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**Progress Report on the Work of the Inter-Agency
Task Force on Finance Statistics**

**Prepared by the Statistics Department
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Progress Report on the Work of the Inter-Agency Task Force on Finance Statistics

EXECUTIVE SUMMARY

1. This report provides an update of the main activities of the Inter-Agency Task Force on Finance Statistics (TFFS) since the 2010 meeting of the IMF Committee on Balance of Payment Statistics (Committee). The annual meeting of the TFFS¹ at the Commonwealth Secretariat (ComSec) Headquarters in London, United Kingdom on March 3-4, 2011 was an occasion to discuss progress in the preparation and dissemination of the *Public Sector Debt Statistics (PSDS) Guide* and the Public Sector Debt (PSD) Statistics Database; proposals for the structure and timetable for the update work of the *External Debt Statistics (EDS) Guide*; enhancements to the Joint External Debt Hub (JEDH); and countries' participation in the Quarterly External Debt Statistics (QEDS) database. This report is provided to the Committee members for information.

I. METHODOLOGICAL WORK

A. *Public Sector Debt Statistics (PSDS) Guide*

2. During the March 2011 TFFS meeting, the IMF presented the work done since the last TFFS meeting regarding the *PSDS Guide*. In August 2010, the draft *PSDS Guide* was posted on the TFFS website for worldwide comments until October 2010. In December 2010, the revised draft was sent to the TFFS agencies. The TFFS agencies agreed in co-signing the *PSDS Guide* to be consistent with the successful approach taken with the *EDS Guide*, and considered ways to actively promote the *PSDS Guide* after publication, including through workshops, seminars, and other similar activities. The pre-publication version was posted on the TFFS website (www.tffs.org/PSDStoc.htm) in May 2011, and is subject only to final editing for publication in book form.

B. *Update Work of the External Debt Statistics (EDS) Guide*

3. The IMF's Statistics Department (STA), in consultation with the TFFS, has initiated work on the update of the *EDS Guide* to take account of changes introduced by the *BPM6* and *2008 SNA*. Changes proposed to the *EDS Guide* are identified in the paper *Update of the External Debt Guide on Issues Emerging from BPM6* posted on the TFFS website (<http://www.tffs.org/method.htm>). These issues were approved at the March 2009 meeting of the TFFS. Overall, the *EDS Guide* remains largely consistent with the updated standards. Only a limited number of changes in the *BPM6* will require changes in the methodological

¹ The TFFS agencies represented in the meeting were the BIS, Commonwealth Secretariat (ComSec), European Central Bank (ECB), EUROSTAT, IMF, OECD, UNCTAD, and World Bank. The Paris Club Secretariat did not attend the meeting.

framework or clarifications of the methodological treatment in the *EDS Guide*. Therefore, the TFFS agreed on the update (rather than a rewrite) of the *EDS Guide*.

4. During the 2011 TFFS meeting, the IMF presented for discussion a paper on the Update Work of the *EDS Guide*, where proposals for the structure and timetable for the update work were included. These proposals were agreed by the TFFS agencies, with the view to maintain the overall structure of the *EDS Guide* while limiting duplication of topics covered in other manuals and guides. The proposed timetable for the update work was confirmed. Key dates for this update work are: (i) the presentation of an update version of Part I (Conceptual Framework) at the 2012 TFFS meeting; (ii) the complete first draft version of the *EDS Guide* for worldwide comments in September 2012; (iii) the presentation of the revised complete version for the TFFS endorsement at the 2013 TFFS meeting; and (iv), the completion of the prepublication version of the *EDS Guide* by September 2013.

II. AVAILABILITY OF DEBT DATA

A. JEDH Issues

5. A number of enhancements to the JEDH have been implemented subsequent the 2010 Meeting of the Committee. The World Bank has been working with the IMF to align the JEDH database to the *BPM6* by including SDR allocation and holdings. Some other changes were made to the creditor/market table, including the addition of Paris Club claims broken down into aid and non-aid, and better identification of insured export credit exposures data provided by the Berne Union. The JEDH agencies (BIS, OECD, World Bank, and IMF) approved by email exchange the update of Table 1 of the JEDH Service Level Agreement (SLA) to reflect the changes made to the creditor/market table. During the 2011 TFFS meeting, the JEDH agencies indicated that they will propose additional presentational changes to the JEDH. These institutions are currently working in a revised version of the creditor/market table.

B. World Bank Quarterly External Debt Statistics (QEDS) Database

6. Good progress is being made in the countries' participation in the QEDS database (www.worldbank.org/qeds). As of end-September 2011, 64 SDDS subscribers and the Euro Area reported data for Table 1 (gross external debt position by sector—prescribed SDDS category), 24 economies reported data for Table 2 (foreign currency and domestic currency external debt position-SDDS encouraged item), 13 economies reported data for Table 3 (debt service payment schedule-SDDS encouraged item), and 26 economies reported at least one of the six supplementary tables. In addition, 38 GDDS participants have reported external debt position data for the QEDS, of which seven countries reported the gross external debt position data by sector (SDDS prescribed category).

7. After consulting with the TFFS agencies, the World Bank has encouraged QEDS participants (both SDDS subscribers and GDDS participants) to report their SDR allocations

as an external debt liability. The World Bank communicated with the QEDS correspondents to provide guidance for appropriate reporting of their SDR allocations and request them to include an explicit reference in the QEDS metadata identifying any departure from the international standards. As of end-September 2011, forty-eight participants have included the SDR allocations in their total external debt position, including 34 SDDS subscribers.

