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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 accordance with Economic and Social Council decision 2014/219, 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 Statistical Commission for information. The report provides an update on the main activities of the Inter-Agency Task Force since the 2012 session of the Statistical Commission. The Task Force has achieved substantial progress in the areas of external debt and public sector debt statistics, including the completion of the work on updating the 2013 *External Debt Statistics Guide for Compilers and Users*, so as to bring it in line with latest international statistical standards; the dissemination of the new Quarterly External Debt Statistics database; the reporting of quarterly external debt statistics by all 71 subscribers to the Special Data Dissemination Standard (SDDS) and the euro area, as well as by an increased number of General Data Dissemination System (GDDS) participants; a significant increase in the participation of economies contributing to the Quarterly Public Sector Debt database; an enhanced Joint External Debt Hub; and the preparation of external debt statistics course material that is fully aligned with the updated international statistical standards at Fund headquarters and regional courses, workshops, and seminars.

The Commission is invited to take note of the report.

* E/CN.3/2015/1.



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

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 on improving 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. A report on the programme of work of TFFS was provided to the Commission for its session held in February and March 2012. The present report provides an update on work conducted since the last report and outlines the programme of work agreed upon at the meeting of TFFS, hosted by the World Bank in Washington, D.C., on 13 and 14 March 2014. As the programme of work of TFFS is challenging, it will continue to benefit from the cooperative, coordinated and sustained efforts of its members, which are key to its success.

II. Methodological work

A. 2013 *External Debt Statistics Guide for Compilers and Users*

2. The IMF Statistics Department, in close collaboration with TFFS member organizations, has completed the work on updating the 2013 *External Debt Statistics Guide*. The new *Guide* updates the 2003 *EDS Guide* to ensure full harmonization with the updated international statistical standards for national accounts and balance-of-payments statistics, the System of National Accounts 2008 (2008 SNA)² and the *Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6)*,³ respectively. This assures the consistency of external debt statistics with the balance of payments, the international investment position and national accounts. The 2013 *EDS Guide* provides additional conceptual guidance, new and revised presentational tables, and other series known from experience to be of analytical use. The 2013 *EDS Guide* also explains the concept of net external debt, which entails the comparison of the stock of external debt with holdings of external financial assets of a similar instrument type, and integrates financial derivatives and contingent liabilities positions into external debt analysis.

3. The final version of the 2013 *EDS Guide* was posted on the TFFS website (www.tffs.org) in May 2014. A simultaneous press release announcing this publication was coordinated among some TFFS member organizations. The TFFS secretariat informed balance-of-payments, international investment position, and external debt statistics compilers, and Special Data Dissemination Standard (SDDS)

¹ The Inter-Agency Task Force on Finance Statistics, which is chaired by the International Monetary Fund (IMF), meets annually. It comprises representatives of the Bank for International Settlements (BIS), the Commonwealth Secretariat, the European Central Bank, 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.

² United Nations Publication, Sales No. E.08.XVII.29.

³ Washington, D.C., IMF, 2009.

and General Data Dissemination System (GDDS) correspondents about the posting via e-mail. Hard copies of the 2013 *EDS Guide* in English were sent to IMF country members and quarterly external debt statistics (QEDS) reporters. Currently, the 2013 *EDS Guide* is being translated into Arabic, Chinese, French, Russian and Spanish. Versions of the *EDS Guide* in these languages will be available in 2015.

B. Public Sector Debt Statistics Guide

4. The final version of the *Public Sector Debt Statistics Guide for Compilers and Users*⁴ was published in December 2011. Since its publication, TFFS member organizations have actively promoted the *PSDS Guide* through workshops, seminars and similar activities. The *PSDS Guide*, which is aligned with the 2008 SNA, is available from the TFFS website (www.tffs.org/PSDStoc.htm) and is also disseminated in hard-copy format. Versions of the *PSDS Guide* in Arabic, Chinese, French, Russian and Spanish are now available as well.

III. Availability of debt data

A. World Bank Quarterly External Debt Statistics database

5. In October 2014, the World Bank, in collaboration with IMF, released the new QEDS database, which is fully aligned with the 2013 *EDS Guide* and *BPM6*. The process for presenting QEDS on a *BPM6* basis started in December 2013, when QEDS reporters were invited to submit 2014 second quarter (Q2) data using the new, updated tables by 6 October 2014. Reporters were asked to inform the World Bank/IMF if they would be able to submit data under the new standards; if not, they could continue reporting using the current *BPM5*-based tables. It was central to this exercise that a single comprehensive updated database covering consistent historical data be maintained. Therefore, as part of the consultation process, the World Bank converted historical and current QEDS data reported on a *BPM5* basis to *BPM6*-based data using generic conversion rules. Generic converted data were shared for approval with participating economies that did not submit their own data on a *BPM6* basis. The new database is available from <http://datatopics.worldbank.org/debt/home>.

