

**Twenty-Sixth Meeting of the
IMF Committee on Balance of Payments Statistics
Muscat, Oman
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**Progress Report on Work of the
Interagency Task Force on Finance Statistics**

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

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EXECUTIVE SUMMARY

1. This report provides an update of the main activities of the Inter-Agency Task Force on Finance Statistics (TFFS) since the 2012 meeting of the IMF Committee on Balance of Payment Statistics (Committee). The annual meeting of the TFFS¹ was held at the Organization for Economic Co-operation and Development (OECD) Headquarters in Paris, France on March 14–15, 2013, and was an occasion to discuss key issues arising from the worldwide consultation of the complete updated draft of the *External Debt Statistics: Guide for Compilers and Users (EDS Guide)* which was posted in late 2012. TFFS members also discussed the importance of expanding the sectoral and instrument coverage of the Public Sector Debt Statistics (PSDS) database; the strategy to have an updated Quarterly External Debt Statistics (QEDS) database fully aligned with the sixth edition of the *Balance of Payments and International Investment Position Manual (BPM6)* and the updated *EDS Guide*; work towards improving countries' reporting to the QEDS database; work on a debt statistics Data Structure Definition (DSD) drawing on the national accounts and balance of payments DSDs; and further enhancement of the Joint External Debt Hub (JEDH). This report is provided to the Committee members for information.

I. METHODOLOGICAL WORK

A. Update Work on the *External Debt Statistics Guide*

2. Since the 2012 meeting of the Committee, the IMF's Statistics Department, in close collaboration with the TFFS agencies, has been intensely working on completing the update of the *EDS Guide* to take account of changes introduced by the *BPM6* and *2008 System of National Accounts (2008 SNA)*. The *2013 EDS Guide* maintains the overall structure of the 2003 version (see annex). Only a limited number of methodological changes in *BPM6* implied changes in concepts, classification/sectorization, and/or clarifications to the current methodological treatment in the 2003 version of the *EDS Guide*.

3. The different chapters and appendices of the draft *2013 EDS Guide* were posted on the TFFS website (www.tffs.org) in September/November 2012 for worldwide comments. The TFFS informed balance of payments/international investment position and external debt statistics compilers about the posting via email. Close to 30 institutions sent almost 280 comments to different chapters and appendices of the *2013 EDS Guide*. Several comments implied minor clarifications to the methodological treatment, classification, presentation of

¹ All TFFS member agencies– the BIS, Commonwealth Secretariat (ComSec), European Central Bank (ECB), EUROSTAT, IMF, OECD, Paris Club Secretariat, UNCTAD, and World Bank–were represented in the meeting. The minutes of the 2013 TFFS meeting are available at <http://www.tffs.org/meet.htm>.

tables, and/or compilation principles and practices. Few additional issues were identified from the comments during the discussions at the 2013 TFFS meeting.

4. As indicated above, the main item of the 2013 TFFS meeting agenda was the work on the *2013 EDS Guide*. Based on a paper for discussion prepared by the IMF, the TFFS reviewed the changes in the complete updated draft of the *2013 EDS Guide* that arose from worldwide comments, and briefly reviewed the agreements reached during the 2012 TFFS meeting, mainly related to the conceptual sections of the *2013 EDS Guide*.

5. Overall, the discussion reflected a high degree of satisfaction with the updated draft. There was strong support for a new Appendix (Appendix 9) that identifies main changes from the *2003 EDS Guide*. TFFS member agencies agreed to complete the pre-publication version of the *2013 EDS Guide* (including the new Appendix 9) by September 2013.

6. As scheduled, the pre-publication draft of the *EDS Guide* was posted in September 2013. The structure of the *2013 EDS Guide* is presented in the Annex.

B. Public Sector Debt Statistics Guide

7. In December 2011, the final version of the *PSDS Guide* was posted on the TFFS website and also disseminated in book form. Since its publication, TFFS members have been actively promoting the *PSDS Guide* through workshops, seminars, and other similar activities. Translated versions of the *PSDS Guide* into Arabic, Chinese, French, Russian, and Spanish will also be available soon.

II. AVAILABILITY OF DEBT DATA

A. JEDH Issues

8. The TFFS agreed to create a small subgroup involving the BIS, IMF, OECD, and World Bank to review and further enhance the JEDH. The issues to be covered include (a) review of the JEDH comparator table to improve the benefits to users; (b) give greater prominence to the Coordinated Portfolio Investment Survey in JEDH; (c) review the website link to the QEDS; and (d) identify ways to promote the back series of data given that only four quarters are presented on the home page.

