIS, ComSec, ECB, UNCTAD, and the World Bank—conducted the second HQ-based course on external debt statistics in September. Training on external debt statistics during 2007 also include six regional courses in West

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<sup>3</sup> Also, in 2007 the IMF's Statistics Department posted new annual SDDS observance reports that include a review of the subscribing countries' observance of their SDDS undertakings regarding the data coverage, periodicity and timeliness. The reports are available at <http://dsbb.imf.org/Applications/web/getpage/?pagename=annualobservancereports&Year=2006>

AFRITAC (Senegal, February), East AFRITAC (Kenya, February), UNCTAD Regional Workshop (Panama, April), ComSec Regional Workshop (Australia, August), the Joint Vienna Institute (Austria, October), and the Joint Africa Institute (November). These courses focused on providing training in the methodology and practices of compiling and disseminating external debt statistics to mid-level compilers. However, IMF training on external debt statistics will be reduced significantly from 2008 onwards as more emphasis is placed on training compilers for the new *BPM6*.

15. In addition to the regional activities mentioned above, COMSEC and UNCTAD also provide support to countries in the production and dissemination of external debt statistics. UNCTAD has been doing so through national and regional workshops on debt statistics and data validation. The latter workshops are intended to promote regular validation procedures that will ensure that the countries' debt databases are complete, accurate, and consistent, so that the statistics produced are timely and reliable. So far in 2007, UNCTAD conducted three national workshops on debt statistics (Honduras in February, Democratic Republic of Congo in May, Venezuela in October) and three on data validation (Iraq in July, El Salvador in October and Nicaragua in October). COMSEC also continues to focus on debt data quality and integrity issues and assists users in data dissemination. During 2007 so far, COMSEC has organized three regional workshops on CS-DRMS and external debt statistics in Lagos, Nigeria; Perth, Australia and Yaoundé, Cameroon. To improve external debt data quality, COMSEC also ran country specific missions during 2007 in Botswana, Guyana, India, Kenya, Mozambique, Malawi, and Mauritius.

### **World Bank Government Debt Management Performance Assessment Tool (DEMPA)**

16. The World Bank presented a methodology for assessing government debt management performance through a set of 14 performance indicators, two of which relate to recording and reporting of debt data. The DeMPA tool has been field-tested in five low-income countries and its applicability assessed in context of sub-national entity. While there was general recognition of the importance of this initiative, a number of concerns were raised by TFFS members, including the need for (i) greater coordination with other agencies; (ii) consistency with other external debt data initiatives, including the DQAF; (iii) for active involvement of ComSec and UNCTAD; and (iv) to link the work with the GDDS/QEDS project and with the debt sustainability analysis.

17. Significant progress has been made along these lines including revising the tool based on comments received from peer revisers, the IMF, ComSec, UNCTAD, and DRI. The revised version of the tool issued along with a Guide, that explains the rationale for each indicator and provides supporting material to facilitate an assessment, has been disseminated and placed on the World Bank's website. In September 2007, the DeMPA tool and Guide were presented at seminars organized by the IMF, Debt Relief International, and at the IMF's HQ-based course on External Debt Statistics. The World Bank has received valuable technical feedback on the performance indicators and broad support for the implementation of the tool. As part of the next steps, a 2-day course is being organized in November to provide participants an

understanding of the scope, coverage and application of the DeMPA Tool. The World Bank will report progress on this initiative during the next TFFS meeting.

## **VI. FORWARD WORK PROGRAM**

18. In developing the way forward at its meeting in Geneva on March 29-30, 2007, the TFFS took stock of the progress to date. After reexamining its mandate, role, and responsibilities, TFFS members agreed that its work should focus on methodology, quality, availability, and coordination among agencies on financial positions statistics, both domestic and external—notably on debt—and related issues, and should continue to be responsive to policy makers’ concerns. The TFFS also agreed to continue reporting to the UN Statistical Commission and to submit for its approval the name “Inter-agency Group on Finance Statistics”. The TFFS will next meet in Washington DC in February/March 2008.