6. Since 2013, all SDDS subscribers report quarterly external debt data to the QEDS database. For the 2014 Q2 QEDS release, 51 of the 71 SDDS subscribers, the euro area and 13 GDDS participants reported data to QEDS on a *BPM6* basis. The remaining reporting economies reported 2014 Q2 data on a *BPM5* basis, which were converted to *BPM6*-based data for dissemination in QEDS. The new QEDS/SDDS database features four new tables — which have been well received — on short-term remaining maturity (reported for the first time by 9 economies), net external debt (reported by 11 economies), reconciliation of positions and flows (reported by 9 economies), and debt service payment schedules by sector and instrument (reported by 7 economies). The new QEDS/GDDS database features a new table on foreign currency and domestic currency breakdown (11 economies reported data for this table). Several reporting economies have revised previously reported data.

⁴ Washington, D.C., IMF, 2011.

7. IMF and other TFFS member organizations will continue encouraging GDDS participants to join the QEDS database, including through IMF capacity-building missions in balance-of-payments, international investment position, and external debt statistics.

B. World Bank Public Sector Debt (PSD) database

8. As of end-November 2014, just over 70 economies (twice the number of reporting economies at the time of the last report submitted to the Statistical Commission) provided data for the PSD database. The PSD database comprises quarterly data, mainly from developing and emerging market countries, on gross public sector debt position at nominal value. The range of sectors for which quarterly data can be provided comprise: (a) general government; (b) central government; (c) budgetary central government; (d) non-financial public corporations; (e) financial public corporations; and (f) the 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 currencies) and by residence of the creditor (domestic and external creditors). The minimal requirement for participation in the PSD database is the reporting of central government debt position data by type of instrument.

9. IMF will continue encouraging developing and emerging market economies to join the initiative, including through IMF technical assistance missions in government finance statistics and public sector debt statistics. In consultation with other TFFS member organizations, the World Bank, IMF and OECD also invited other advanced economies to report existing data on the debt of the general government sector to the PSD database. TFFS stressed the need for placing particular emphasis on avoidance of duplication and inconsistencies with respect to the reporting templates that are required by other international organizations.

C. Joint External Debt Hub (JEDH) issues⁵

10. A number of enhancements are being implemented by the JEDH subgroup (BIS, IMF, OECD and the World Bank) to further enhance the Hub. These changes include: (a) for debt securities, a switch from BIS international debt securities to IMF Coordinated Investment Portfolio Survey (CPIS) debt securities data; (b) for trade credits, a switch from OECD official trade credits to Berne Union short-term insured trade finance; and (c) modification of the periodicity to semi-annual in line with CPIS reporting. The report on the implementation of these proposals and the JEDH Service Level Agreement (SLA) triennial review will be presented during the 2015 TFFS meeting.

IV. Capacity-building

11. IMF continued promoting the new international statistical standards through IMF headquarters and regional courses, workshops and seminars. As mentioned

⁵ The JEDH website was launched in March 2006 to provide a one-stop source for comprehensive external debt statistics.

above, all training material has been aligned to the new standards for debt statistics (the 2013 *EDS Guide* and the *PSDS Guide*). IMF also continued its efforts to improve the capacity to collect, compile and disseminate debt statistics through its technical assistance and training programme. In November 2013, IMF conducted its four-week headquarters course on external debt statistics fully aligned with the 2013 *EDS Guide*. The course benefited from the collaboration of officials representing other TFFS member organizations (BIS, the Commonwealth Secretariat, the European Central Bank, UNCTAD and the World Bank), who delivered presentations on topics in their area of expertise. In 2012, after a number of years, IMF resumed its regional training on external debt statistics, including courses at: (a) the IMF-Joint Vienna Institute (JVI) (December 2012); (b) two Japan Administered Account on Selected IMF Activities (JSA)-financed seminars for Asian and Pacific Island countries in Fiji and Thailand (both held in July 2013); (c) the IMF-Singapore Regional Training Institute (STI) (October 2013); (d) the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) in Botswana (October 2013), which also included public sector debt statistics; (e) the IMF-Middle East Center for Economics and Finance (CEF) in Kuwait (September 2014); and (f) the IMF-Brazil Training Centre (BTC) in Brazil (October 2014). As usual, the collaboration of TFFS member organizations in these courses was highly appreciated. Courses and workshops on public sector debt statistics were conducted at the IMF Joint Partnership for Africa in Tunisia (April 2013 and January 2014), at MEFMI in Botswana (October 2013), at the IMF-Joint Vienna Institute (November 2013) and in Indonesia (February 2014).

