

**Twenty-Second Meeting of the  
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**Activities of the Inter-Agency Task Force on Finance Statistics (TFFS) Since the  
2008 Meeting of the IMF Committee on Balance of Payments Statistics**

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# Activities of the Inter-Agency Task Force on Finance Statistics (TFFS) Since the 2008 Meeting of the IMF Committee on Balance of Payments Statistics

## EXECUTIVE SUMMARY

*The annual meeting of the Inter-Agency Task Force on Finance Statistics (TFFS)<sup>1</sup> at the BIS headquarters in Basel, Switzerland on March 19-20, 2009 was an occasion to discuss progress in the preparation of the public sector debt guide, the considerable increase in participation of GDDS countries in the QEDS database, the collection of total central government debt data by the World Bank, the paper on the upcoming changes in the External Debt Guide resulting from the adoption of BPM6, and further enhancements of the TFFS website launched in December 2008. This report is provided to Committee members for information.*

### I. METHODOLOGICAL WORK

#### A. Public Sector Debt Guide

1. Important progress has been made in the preparation of the *Public Sector Debt Guide (PSDG)*. During the March 2009 TFFS meeting, agencies broadly agreed with the revised annotated outline prepared by the IMF, which now includes guidance for the entire public sector (financial and nonfinancial). The IMF distributed for comments the first two chapters of the guide: Definitions and Accounting Principles (Chapter 1) and Identification of Debt Instruments and Institutional Sectors (Chapter 2). The need for agencies to identify their intended specific contributions (boxes, tables, case studies, and country cases) was highlighted.
2. The TFFS emphasized that the *PSDG* should be consistent with *BPM6* and *2008 SNA*, as well as with other manuals including the *GFSM 2001*, the *External Debt Guide*, and the Handbook on Securities Statistics. The TFFS highlighted the importance of the *PSDG* being a cooperative effort of all agencies, as was the case with the *External Debt Guide*.
3. In July 2009, the IMF distributed to TFFS agencies a timetable for drafting the additional chapters/appendices of the *PSDG* to facilitate agencies' interaction in the writing process with the view of preparing a full draft version of the *PSDG* for agencies' review at the 2010 TFFS meeting.

#### B. Update of the External Debt Guide on Issues Emerging from *BPM6*

4. The paper "Update of the *External Debt Guide* on issues emerging from *BPM6*" was posted for public comments on the TFFS website ([www.tffs.org](http://www.tffs.org)) and the IMF website (<http://www.imf.org/external/data.htm#guide>) in April 2009. Comments were requested by

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<sup>1</sup> The TFFS agencies represented in the meeting were the BIS, Commonwealth Secretariat (ComSec), European Central Bank (ECB), EUROSTAT, IMF, OECD, Paris Club Secretariat, and UNCTAD. The World Bank participated during the second day of the meeting through teleconference.

October 2009. The paper contains a brief description of the changes in methodology or recording in *BPM6* and the appropriate corresponding change in the *External Debt Guide*. The paper is intended to provide information to external debt statistics compilers and users on the upcoming changes in the *External Debt Guide*. The paper was prepared by the IMF and endorsed by the TFFS during its March 2009 meeting.

5. The TFFS agreed that work on the update (rather than a rewrite) of the *External Debt Guide* will be more intensively undertaken beginning in 2011 with the objective of having the next *External Debt Guide* ready by 2013. It was noted that the *External Debt Guide* remains largely consistent with the new standards; even so, a substantial amount of work is involved.

6. The paper also invites public comment on potential changes in the reporting of data in standard tables. In particular, the IMF raised for discussion whether traded debt instruments be presented at market value in the main standard tables of the *External Debt Guide*, with the addition of a memorandum table presenting the nominal value of traded debt instruments (broken down by sector and by maturity). This refinement and clarification of the standard tables would be a change that does not result from the adoption of *BPM6*. The *External Debt Guide* recommends that “debt instruments traded (or tradable) in organized and other financial markets be valued at both nominal and market value” (paragraph 2.42), and this advice is unchanged with the adoption of *BPM6*. Unfortunately, partly because the *External Debt Guide* does not fully articulate the valuation basis that is to be used in most of the standard tables, many countries disseminate traded debt instruments data only on a single valuation basis (either nominal or market value basis). The TFFS agreed that further discussion on how to present traded debt instruments in the main standard tables was needed.

## II. AVAILABILITY OF DEBT DATA

### A. JEDH Issues

7. The first triennial review of the Joint External Debt Hub (JEDH) Service Level Agreement (SLA) was conducted by written procedure by the subgroup of the TFFS (comprised of the BIS, IMF, OECD, and World Bank), and no changes were needed at this stage.

