
Meeting of the Inter-Agency Task Force on Finance Statistics

Minutes of the Meeting of Inter-Agency Task Force on Finance Statistics

**IMF Headquarters, Washington D.C., United States
April 3-4, 2008**

**Prepared by the Statistics Department
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MINUTES OF THE MEETING OF INTER-AGENCY TASK FORCE ON FINANCE STATISTICS
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Introduction

This note provides a summary of agreements and actions arising from the meeting of the Inter-Agency Task Force on Finance Statistics (TFFS) hosted by the IMF at its headquarters in Washington D.C. during April 3-4, 2008. The list of participants is in Appendix I.

The meeting was chaired by Lucie Laliberté, Deputy Director, IMF Statistics Department (STA). Ms. Laliberté welcomed the Task Force and thanked the participating agencies for the notable achievements in the TFFS work program since the March 2007 TFFS meeting. Among these achievements, Ms. Laliberté highlighted (i) the release by the World Bank of the enhanced version of the JEDH in January, including the Berne Union data, for which the BIS was instrumental; (ii) OECD's efforts in the processing of official bilateral loans position data, expected to be posted to the JEDH in June 2008; (iii) the extension of the QEDS to selected LICs participating in the GDDS in February 2008, which comes timely to monitor the external debt of countries benefiting from the HIPC/MDRI initiatives; (iv) ComSec's and UNCTAD's support work in the launching of the GDDS/QEDS project as well as in fostering the use of the internationally agreed methodology set out in the External Debt Guide, for which the participation of agencies in training activities organized by another TFFS agency has become routine; and (v) ECB's achievement in bringing into completion the compilation of quarterly sector accounts for the euro area, which is of great help to analysts to better understand the linkages between the real and financial sectors in the second largest economic area in the world.

It was recognized that besides its technical expertise, the TFFS has become a vital forum to operationalize coordination and a common platform for data dissemination among agencies involved in finance statistics, having expanded its scope of work beyond external debt to include e.g., domestic debt.

Thursday, April 3

Occasional Reports on Activities of TFFS agencies

The agencies reported on recent data activities since March 2007. The agencies distributed their occasional reports prior to the meeting.¹

Philippe Mesny (BIS) updated the TFFS on improvements discussed during the BIS biennial meeting of central bank experts in international financial statistics held in January 2008.

¹ BIS (TFFS 08/06), ComSec (TFFS 08/05), ECB (TFFS 08/09), IMF (TFFS 08/03), OECD (TFFS 08/06), UNCTAD (TFFS 08/04), and World Bank (TFFS 08/07). OECD reported progress on their activities during a teleconference held in the morning of Friday, April 4, 2008.

Regarding international banking statistics, the BIS informed that Cyprus and Malaysia would initiate their participation during 2008, and China, Lebanon, Russia, Saudi Arabia, and South Africa possibly in 2009-2010. BIS has supported discussions on the need for improving the availability of debt securities statistics, including the Working Group on local currency bond markets set up by the Committee on Global Financial System (CGFS)², the January 2008 Irving Fisher Committee meeting held in Washington D.C., and the Working Group on Securities Databases that reconvened in September 2007 following the G8 initiative. In this context, the BIS is to draft the outline of a guide on debt securities statistics. BIS also finalized its discussion with the Berne Union for the provision of insured export credit exposures data to the JEDH (see item below on JEDH—Developments since the Last Meeting).

Arindam Roy (ComSec) highlighted the excellent collaboration among TFFS agencies on training activities related to the External Debt Guide, including their participation in IMF courses on external debt statistics and debt sustainability. ComSec informed that an enhanced version of CS-DRMS will be released in April 2008. ComSec has intensified its assistance in domestic debt management, including the use of the domestic debt module in the CS-DRMS 2000+ for capturing domestic debt data, and work on an Auction Securities Module for capturing/processing government securities data, released in Pretoria in April 2008.