B. World Bank Quarterly External Debt Statistics Database

9. Progress is being made in the economies' participation in the QEDS database (www.worldbank.org/qeds). As of September 2013, more than 110 economies have reported quarterly external debt position data to the QEDS database. Seventy-one economies (sixty nine Special Data Dissemination Standard (SDDS) subscribers, New Zealand, and the Euro Area) reported data for Table 1 of the QEDS/SDDS (gross external debt position by sector—prescribed SDDS category), 27 economies reported data for Table 2 (foreign currency and domestic currency external debt position—SDDS encouraged item), 14 economies reported

data for Table 3 (debt service payment schedule—SDDS encouraged item), and 29 economies reported at least one of the six supplementary tables. In addition, 43 General Data Dissemination System (GDDS) participants have reported external debt position data for the QEDS/GDDS, of which 15 economies reported the gross external debt position data by sector (SDDS prescribed category). However, there is room to improve timeliness and foster participation of GDDS participants. As of September 2013, about half of the QEDS reporters included the SDR allocations in their total external debt position.

10. During the 2013 TFFS meeting, the discussion about QEDS was focused on (a) the update of the QEDS database to fully align it to the *BPM6* and the *2013 EDS Guide*, and (b) work towards improving country coverage (GDDS economies) and the range of tables reported (SDDS economies). ComSec, UNCTAD, and the IMF will continue to foster participation in QEDS database by training activities and/or technical assistance.

11. Due to the requests from some SDDS economies, and in anticipation of more economies intending to switch their external debt statistics reporting from the *BPM5* to *BPM6* framework, the World Bank and IMF developed a temporary new *BPM6* Table 1 for the QEDS/SDDS (a table equivalent to Table 1—gross external debt position by sector), which was first posted in October 2012. As of September 2013, a total of 24 economies have reported data using the *BPM6* Table 1. The tables should clearly indicate where country data are converted, to differentiate from data directly reported by economies on the new basis.

12. The 2013 TFFS meeting discussed a proposal to update the QEDS database, which took in consideration the positive countries' response to the new *BPM6* Table 1; the ultimate goal of the proposal is to have an updated QEDS database fully aligned with *BPM6* and the *2013 EDS Guide*. The first element of this strategy involves developing a set of updated and new tables to be included in QEDS/SDDS and QEDS/GDDS in line with the *2013 EDS Guide*. The next steps include: (a) carrying out a small scale pilot, (b) developing a new *BPM6* QEDS database, (c) inviting QEDS reporting countries to participate in the new database, (d) launching the new database, and (e) managing the transition from *BPM5* to *BPM6* format. In line with the agreed work schedule, an updated set of QEDS reporting tables was prepared and discussed, and the World Bank undertook a pilot exercise involving a small number of economies—thirteen economies were contacted and sent the updated QEDS/SDDS-GDDS templates as relevant—to test the new QEDS tables during August 2013. The final templates will be revised based on the results of this test.

13. The existing QEDS tables (including Table 1-*BPM6*) will be kept until the new database is launched. A letter will be sent towards the end of 2013 to the QEDS reporting economies by the World Bank and IMF inviting them to report data using the new templates by September 2014. It was in principle agreed that the updated QEDS database will be launched in late 2014 given that many countries will start delivering *BPM6* data from September 2014.

C. Quarterly Public Sector Debt Statistics Database

14. The quarterly PSDS database comprises data on gross public sector debt position at nominal value. Reporting sectors for which quarterly data are provided includes: (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.² The participation of countries in the PSDS database is voluntary, as it is in the QEDS database. The minimal requirement is reporting central government debt position data by type of instrument. The database is a collaborative effort by the World Bank, OECD, and IMF.

15. As of September 2013, 76 economies provided position data for the PSDS database, out of which 72 economies reported data between 2012Q1 and 2013Q1 for central government, 50 economies for general government, and 25 economies for nonfinancial public sector. Only 23 economies reported data for public sector as a whole. The IMF is working with the World Bank, UNCTAD, and ComSec colleagues to increase reporting numbers in emerging and developing economies.

16. The participating international organizations have continued encouraging economies to join the initiative. ComSec and UNCTAD have updated their reporting systems to include a consistent public sector debt table. In June 2012, a videoconference involving World Bank, OECD, and IMF took place to discuss the transmission of public sector debt data to the centralized database and ensure inter-organizational consistency. One outcome of this meeting was the creation of a public sector debt statistics working group consisting of representatives from the World Bank, OECD, and IMF with a mandate of maintaining a continuous dialogue on any outstanding issues such as methods of data presentation and time of release consistency between organizations. Follow-up quarterly videoconferences have taken place with the next scheduled conference in October 22, 2013 to discuss contingent liabilities. In addition, ECB, Eurostat, IMF, OECD, and the World Bank have coordinated on the inclusion of general government debt data of advanced economies.

