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Report of the International Monetary Fund on the
Inter-Agency Task Force on Finance Statistics

Note by the Secretary-General

In compliance with a request of the Statistical Commission at its fortieth session (E/2009/24, chap. I.A), the Secretary-General has the honour to transmit the report of the International Monetary Fund on the Inter-Agency Task Force on Finance Statistics, which is submitted to the Commission for information. The Commission is requested to take note of the report.

Report of the International Monetary Fund on the Inter-Agency Task Force on Finance Statistics

Summary

Since the February 2007 meeting of the Statistical Commission, the Inter-Agency Task Force on Finance Statistics has achieved important improvements in the availability of external debt data, including a significant increase in the number of countries reporting data on public and publicly guaranteed external debt to the Quarterly External Debt Statistics database, especially low-income countries. The Task Force has closely monitored the revision of the Balance of Payments and International Investment Position Manual, to evaluate its impact on the External Debt Guide. Shifting from its traditional focus on external debt, it also began working on a public sector debt guide, several draft chapters of which have already been produced. The Task Force agencies have continued their joint efforts to train countries to build their capacity to produce external debt data. As an additional service to the global users’ community, the Task Force launched its own website at the end of 2008, as a gateway to information on methodology, data availability and the relevant activities of its agencies.

Contents

I. Introduction ................................................................. 3
II. Methodological work .......................................................... 3
   A. Public Sector Debt Guide ................................................. 3
   B. Update of the External Debt Guide on issues emerging from the Balance of Payments and International Investment Manual ........................................ 3
III. Availability of debt data ..................................................... 4
   A. Joint External Debt Hub issues .............................................. 4
   B. World Bank debtor data .................................................... 5
   C. Government debt data .................................................... 6
IV. Capacity-building ............................................................ 7
V. Inter-Agency Task Force on Finance Statistics website ................. 8
VI. Work programme of the Task Force ........................................ 8
I. Introduction

1. The Inter-Agency Task Force on Finance Statistics,1 established in 1992 under the auspices of the Statistical Commission, reconvened in 1998 to coordinate work to improve the data on external debt and international reserves, with attention to methodological soundness, transparency, timeliness and availability of data. External debt data help to assess the potential vulnerability of a country’s financial position with other countries. A report on the work programme of the Task Force was provided to the Commission for its meeting in February 2007. The present report provides an update on work since the last report and outlines the work programme agreed upon at the meeting of the Force, hosted by the Bank for International Settlements (BIS) in Basel, Switzerland, in March 2009. While the work programme of the Task Force is challenging, it will continue to benefit from the cooperative, coordinated and sustained efforts of its agencies, which are key to its success.

II. Methodological work

A. Public Sector Debt Guide

2. Important progress was made in the preparation of the Public Sector Debt Guide. At the March 2009 meeting of the Task Force, agencies broadly agreed with the revised annotated outline prepared by the International Monetary Fund (IMF), which now includes guidance for the entire public sector (financial and non-financial). The need for agencies to identify their intended specific contributions (boxes, tables, case studies and country cases) was highlighted. As at the end of October 2009, four draft chapters of the guide had been distributed to the members of the Task Force by IMF for comment. The full draft version of the guide is to be prepared for review by the agencies at the 2010 meeting of the Task Force.

3. The Task Force emphasized that the guide should be consistent with the Balance of Payments and International Investment Position Manual, sixth edition, the System of National Accounts 2008 (2008 SNA) and other manuals, including the Government Finance Statistics Manual, the External Debt Guide and the Handbook on Securities Statistics. It also highlighted the importance of making the guide a cooperative effort of all agencies, as was the case with the External Debt Guide.


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1 The Inter-Agency Task Force on Finance Statistics is chaired by the International Monetary Fund (IMF) and meets annually. It comprises representatives of the Bank for International Settlements (BIS), the Commonwealth Secretariat, the European Central Bank (ECB), IMF, the Organization for Economic Cooperation and Development (OECD), the Paris Club Secretariat, the United Nations Conference on Trade and Development (UNCTAD) and the World Bank.
manual addresses important developments that have occurred in the international economy since the previous version was released in 1993. The updated manual was prepared in parallel with the update of the *System of National Accounts* and takes into account improved recording and methodological treatments contained in other manuals prepared by the Statistics Department, including *External Debt Statistics: Guide for Compilers and Users* (2003), the *Monetary and Financial Statistics Manual* (2000) and *Government Finance Statistics Manual* (2001).

5. A paper on the updated manual was posted for public comment on the Task Force website and the IMF website in April 2009. The paper contains a brief description of the changes in methodology or recording in the updated manual that will need to be reflected in the *External Debt Guide*. It was prepared by IMF and endorsed by the Task Force at its March 2009 meeting.

6. The Task Force agreed that more intensive work on the update (rather than a rewrite) of the *External Debt Guide* will begin in 2011; the update is expected to be completed by 2013. It was noted that the *External Debt Guide* remains largely consistent with the new standards; a significant amount of work will nevertheless be involved.