Robert Gadsby (ECB) updated the TFFS on developments made by ECB on the compilation and consistency work of the quarterly accounts for the euro area, both financial accounts (ECB's responsibility) and nonfinancial accounts (shared responsibility with Eurostat); government finance statistics, including government debt and deficit debt adjustments; and quarterly IIP data (since 2006), including new details for direct investment and valuation adjustments broken down into price changes, exchange rate changes, and other adjustments for end-year data (since November 2007). ECB has continued work on the central securities database (CSDB) project that involves active participation of EU national central banks.

Balliram Baball (UNCTAD) updated the TFFS on DMFAS activities during 2007 mainly on program management (a new structure and procedures for DMFAS debt management); capacity building models (including progress on the new module of debt portfolio analysis and continued work on data validation modules); cooperation with international agencies; work on the next DMFAS version 6 to be released in August 2008 (including a debt securities auction module on a security-by security basis, private sector external debt, and debt portfolio analysis), with a full version expected to be released in 2009Q2.

Ibrahim Levent (World Bank) provided an overview of progress in World Bank's work on external debt data dissemination, including (i) Global Development Finance (GDF) 2008 with online annual flow and stock data for 134 countries reporting to the Debt Reporting System (1970 to 2006); (ii) Little Book of External Debt 2008, first introduced in 2006, which includes country and regional tables for 134 countries; (iii) the extension of the QEDS to a number of GDDS countries in February 2008; (iv) the enhancement of the JEDH, which

² CGFS Paper No. 28 of June 2007 available at <http://www.bis.org/publ/cgfs28.htm>.

uses SDMX standards and the World Bank's Development Data Platform (DDP); and (v) the DeMPA, which is a methodology for assessing public debt management performance through a comprehensive set of 15 indicators for the full range of government debt management functions.

Eduardo Valdivia-Velarde (STA) updated the TFFS on (i) SDDS and GDDS—first annual SDDS compliance reports by individual countries posted to the IMF website in June 2007, and the preparation of a paper to be reviewed by the IMF Executive Board (probably this Fall) proposing the refocusing of the GDDS framework toward strengthening the data dissemination aspect; (ii) methodological work—a revised BPM6 draft was posted to the IMF website in March 2008; (iii) survey on external sector data collection by TFFS and other agencies, which final report was presented to the IMF Balance of Payments Committee in October 2007; and (iv) the Coordinated Direct Investment Survey (CDIS) to be undertaken with respect to end-2009 position data, aiming at improving the comprehensiveness and consistency of direct investment statistics (both inward and outward) in the IIP and by counterpart economy. For the CDIS initiative, the IMF opened in April 2008 a new website that also includes the CDIS Guide released in April. Over 130 economies have expressed interest in participating in the CDIS. Eight CDIS training seminars focusing on developing and emerging market economies are underway.

Action points

1. The BIS will make a presentation on the Guide on Securities Databases during the next TFFS meeting, which by that time should be well advanced.
2. TFFS members recommended using the report of the CGFS Working Group on local currency bond markets for the current statistical work of TFFS agencies with emerging market economies.
3. The IMF will report on the outcome of the forthcoming review of the GDDS framework by the IMF Executive Board during the next TFFS meeting.
4. The IMF will report on progress on the CDIS at the next TFFS meeting.

Extension of the QEDS to GDDS Countries—Progress and Way Forward

Punam Chuham (World Bank) informed on the expansion of the QEDS to selected GDDS countries (GDDS/QEDS) launched in February 2008, highlighting that this was another successful IMF/World Bank collaborative effort with the endorsement of the TFFS (TFFS 08/11). In the first stage of the project, the IMF/World Bank invited the 27 LICs included in the priority list to participate in the project. The country response was very encouraging; half of the priority countries (14 LICs) agreed to participate and one third of them (nine countries) provided data. Along with the quarterly public and publicly-guaranteed mandatory external debt data (Table 1), all nine countries reported for Table 4 (instrument breakdown), eight reported for Table 3 (creditor sector information), and six reported for Table 2 (debt-service payment schedule). Ibrahim Levent (World Bank) made an online demonstration on the

enhanced QEDS website, informing that it averaged about 5,000 hits per month during 2007. The following three-step approach was proposed by the World Bank:

- Targeting five countries that agreed to provide data to do so (July 2008).
- Proactive measures to encourage participation of 13 countries in the priority list that did not respond to the invitation (July 2008).
- Approaching the remaining GDDS countries. Based on the experience of the initial phase, another 25-30 GDDS countries may be able to participate (2009).

The TFSS welcomed the significant progress made in the project and agreed on the proposed strategy to push the QEDS coverage as one of its high-priority activities. The TFSS viewed that activities promoting the GDDS/QEDS database were needed to assuring success in extending the coverage. The TFSS agreed with a proposal to consider one-day seminars for debt compilers in LICs/emerging market countries, as it seems that many more countries are able to provide the information and an explanation of the QEDS database is probably needed to foster their participation. It was noted that credit-rating agencies have expressed interest on further expanding the QEDS to GDDS countries. These activities will require active participation of ComSec, IMF, UNCTAD, and the World Bank.

Action points

5. ComSec and UNCTAD will continue promoting participation of their respective constituencies in the GDDS/QEDS through national and regional workshops.
6. The World Bank/IMF will consider participation in activities promoting the QEDS database, including one-day seminars, and will report on progress in extending the coverage of GDDS countries in the QEDS at next year's TFSS meeting.

JEDH—Developments since the Last Meeting

As required by the Service Level Agreement, Jean Galand (STA) on behalf of the Secretariat informed on the enhanced JEDH version released in January 2008 (TFSS 08/12). The JEDH now includes (i) quarterly insured export credit exposures data (and metadata) provided by the Berne Union to BIS from 2005Q1; (ii) two lines as memorandum items at the end of table, showing countries' total debt liabilities to BIS reporting banks (locational and consolidated statistics); (iii) four rather than three quarters; (iv) renaming the table lines using a self-explanatory title linked to relevant metadata; and (v) two Excel files with all data from 2003Q3 to facilitate data downloading.

Jean Galand also informed that the intention is to include QEDS data for GDDS countries in the JEDH in the coming months. TFSS members suggested that GDDS data be included in the JEDH under the existing option for national sources data, rather than separately identified from SDDS data. For dual reporters (like Bolivia and possibly Georgia), the JEDH will include total external debt data rather than public sector external debt data. These changes

need to be reflected in the JEDH Service Level Agreement (see item below on JEDH—Update of the SLA). TFFS members suggested the inclusion in the JEDH of a creditor/national data comparator table for GDDS/QEDS similar to the available table for SDDS/QEDS.

The TFFS recorded its appreciation for the BIS and the Berne Union for their successful cooperation toward this outcome on insured export credit exposures.

Action points

7. The World Bank will work on including in the JEDH the new data on public and publicly-guaranteed external debt from the QEDS extension to GDDS countries.
8. The IMF will work on preparing a GDDS creditor/national data comparator table.

Update on Data Provision to the Fund

Isabelle Mateos y Lago (PDR) made a well-received presentation on the data provision framework to the Fund (TFFS 08/14), drawing from a paper expected to be reviewed by the IMF Executive Board in May 2008. PDR underscored the increasing needs on position data for vulnerability assessments, including improving the understanding of countries' IIP data. PDR highlighted the importance of TFFS members work toward securing the availability and consistency of data collected.

TFFS members underscored the importance of additional information on positions, such as the currency breakdown for external assets and debt liabilities. The IMF informed that *BPM6* has included in its standardized form the currency breakdown for IIP assets and liabilities. Some TFFS members suggested the need to extend the SDDS requirement to disseminate the reserves template also to GDDS participants.