17. In order to strengthen the transparency and cross-national consistency of public sector debt data, the TFFS endorsed the reporting of all debt instruments for general government as a benchmark to achieving greater fiscal transparency in public sector debt statistics. Following a call from the February 2013 Communiqué of G-20 Finance Ministers and Central Bank Governors, TFFS members unanimously agreed that encouraging comprehensive sectoral and instrument coverage for general government data is an important goal for the upcoming year. This is consistent with other initiatives including the standard

² 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).

template for Recommendation 17 in the September 2012 G20 DGI report and the SDDS Plus category on general government gross debt.

III. CAPACITY BUILDING

A. Training on External Debt Statistics

18. The IMF has resumed its training in external debt statistics at the IMF's regional training centers by conducting a two-week course in Vienna at the Joint Vienna Institute in December 2012. The course was the first external debt statistics course fully aligned with the draft update of the *2013 EDS Guide* and was very well received; it was attended by twenty eight external debt compilers representing twenty two countries. A two-week regional course on external debt statistics in Singapore at the Singapore Training Institute (October) and a four-week course at the IMF headquarters (November–December) will be conducted in 2013, after the release of the pre-publication draft of the *2013 EDS Guide*. As usual, the collaboration of the TFFS member agencies in these training activities is highly welcome.

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

20. Over the past year, ComSec organized six training workshops related to the compilation and dissemination of debt statistics through the use of the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS). One regional training workshop on public sector debt statistics was organized in coordination with West African Institute for Financial and Economic Management (WAIFEM). The workshop was attended by representatives of The Gambia, Ghana, Liberia, Nigeria, and Sierra Leone, Liberia, and Ghana. The other five workshops were at the national level for Trinidad and Tobago, British Virgin Islands, Jamaica, Mozambique, and Sri Lanka. The national training workshops focused on enhancing the use of CS-DRMS for comprehensive, accurate, and timely recording of debt data to improve debt data dissemination for the countries. In addition, ComSec made presentations during two IMF workshops in Tunis and Vienna, respectively on best practices for recording debt data in CS-DRMS conforming to the PSDS Guide, and on recording and reporting private sector debt using CS-DRMS.

21. On the application side, ComSec is in the final stages of developing the latest version of CS-DRMS that will be released to all countries in the fourth quarter of 2013. Among the new features included in the application are a feature to automatically generate and report debt data using the SDDS/GDDS tables; a feature to automatically generate and report debt data using the quarterly PSDS database tables; a set of in-built reports based on the *2013 EDS Guide* main tables; and compliance to SDMX standards and guidelines. These features are designed to facilitate seamless and timely reporting by countries while conforming to internationally recognized debt dissemination standards. Lastly, following the success of the e-Learning program which is currently limited to external debt compilation and reporting

using CS-DRMS, ComSec has started work on expanding the program to include domestic debt and therefore continue to build capacity in countries for comprehensive public debt recording and reporting.

22. Similarly, UNCTAD has conducted five workshops related to debt statistics during January-July 2013 (data validation–Indonesia and Lebanon, debt statistics–Republic of Congo, and debt portfolio analysis–Panama and Honduras). In addition, the DMFAS Programme has completed the second version of its data validation capacity-building module and has almost completed the second version of its debt statistics module; these new modules will incorporate the latest standards relating to the *2013 EDS Guide* and the *PSDS Guide* and the latest developments in the area of debt statistics.

IV. FORWARD WORK PROGRAM OF THE TFFS

23. The main activities included in the 12-month work program agreed at the March 2013 TFFS meeting are: (1) the launch of the *2013 EDS Guide*; (2) updating the QEDS database in line with *BPM6* and the *2013 EDS Guide*; (3) expanding debt data reporting—both to the external debt and public sector debt statistics databases; (4) further enhancing the JEDH; (5) revamping the TFFS website; and (5) preparing a DSD to explain the "debt statistics" in general with National Accounts (NA) and Balance of Payments (BOP) DSDs without adding new dimensions, but possibly adding new codes into already existing dimensions as needed.

V. NEXT TFFS MEETING

24. The TFFS member agencies will next meet in Washington D.C. in March 2014, at the World Bank's Headquarters.

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