8. The TFFS agreed on several improvements to the JEDH ([www.jedh.org](http://www.jedh.org)) to be implemented in collaboration with the IMF, BIS, and OECD, as appropriate. They include: (i) the extension of JEDH to QEDS data on public and publicly-guaranteed external debt reported by GDDS countries; (ii) enhancing the printing facilities and the formatting of JEDH tables; (iii) facilitating access in the JEDH to the QEDS database and the TFFS website; (iv) overcoming technical issues related to the posting 2004-2005 OECD official bilateral loans position data; (v) reviewing historical OECD exports credits data and re-posting these data on the JEDH; and (vi) posting the “JEDH key family” on the JEDH.

9. A number of these enhancements to the JEDH have been implemented subsequent to the 2009 TFFS meeting, and work is ongoing in order to implement of all them prior to the next TFFS meeting. In particular, the OECD has successfully resumed work on the

preparation of official bilateral loans position data suspended at the end of 2004 due to budgetary constraints. Annual data series were completed for 2004-2007 and posted on the JEDH in July 2009. Nevertheless, OECD has not yet been able to reinstate the regular compilation of export credit position data, also suspended at the end of 2004 due to resources constraints.

10. Two new changes to the JEDH creditor/market tables are being considered:
- The inclusion of two new lines on total claims held by Paris Club creditors for individual debtor countries (including metadata), based on data available at the Paris Club website, disaggregated into official development assistance (ODA) and non-ODA.
  - The inclusion of two new lines in order to implement the treatment of SDR allocations as a new external debt instrument in line with *BPM6* (see paragraph 13 below). The first line will present the SDR allocation as an external debt liability and the second line will separately identify the SDR holdings (as an “of which” item) included in reserve assets.

## **B. World Bank Debtor Data**

11. The participation of GDDS countries in the Quarterly External Debt Statistics (QEDS) database ([www.worldbank.org/qeds](http://www.worldbank.org/qeds)) has increased considerably in the past 12 months. As of September 2009, forty-three GDDS countries have agreed to participate and 28 countries have reported quarterly external debt data. A year ago, 16 countries had agreed to participate, of which only ten had reported data. Along with the quarterly public and publicly-guaranteed mandatory external debt data (Table 1 in the GDDS/QEDS database) provided by these countries, most of them also report data for Table 2 (debt-service payment schedule), Table 3 (creditor sector information), and Table 4 (instrument breakdown). In addition, six GDDS countries are also disseminating their total external debt position data according to the prescribed SDDS format (Albania, Bolivia, Jordan, Georgia, Macedonia, and Paraguay). Progress in the extension of GDDS participation in the QEDS database has benefited from the active collaboration of ComSec and UNCTAD.

12. The number of SDDS subscribers reporting data to the QEDS database has increased. Two additional SDDS subscribers (Luxembourg and Romania) recently initiated participation, bringing to sixty the number of subscribers reporting to the QEDS database (currently there are 64 SDDS subscribers).

13. One methodological change introduced in *BPM6* and *2008 SNA* is the recognition of the SDR allocation as a long-term external debt liability. Considering the magnitude of the recent SDR allocations to IMF member countries (US\$ 250 billion in August and US\$ 33 billion in September 2009), the IMF decided to adopt immediately the *BPM6* treatment consistently for all countries and to include the SDR allocation as an external debt liability in IMF data publications, such as the *International Financial Statistics (IFS)*. Consistent with this decision, the IMF consulted with all TFFS agencies and obtained unanimous agreement on the new treatment, and then wrote to countries’ authorities informing how SDR

allocations should be reported. After consulting with TFFS agencies, the World Bank will encourage QEDS participants (both GDDS participants and SDDS subscribers) to report the SDR allocations as an external debt liability. Also, the World Bank will write to QEDS correspondents providing guidance for appropriate reporting of their SDR allocations and requesting them to include an explicit reference in their QEDS metadata identifying any departure from the international standards. The increase in the gross external debt due to the SDR allocation will be reflected in the 2009Q3 data starting in the January 2010 QEDS data release.

### **C. Central Government Debt Data**

14. After discussion of different dimensions of a World Bank proposal for the collection of domestic debt data, during which time several agencies raised questions about possible overlaps with other data initiatives and the need for methodological consistency, the TFFS suggested that the World Bank focus on collecting total central government debt data. To this end, the World Bank, in collaboration with the IMF, is working in the preparation of a data template, based on the SDDS framework, to collect total central government (domestic and external) debt data for a selected group of developing countries. Data will be collected quarterly on an aggregate basis, and regardless of the location of issuance or the residency of the creditor (debt holder). The World Bank will update TFFS agencies on progress in the implementation of this initiative.