7. The paper also invites public comment on potential changes in the reporting of data in standard tables. In particular, IMF invites discussion on whether traded debt instruments should 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 as defined by the new international statistical standards, broken down by sector and by maturity. Such a refinement and clarification of the standard tables is not related to the adoption of the updated manual. The Task Force agreed that further discussion on how to present traded debt instruments in the main standard tables was needed.

### III. Availability of debt data

#### A. Joint External Debt Hub

8. A joint effort of BIS, IMF, the Organization for Economic Cooperation and Development (OECD) and the World Bank, the Joint External Debt Hub website was launched in March 2006, to provide a one-stop source for comprehensive external debt statistics. Originally, the hub featured data from creditor and market sources for external debt and selected foreign assets for more than 200 economies, comprehensive national external debt data provided by the 54 subscribers to the IMF Special Data Dissemination Standard (SDDS) and information describing the data (metadata) provided.

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4 The Joint External Debt Hub is available at www.jedh.org. The Joint External Debt Hub work is carried out mainly by the four agencies represented in the “sub-group”: BIS, IMF, OECD and the World Bank.
9. At its 2009 meeting, the Task Force agreed on several improvements to the hub, which will be implemented in collaboration with IMF, BIS and OECD, as appropriate. They include: (a) the extension of the hub to include Quarterly External Debt Statistics (QEDS) data on public and publicly guaranteed external debt reported by countries that are part of the General Data Dissemination System (GDDS); (b) overcoming technical issues related to the posting of data on 2004-2005 OECD official bilateral loans position; and (c) reviewing historical data on OECD exports credits and re-posting such data on the hub.

10. A number of these improvements to the hub were implemented subsequent to the 2009 meeting of the Task Force, and work is ongoing to implement all of them prior to the next meeting. In particular, OECD successfully resumed work on the preparation of official bilateral loans position data, which had been suspended at the end of 2004 owing to budgetary constraints. Annual data series were completed for the period from 2004 to 2007 and posted on the hub in July 2009. However, OECD has not yet been able to reinitiate the regular compilation of export credit position data, also suspended at the end of 2004 owing to resource constraints.

11. As an alternative source of information on export credits, the Berne Union, an association of export credit and investment insurers, agreed to work with BIS to make available on the hub data on insured export credit exposures collected from their members. Quarterly Berne Union data, beginning with the data for the first quarter of 2005, were first posted on the hub in February 2008. The Task Force gratefully acknowledges the contribution of the Union to the hub and support provided by BIS in that respect.

12. Two additional changes to the hub creditor/market tables are to be implemented in early 2010:

   (a) The inclusion of two new lines on total claims held by Paris Club creditors for individual debtor countries (including metadata), based on data from the Paris Club website, disaggregated into official development assistance (ODA) and assistance not part of ODA;

   (b) The inclusion of two new lines in order to implement the treatment of Special Drawing Rights allocations as a new external debt instrument in line with the updated manual (see paragraph 17 below). The first line will present the Special Drawing Rights allocation as an external debt liability and the second line will separately identify the Special Drawing Rights holdings (as an “of which” item) included in reserve assets.

B. World Bank debtor data

13. The national/debtor data available on the hub are sourced from the World Bank’s database launched in November 2004. The database includes a core set of quarterly external debt data initially provided by the IMF Special Data Dissemination Standard subscribing countries, which are based on concepts and presentation tables in the External Debt Guide. Participation in the database is voluntary.

14. The IMF Statistics Department and the World Bank undertook a project to facilitate the timely dissemination, on a voluntary basis, in standard formats, of

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5 The Quarterly External Debt Statistics (QEDS) database is available at www.worldbank.org/qeds.
public sector external debt data. The first phase of the project extending the World Bank’s QEDS to selected groups of low-income countries was launched in February 2008. The second phase aimed at inviting all other GDDS participants to report data to QEDS; an initial data release occurred in early 2009. The project focuses on the dissemination of quarterly stock data on public and publicly guaranteed external debt, disaggregated by maturity. It also encourages participating countries to disseminate other external debt data, in line with the GDDS framework.

15. As a result of this project, the participation of GDDS countries in the QEDS database increased considerably over the past 12 months. As at October 2009, 43 GDDS countries had agreed to participate and 28 had reported quarterly external debt data. In addition to providing the quarterly public and publicly guaranteed mandatory external debt data, the majority of the 28 countries also reported data on the debt-service payment schedule, creditor sector information and instrument breakdown. Six GDDS countries are also disseminating their total external debt position data according to the prescribed SDDS format. Progress in the extension of GDDS participation in the QEDS database benefited from the active collaboration of the Commonwealth secretariat and the United Nations Conference on Trade and Development (UNCTAD).

16. The number of SDDS subscribers reporting data to the QEDS database has increased. Two additional SDDS subscribers recently began to participate, bringing to 60 the number of subscribers reporting to the Quarterly External Debt Statistics database. As at mid-November 2009, there were 64 SDDS subscribers.