12. The Commonwealth Secretariat also provided support to countries in the production and dissemination of debt statistics, through conferences, regional workshops and country-specific activities. In 2014, ComSec organized two regional training workshops and five in-country training programmes related to the compilation and dissemination of debt statistics through the use of the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS). These workshops were organized in coordination with the Eastern Caribbean Central Bank and MEFMI, and were attended by debt managers from 14 countries in the Caribbean region and 10 countries in the Southern and East African region, respectively. The five training programmes were for Barbados, Guyana, Lesotho, Mozambique and Namibia. ComSec, in collaboration with IMF and MEFMI, organized a workshop in Botswana for the Southern and East African region on public sector debt statistics. The workshop introduced participants to the functionality of CS-DRMS for compiling and reporting in conformity with the *PSDS Guide*. In addition, ComSec made presentations on: (a) debt statistics reporting through CS-DRMS at the IMF Workshop on PSDS held in Tunisia; (b) PSD reporting at the IMF-Joint Vienna Institute course on external debt statistics; and (c) recording and reporting of private sector debt through CS-DRMS at the external debt statistics course held at IMF headquarters in Washington, D.C. ComSec also provided assistance to Barbados and Papua New Guinea, in developing a public debt bulletin, and undertook country-specific missions with a focus on improving debt data quality in several economies (Barbados, Botswana, Guyana, Jamaica, Lesotho, Namibia, Trinidad and Tobago and the United Republic of Tanzania). Assistance in creating a complete public debt data set in a single computerized system was provided to Barbados, Lesotho, Seychelles and Trinidad and Tobago. ComSec delivered assistance to Sri Lanka, through policy advisory support, on developing the domestic debt market, to Trinidad and Tobago on the development of a

procedures manual on debt data compilation and reporting through CS-DRMS, to Botswana and the British Virgin Islands on the formulation of a medium-term debt management strategy and to Malta on the formulation of a public debt act.

13. On the application side, ComSec released the latest version of CS-DRMS (version 2.0) in September 2014. The new version is packaged with: (a) a new data export facility for the quarterly public sector debt statistics; (b) a new export facility for World Bank Debt Reporting System (DRS) Form 4 for External Private Non-Guaranteed Debt reporting; (c) new reports for better monitoring and analysis of risks in the portfolio; (d) Statistical Data and Metadata Exchange (SDMX)-compliant World Bank debtor reporting; (e) a new facility designed to forecast debt service flows, taking into consideration non-business days; (f) a new tool designed to facilitate reporting of debt service flows and stock balance which excludes undisbursed amounts in line with recommendations from the *Guides*; and (g) a tool for recording and compiling data on flexible loan products with embedded options.

14. Similarly, UNCTAD has conducted 10 workshops related to debt statistics during October 2013-June 2014 (data validation, Paraguay; debt statistics, Bangladesh, Congo, Dominican Republic, Gabon, Oman and Paraguay; and debt portfolio analysis, Congo, Democratic Republic of the Congo and El Salvador). These workshops used the newest version of the debt statistics capacity-building module of the Debt Management and Financial Analysis System (DMFAS) Programme, which incorporates the latest standards relating to the 2013 *EDS Guide* and the *PSDS Guide* as well as the latest developments in the area of debt statistics.

15. On the application side, these standards were progressively incorporated into the latest releases of the DMFAS Programme software, which are being made regularly available to DMFAS Programme client countries. Future releases of the DMFAS software will also include functionality for the automatic generation of all reports needed for reporting to the quarterly external debt and public sector debt Statistics databases. Finally, a growing number of the DMFAS Programme technical cooperation projects promote the use of unified databases, including public and private guaranteed and non-guaranteed external debt data, thereby facilitating reporting to the EDS and PSD statistics databases.

V. TFFS website

16. Pursuant to the publication of the 2013 *EDS Guide* and the dissemination of the new QEDS, the TFFS website has been revamped. During the 2014 TFFS meeting, the member organizations welcomed the proposed format of the TFFS website and made a few suggestions for further enhancement. The revamped TFFS website includes new user-friendly features and the update of information related to the TFFS debt statistics activities. The launch of the TFFS website will be held before the end of 2014.

VI. Forward work programme of TFFS

17. The main activities included in the 12-month work programme agreed at the March 2014 TFFS meeting are: (a) a report on QEDS data conversion based on the 2013 *EDS Guide* and future steps for increasing participation; (b) a report on the

new approach of presenting public sector debt statistics in the IMF/OECD/World Bank database so as to allow greater comparability of government debt data across countries, and on actions to improve reporting on public sector debt statistics; (c) publicity of debt statistics; (d) a report on the JEDH proposed enhancements and the JEDH Service Level Agreement triennial review; (e) a report on general government contingent liabilities data collection; (f) a report on net government debt data availability; and (g) a report on the valuation of debt securities in debt management systems.

VII. Next meeting of TFFS

18. The TFFS member organizations will next meet at UNCTAD headquarters in Geneva on 12 and 13 March 2015.