C. Public Sector Debt (PSD) Statistics Online Centralized Database

8. To improve the international availability and comparability of public sector debt data, the World Bank and the IMF, in coordination with other TFFS agencies, launched the public sector debt (PSD) statistics online database in December 2010 (www.worldbank.org/qpsd). The main purpose of the PSD statistics database is to facilitate timely dissemination in standard formats of public sector debt statistics. By presenting such data in a central location, the database will support macroeconomic analysis and cross-country comparisons.

9. As of end-September 2011, 34 economies have provided position data for the PSD statistics database, out of which 31 economies reported 2011Q1 data. The PSD statistics database comprises quarterly data, mainly from developing/emerging market countries, on gross public sector debt position at nominal value. The following is the range of sectors for which quarterly data can be provided: (1) general government; (2) of which, central government; (3) of which, budgetary central government; (4) nonfinancial public corporations; (5) financial public corporations; and (6) total public sector. The database includes position data by both original and remaining maturity (short term and long term), broken down by instrument, as well as position data by currency of denomination (domestic and foreign currency) and by residence of the creditor (domestic and external creditors). The participation of countries in the PSD statistics database is voluntary. The minimal requirement is reporting central government debt position data by type of instrument.

10. The World Bank and the IMF will continue encouraging all emerging countries to join the initiative. In consultation with other TFFS agencies, the World Bank and the IMF will also invite advanced economies to report existing data on the debt of general government sector to the PSD statistics online centralized database. In approaching advanced economies, the TFFS stressed the need of placing particular emphasis in avoiding duplication and inconsistencies with reporting templates that are required by other international agencies.

III. CAPACITY BUILDING

A. Training on External Debt Statistics

11. During August 29-September 22, 2011, the IMF conducted the fourth HQ-based course on external debt statistics. These courses are held every other year since 2005. Thirty-nine participants from all regions attended the course. As in previous years, the 2011 HQ-based course benefitted from the participation and expertise of staff from several TFFS

agencies (BIS, ComSec, ECB, UNCTAD, and the World Bank), as well as government officials from the US Federal Reserve Board and the Bureau of Economic Analysis (BEA).

12. ComSec and UNCTAD also provided support to countries in the production and dissemination of debt statistics, through conferences, regional workshops, and country-specific activities.

13. In the past 12 months, ComSec organized four training workshops at regional and country levels on the compilation and dissemination of public debt statistics, through the production of a comprehensive *Public Debt Bulletin*. Regional workshops on developing a *Public Debt Bulletin* were held in Singapore for Asia, and, in Sierra Leone, for the West African sub-regions, respectively. In-country training, *Public Debt Bulletin* missions were fielded to Dominica and Lesotho. During the same period, ComSec enhanced the functionality of the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS) software, to fully comply with the *PSDS Guide*. CS-DRMS has been further upgraded with easy to use links for reporting under the QEDS initiative of the World Bank and IMF. The link for reporting under the quarterly PSD statistics initiative will be completed for the next release of the software. Over the past year, CS-DRMS has been updated to provide countries with debt recording and reporting facilities, which are fully compliant with the *BPM6*. To this end, a number of country-specific activities were undertaken to assist countries in developing comprehensive public debt databases in CS-DRMS by integrating domestic debt data with external debt data. These missions were carried out in Sri Lanka, India, Barbados, and Cameroon. Furthermore, through the assistance of ComSec, three States in India have established complete debt databases using CS-DRMS. During the reporting period, CS-DRMS Data validations missions were fielded to Guyana, Jamaica, St Kitts, and Botswana. An eLearning program on external debt statistics and the use of CS-DRMS for more effective debt recording and reporting was commissioned by the Secretariat in 2010. This program has trained 75 country officials in more advanced use of the debt recording system and in external debt data standards.

14. Similarly, UNCTAD conducted 8 workshops related to debt statistics. Two debt statistics workshops were completed with Angola (July 2011) and Venezuela (December 2010). Two workshops on data validation, which provides for enhancement of debt databases and the foundation for the production of debt reports and statistics, were held in the Democratic Republic of Congo (March 2011) and Angola (follow-up workshop in August 2011). Two debt portfolio analysis workshops, which utilize the debt reports and statistics produced, were completed with Venezuela (December 2010) and Nicaragua (May 2011). A regional workshop on debt portfolio analysis was also held with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) in Rwanda in August 2011, in which 19 officials from four countries participated. A Training for Trainers workshop which was completed in Geneva in February 2011, provided updates to 13 trainers on the latest developments in the areas of debt statistics, data validation, and debt portfolio

analysis. The Debt Management and Financial Analysis System (DMFAS) Programme is also working on the second versions of its data validation and debt statistics modules.

IV. FORWARD WORK PROGRAM OF THE TFFS

15. The main activities included in the 12-month work program agreed at the March 2011 TFFS meeting are: (1) the update of the *EDS Guide*; (2) progress on the PSD statistics database, QEDS, and JEDH; (3) potential discussion on the progress made on contingent liabilities; (4) private sector debt paper to be prepared by ComSec; (5) treatment of arrears in debt statistics, including conceptualization, sub-categorization, measurement, and other related issues; (6) promoting the TFFS work through the TFFS website; and (7) the triennial review of the JEDH's Service Level Agreement (SLA); the previous review took place in 2009.

16. The IMF will prepare, in consultation with the TFFS agencies, the Report on TFFS activities for the 2012 UN Statistical Commission meeting by November 2011.

V. NEXT TFFS MEETING

17. The TFFS member agencies will next meet in Washington DC, on March 22-23, 2012, at the IMF's Headquarters.