17. One methodological change introduced in the updated manual and 2008 SNA is the recognition of the Special Drawing Rights allocation as a long-term external debt liability. Considering the magnitude of the recent Special Drawing Rights allocations to IMF member countries ($250 billion in August and $33 billion in September 2009), IMF decided to immediately adopt the updated manual treatment for Special Drawing Rights and, in particular, to include the Special Drawing Rights allocation as an external debt liability in IMF data publications, such as *International Financial Statistics*. Accordingly, IMF advised national authorities on how to report Special Drawing Rights allocations in external debt statistics. The World Bank, in agreement with all the Task Force agencies, will also encourage QEDS participants to report the Special Drawing Rights allocations as an external debt liability. The increase in the gross external debt resulting from the Special Drawing Rights allocation will be reflected in the 2009Q3 data, starting in the January 2010 QEDS data release.

C. Government debt data

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

IV. Capacity-building

19. Since the last meeting of the Commission, the Task Force agencies have continued to make a significant contribution to the dissemination of international best practices in the compilation of external debt statistics, through joint capacity-building training activities.

20. To accommodate training in the updated manual and the Coordinated Direct Investment Survey, IMF made a modest reduction in the number of regional courses it offers on external debt statistics. One was held in India in 2008 and another will be held in the Gambia in April 2010. Some of the Task Force agencies are usually involved in these regional courses. Since 2005, IMF has conducted a course on external debt statistics at its headquarters every other year. The 2009 course was extended by one week, to four weeks, to accommodate training on public sector debt. Headquarters courses benefit from the collaboration of most of the Task Force agencies; in September 2009, lectures were provided by BIS, the Commonwealth secretariat, the European Central Bank, the Statistical Office of the European Communities (Eurostat), the Paris Club secretariat, UNCTAD and the World Bank.

21. The Commonwealth secretariat and UNCTAD continued to organize training courses on external debt management and reporting, in collaboration with the other Task Force agencies. In July 2008, it organized a training course for officials in the Gambia on the production of external debt statistics for debt sustainability analysis. A similar course was organized for senior policymakers and analysts in Belmopan, Belize, in September 2008, with further in-country training in external debt statistics in Cameroon, Jamaica and Mauritius later in the year. In December 2008, the Commonwealth secretariat conducted a pan-Commonwealth workshop on QEDS/GDDS debt reporting needs in London. This workshop, which trained debt compilers from 32 countries on the GDDS and QEDS debt reporting initiatives, will be held again in 2010. In 2009, the secretariat organized additional training on external debt statistics, using its Debt Recording and Management System (CS-DRMS), in Mauritius and Papua New Guinea.

22. UNCTAD’s Debt Management Financial and Analysis System (DMFAS) programme released the new version of the DMFAS software (version 6.0) at its Seventh Debt Management Conference and Advisory Group Meeting (9-13 November 2009). This major release is an 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. This web-enhanced version also includes improvements in reporting, security and the DMFAS portal. In 2008, UNCTAD conducted many national workshops and follow-up missions, including eight debt statistics workshops, three debt statistics follow-up missions, seven data validation workshops, four data validation follow-up missions, 20 DMFAS 5.3 functional training, 14 DMFAS 5.3 technical training, seven Integrated Financial Management Information System workshops and three technical support missions. In addition, the first debt portfolio analysis regional workshop was conducted in Jordan and a regional DMFAS 5.3 “training for trainers” workshop, co-organized with the Macroeconomic and Financial Management Institute of Eastern and Southern
Africa, was held in Uganda. As at the end of September, the following activities had been completed: five debt statistics workshops, one debt statistics follow-up mission, five data validation workshops, two data validation follow-up missions, two portfolio analysis workshops and a number of activities relating to DMFAS (functional training, technical training, workshops and technical support missions).

23. Overall, during the period covered by this report (2007-2009), training was provided to some 260 compilers from over 140 countries.

V. Inter-Agency Task Force on Finance Statistics website

24. The Task Force website6 is hosted by IMF; it was launched in December 2008, in close collaboration with all the Task Force agencies. The website includes documentation relating to the main activities of the Task Force (methodology, data availability, data quality and capacity-building); Task Force meetings and reports (agendas, minutes, activity reports of the attending agencies since 2008 and reports to the IMF Committee on Balance of Payments Statistics and the Commission); and additional documents and links to related sites. As agreed at the 2009 Task Force meeting, several agencies have included a hyperlink from their own websites to the Task Force website, to foster awareness and access by the public. The Task Force agreed to discuss, at its next meeting, whether, in addition to the agencies’ occasional reports posted since 2008, other agencies’ non-confidential documents would be posted on the Task Force website.

VI. Work programme of the Task Force

25. As evidenced by its achievements, the Task Force has become an effective forum for operationalizing inter-agency coordination on external and public debt statistics. The participating agencies are committed to continue working together to further improve the availability and quality of data on external debt and public debt as a whole.

26. The work programme adopted at the March 2009 meeting includes: (a) the completion of a full draft version of the public sector debt guide; (b) the extension of coverage in QEDS; (c) progress on collecting total central Government debt position data by the World Bank; (d) further improvements in the Joint External Debt Hub and Task Force websites; and (e) the update of the External Debt Guide beginning in 2011, to be completed by 2013.

27. The Task Force will hold its next meeting in Washington D.C., on 4 and 5 March 2010, at the headquarters of the World Bank.

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6 The TFFS website is available at www.tffs.org.