Action points

9. The IMF will inform on IIP data reported to the Fund at the next TFFS meeting.

Public Sector Debt Template (PDT)

Isabel Rial (STA) informed on progress made in populating the PDT with available data in international agencies and national sources (TFFS 08/15). STA presented (i) lessons from implementing the PDT in Africa, including its customization as a standardized report for AFR missions; (ii) work with EUROSTAT with the view of exchanging available data; and (iii) harmonization of government finance statistics in Central America and the Dominican Republic.

During 2008, work will continue in populating the PDT with available data sources, working with the IMF Area Departments to identify which data are more suitable for analytical use in the different regions. In particular, work will be soon initiated with WHD to help STA better understand the analytical usefulness of the PDT for countries in the region.

TFFS members raised several issues, including the need to identify precise data requirements from each agency to help in populating the PDT, and whether the PDT is intended for dissemination or for internal use. These issues will be addressed at the next TFFS meeting.

A new development that could impact the PDT work is the IMF Executive Board meeting possibly in July 2008 to discuss the use of fiscal data in surveillance work, and their presentation in accordance with the GFSM 2001. This would support the balance sheet component of the PDT.

Action points

10. The IMF will identify precise data requirements from the other agencies to help populate the PDT.
11. The IMF will report on progress in the PDT and lessons from using the GFSM 2001 in Fund's surveillance work (if approved by the Executive Board).

DRS—Note on Domestic Debt

Ibrahim Levent (World Bank) explained that the World Bank collects external debt data for the Debt Reporting System (DRS) as part of its operational policy. Developing countries eligible for World Bank lending must report their public and publicly-guaranteed external debt on a loan-by-loan basis. DRS does not cover local-currency debt held by nonresidents, estimated to amount to 7-8 percent of total external debt of emerging market economies. The World Bank proposed to collect data (stock and flows) on domestic debt of developing countries, including local-currency debt held by nonresidents, by including an additional form to the DRS (Form 5). Nevin Fahmy (World Bank) made a detailed presentation on the debt categories not included in the DRS coverage, the debt composition in major emerging market economies, and available international data sources for domestic debt (TFFS 08/13).

The TFFS recognized the World Bank's work in identifying the issue of, and gathering information on some data sources on, domestic debt. However, the TFFS was concerned about overlaps with other data initiatives. The TFFS suggested that the World Bank should look at other available data sources; such as the Coordinated Portfolio Investment Survey (CPIS), the IMF Standardized Report Forms, the CGFS work, and the work of the Working Group on Security Databases. There was also the relationship with the public sector debt template that the World Bank has started exploring. Concerns were also raised on the methodological consistency between the World Bank work and BPM/SNA. After continuing this exploratory work, the TFFS encouraged the World Bank to reassess where they could concentrate their efforts.

Action points

12. TFFS members will provide the World Bank with information on where to access these other initiatives on domestic debt data.

13. The World Bank will report progress on this initiative at the next TFFS meeting.

Training on Debt Sustainability Framework (DSF)

Marie Hélele le Manchec (PDR) made a well-received presentation on training on the DSF for LICs (TFFS 08/16), including (i) the need for close monitoring of their external debt, (ii) current initiatives to develop LICs' capacity to monitor debt accumulation, and (iii) remaining challenges and areas for technical assistance. TFFS members took this opportunity to raise questions on the Fund's DSF outreach activities and, more generally, on the IMF work on debt sustainability. It was noted that the MDRI has created large borrowing spaces for many LICs to borrow from nontraditional official and private creditor sources, reinforcing the need to coordinate efforts in fostering the availability of timely information on external debt, particularly in LIC.