## **III. CAPACITY BUILDING**

### **A. Training on External Debt Statistics**

15. As mentioned in last year's report, training on external debt statistics has been reduced to accommodate training in *BPM6* and *CDIS*. During 2008, a two-week course on IIP and external debt statistics was conducted by the IMF in Pune, India, in collaboration of the BIS, ComSec, and UNCTAD. During 2009, the IMF conducted the third HQ-based course on external debt statistics, with the collaboration of the BIS, ComSec, the Paris Club Secretariat, and UNCTAD. This year's course was extended to four weeks (previously, courses lasted three weeks) and included, for the first time, training on public sector debt statistics issues. The HQ-based course on external debt statistics is given every other year. In addition to these training activities, ComSec and UNCTAD also provide support to countries in the production and dissemination of external debt statistics.

16. ComSec has continued to experience increased demand from member countries for assistance and training in external debt statistics. During 2008, ComSec organized a training course for officials in The Gambia in the production of external debt statistics for debt sustainability analysis. This course was attended by officials from the Central Bank and Department of Finance and Economic Affairs. A similar course was organized for senior policy makers and analysts in Belize in September 2008. Other country courses in external debt statistics were held in 2008 in Cameroon, Jamaica, and Mauritius. In December 2008, ComSec conducted a HQ workshop on GDDS/QEDS debt reporting requirements for ComSec GDDS countries. This workshop, which will be held again in early 2010, sensitized debt compilers from 32 countries on the GDDS and QEDS debt reporting initiatives. The

workshop also discussed how the ComSec's Debt Reporting and Management System (CS-DRMS) could assist countries in reporting under internationally agreed debt reporting initiatives. In 2009, ComSec has organized additional training in external debt reporting and statistics using CS-DRMS, in Mauritius and Papua New Guinea. In July 2009, ComSec participated in the IMF HQ-based external debt statistics course.

17. Similarly, during 2008 UNCTAD conducted a number of national workshops and follow-up missions: debt statistics workshops (8), debt statistics follow-up missions (3), data validation workshops (7), data validation follow-up missions (4), DMFAS functional training (20), DMFAS technical training (14), IFMIS workshops (7), and technical support missions (3). In addition, it conducted its first debt portfolio analysis regional workshop in Jordan. UNCTAD also co-organized a regional DMFAS 5.3 Training for Trainers workshop with MEFMI in Uganda. UNCTAD will release the new version of its debt management software (DMFAS version 6.0) during its Seventh Debt Management Conference and Advisory Group Meeting on 9-13 November 2009. This major release will be a comprehensively enhanced version of the system, with new modules on debt securities, auction, debt analysis, debt reorganization, private sector external debt, and short-term external debt. DMFAS version 6.0 will also include significantly enhanced features on reporting, security, and the DMFAS Portal. It will also be web-enhanced and will apply a modular approach to adapt to specific clients needs.

#### **IV. TFFS WEBSITE**

18. The TFFS website ([www.tffs.org](http://www.tffs.org)) is hosted by the IMF and was launched in December 2008 in close collaboration with all TFFS agencies. The website includes relevant documentation in terms of the main activities of the TFFS (methodology, data availability, data quality, and capacity building); TFFS meetings and reports (agendas, minutes, activity reports of the attending agencies since 2008, and reports to BOPCOM and the UN Statistical Commission); and additional documents and links to related sites. As agreed during the 2009 TFFS meeting, several agencies have included a hyperlink to the TFFS website from the agencies' websites to foster awareness and access by the public. The TFFS agreed to discuss at its the next meeting whether—in addition to the agencies' occasional reports posted since 2008—other agencies' nonconfidential documents would be posted to the TFFS website.

#### **V. FORWARD WORK PROGRAM OF THE TFFS**

19. The TFFS has become an effective forum to make operational inter-agency coordination in external and public debt statistics. The work program for the next 12 months includes: (i) completion of a full draft version of the public sector debt guide; (ii) extension of coverage in the QEDS; (iii) progress on collecting total central government debt position data by the World Bank; and (iv) further improvements in the JEDH and TFFS websites.

#### **VI. NEXT MEETING**

20. The TFFS will next meet in Washington D.C. in March 4-5, 2010, at the World Bank Headquarters.