Capacity Building in the Production/Dissemination of External Debt Data

Arindam Roy and Walton Gilpin (ComSec) updated the TFFS on ComSec's capacity building program in external debt management, including hands-on training, data validation, debt analysis, and advice on institutional arrangements (TFFS 08/18). ComSec discussed the major challenges in capacity building, including the extension of coverage of private sector external debt data, on-lending, and short-term debt; improving data reporting options; sustained training activities; and responding to debt initiatives and new methodologies.

Balliram Baball (UNCTAD) made a presentation addressing (i) the changes in the DMFAS focus embodied in its Strategic Plan 2007-2010, (ii) the elements of capacity building approach in debt management, and (iii) the lessons learned from their national activities and regional events (TFFS 08/17). Among the next steps, UNCTAD underscored the development of a debt portfolio analysis module, enhancements of the data validation and debt statistics modules, and continued/strengthened cooperation with partner institutions.

Considering the excellent presentations made by ComSec and UNCTAD on their capacity building activities, the TFFS recognized that good progress was being made in ensuring cooperation among international agencies. Nevertheless, an emerging issue that arose from the discussion on these presentations was the relationship between the output of their software packages and its use in developing debt management strategies, including debt sustainability models and data dissemination, not least through debt statistical bulletins.

Action points

14. ComSec and UNCTAD will report on the emerging issue of the relationship between the output of the debt recording packages and its use (such as developing debt management strategies, etc) at the next TFFS meeting.

Friday, April 4

OECD Occasional Report

Simon Scott and Yasmin Ahmad (OECD) informed through teleconference on progress made in processing position data on official bilateral loans and export credits, as well as on the OECD-Italian network for public debt management (PDM) in emerging markets (TFFS 08/08). OECD informed that the work in processing official bilateral loans position data for 2004-2005 was near completion thanks to a contribution made by Austria in early 2007. Data from 2006 onwards have not yet been processed as funding is not yet secured, but OECD reaffirmed its commitment to work on these data subject to resources becoming available.

OECD informed that the processing of export credit stock data by the Export Credit Division continues to be suspended due to resource constraints with no firm timescale for its restart. OECD clarified that the data reporting obligations of OECD members remain. Increasing demands for these data from the IMF, the World Bank, and export credit agencies were acknowledged.

Regarding the PDM network, which provides participants from OECD and emerging markets online access to the leading practices/techniques of sound public debt management, the OECD envisages that the PDM network will provide statistical information on public debt of emerging markets based on the methodology used in OECD Central Government Debt Statistical Yearbook. TFFS members raised the issue of the importance of data consistency between such data with information available in the QEDS database, including its recent extension to a number of LICs. The OECD agreed to provide more details but requested that the TFFS concern be specified.

UNCTAD reported that its DebtNet (user electronic communication system for exchanging information on debt issues), discussed by the TFFS in 2006, was now suspended due to resource constraints.

Action points

15. The OECD expects to provide official bilateral loans position data for 2004-2005 to the JEDH in June 2008.
16. The OECD is to inform on any developments related to resuming the processing of official bilateral loans position data (from 2006 onwards) and export credits data.
17. The OECD will inform on the type on information on public debt of emerging market economies that would be provided through the PDM network, once the TFFS outlines their specific concerns.

JEDH—Update of the Service Level Agreement (SLA)

The Subgroup of the TFFS (integrated by the BIS, IMF, OECD, and World Bank) confirmed their agreement to update Tables 1 and 2 of Annex 1 of the SLA to reflect the changes made

in the recent release of the enhanced version of the JEDH and the forthcoming inclusion of QEDS data for GDDS countries in the JEDH (TFFS 08/10). The TFSS acknowledged this amendment to Annex 1 of the SLA. In 2009, the SLA is due for its first triennial review.

Report on the Debt Management Performance Assessment Tool (DeMPA)

Abha Prasad (World Bank) made a well-received presentation updating the TFSS on progress made on the DeMPA (TFFS 08/19). The presentation included the main features of the DeMPA, lessons learnt from its implementation in several developing countries, and the way forward, including work to support the design of medium-term debt management strategies in LICs. The TFSS noted that a number of concerns raised in the 2007 TFSS meeting were positively addressed.

Public Sector Debt Guide—Progress and Way Forward

Anne Y. Kester (STA) presented for discussion a draft annotated outline of the Public Debt Guide (TFFS 08/20). A number of suggestions were provided by TFSS members, including the need for (i) guidance on consistent instrument classifications and sectoral breakdowns; (ii) specific chapters on domestic debt, nontraded debt, debt securities, and reporting arrangements for foreign holding of domestic debt; (iii) guidance on accrual principles and valuation methods of securities; (iv) methodological treatment of currency unions; and (v) the inclusion of case studies and appendices on debt instruments/transactions similar to the External Debt Guide.

The TFSS emphasized that the Public Debt Guide be consistent with the External Debt Guide and other macroeconomic manuals such as GFSM/SNA, and highlighted the importance of the Public Debt Guide being a cooperative effort of the agencies, as it was the case with the External Debt Guide. The IMF offered to coordinate the preparation of the Public Debt Guide and to draft a number of its chapters.

Action points

18. The IMF plans to revise the annotated outline of the Public Debt Guide by end-June 2008, following the comments at the TFSS meeting and upon receipt of further inputs/comments from TFSS agencies; comments from agencies were requested to be sent to the IMF by end-April 2008.
19. Based on the revised annotated outline, TFSS agencies will be provided with options for their participation in the preparation of the Public Debt Guide and will indicate their intention to participate by December 2008.

Update of the External Debt Guide on Issues Emerging from BPM6

Eduardo Valdivia-Velarde (STA) presented the IMF paper on the main changes in BPM6 affecting the External Debt Guide (TFFS 08/21), which identifies for each relevant change the appropriate treatment/modification in the External Debt Guide. It was noted that the External Debt Guide remains largely consistent with the new standards. The TFSS agreed

that no substantial changes were required in updating the External Debt Guide for BPM6 and that the core structure will not be affected. As agreed during the 2007 TFFS meeting, the update of the External Debt Guide will be initiated in 2011 with the view of having it ready by 2013. Therefore, this paper will provide advice to external debt compilers on the appropriate methodological treatment during the transition period between when BPM6 is finalized at end-2008 and when the External Debt Guide is updated in 2013.

Action points

20. Comments by TFFS agencies on the document TFFS 08/21 are welcome in the next two months.
21. The IMF will distribute the finalized paper to TFFS members probably at next year's meeting after BPM6 is completed at end-2008, before being posted on the TFFS members' websites for use by external debt compilers.

Forward Work Program of Task Force

Lucie Laliberté recalled that at last year's meeting, TFFS agencies discussed the future of the TFFS. Since that time, there has been ample discussion, most recently in New York, in the meeting of the UN Statistical Commission in February 2008 of the suggestion of an "umbrella group" on monetary and financial statistics. This project is presently at the "concept stage" and more details should be available next year.

TFFS Website

Considering that the TFFS is well known by its outputs, such as the External Debt Guide, the QEDS, and the JEDH, it was agreed that a TFFS website be created to include the relevant documentation in terms of agendas and other nonconfidential documents. It was recalled that the TFFS prepares annual reports to the IMF Balance of Payments Committee. The TFFS agreed that these documents be included in the website as constituting a chronological reporting of its activities for previous years. It was noted that as it is the 10th year after the TFFS reconvened, this will provide a good opportunity to launch a website. The TFFS website would be linked to other relevant websites.

Action points

22. The IMF will inform TFFS members on progress in the creation of the TFFS website.

Next meeting

The TFFS members agreed to meet again in Europe in February or March 2009. The meeting will be hosted by the BIS in Basel. The exact dates will be set in around six months when the schedule of other international meetings is better known.

TFFS Meeting in Washington D.C., April 3-4, 2008		
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