TFFS

TASK FORCE ON FINANCE STATISTICS

International Agencies Contribution to Debt Statistics

May 22, 2014

Prepared by the TFFS member agencies

This document will be updated on a regular basis where necessary to ensure the information provided is current

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ABBREVIATIONS

AFRITACs	Africa Regional Technical Assistance Centers (IMF)
AMR	Alert Mechanism Report (Eurostat)
BIS	Bank for International Settlements
BOPSY	*Balance of Payments Statistics Yearbook* (IMF)
BPM6	Sixth edition of the *Balance of Payments and International Investment Position Manual* (IMF)
CAPTAC-DR	Central America, Panama, and the Dominican Republic Regional Technical Assistance Center (IMF)
CARTAC	Caribbean Regional Technical Assistance Centre (IMF)
CGFS	Committee on the Global Financial System (BIS)
CIRRs	Commercial Interest Reference Rates (OECD)
ComSec	Commonwealth Secretariat
CRS	Creditor Reporting System (OECD)
CS-DMS	Debt Management Solutions (ComSec)
CS-DRMS	Debt Management and Recording System (ComSec)
CS-SAS	Securities Auction System (ComSec)
DAC	Development Assistance Committee (OECD)
DeMPA	Debt Management Performance Assessment (World Bank)
DDFB	Debt and Development Finance Branch (UNCTAD)
DDS	Domestic debt securities (BIS)
DMFAS	Data Management and Financial Analysis System (UNCTAD)
DMS	Debt Management Section (ComSec)
DGI	Data Gaps Initiative
DQAF	Data Quality Assessment Framework (IMF)
DRS	Debtor Reporting System (World Bank)
DSA	Debt sustainability analysis
DSF	Debt sustainability framework
ECB	European Central Bank
EDS Guide	*External Debt Statistics: Guide for Compilers and Users* (2013)
EFTA	European Free Trade Association
ESA2010	*European System of Accounts, ESA 2010*
ESCB	European System of Central Banks (ECB)
EU	European Union
GDDS	General Data Dissemination System
GDP	Gross domestic product
GED	Gross external debt
HIPC	Heavily Indebted Poor Countries
IAG	Inter-agency Group on Economic and Financial Statistics
IBRD	International Bank for Reconstruction and Development
IBS	International Banking Statistics (BIS)

IDA	International Development Association (World Bank)
IDS	International Debt Securities (BIS)
IDS	International Debt Statistics (World Bank)
IFMS	Integrated Financial Management System
IFS	*International Financial Statistics* (IMF)
IIP	International investment position
IMF	International Monetary Fund
JEDH	Joint External Debt Hub
MDRI	Multilateral Debt Relief Initiative
MEFMI	Macroeconomic and Financial Management Institute of Eastern and Southern Africa
METAC	Middle East Regional Technical Assistance Center (IMF)
MIP	Macroeconomic Imbalance Procedure (Eurostat)
MTDS	Medium-Term Debt Strategy
NCBs	National central banks (ECB)
NED	Net external debt
NSDS	National Strategy for the Development of Statistics (OECD)
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
OTC	Over-the-counter [markets]
PFTAC	Pacific Financial Technical Assistance Center (IMF)
PGI	Principal Global Indicator (IMF)
PSD	Public sector debt
PSDS Guide	*Public Sector Debt Statistics: Guide for Compilers and Users*
QEDS	Quarterly External Debt Statistics (World Bank)
QPSD	Quarterly Public Sector Debt Statistics (World Bank)
RDBMS	Relational Database Management System (UNCTAD)
ROSCs	Reports on the Observance of Standards and Codes (IMF)
RTACs	Regional Technical Assistance Centers (IMF)
SDDS	Special Data Dissemination Standard
SDMX	Statistical Data and Metadata eXchange
SDW	Statistical Data Warehouse (ECB)
2008 SNA	*System of National Accounts 2008*
TDS	Total debt securities (BIS)
TFFS	Inter-Agency Task Force on Finance Statistics
UNCTAD	United Nations Conference on Trade and Development

I. Introduction

1. This document describes the debt statistics activities of the international agencies in the area of external and public sector debt. These activities are presented in four sections:

- *Data management systems* section provides the main functionalities and technological features of the Commonwealth Secretariat (ComSec)'s Debt Management Solutions and the United Nations Conference on Trade and Development (UNCTAD) Data Management and Financial Analysis System (DMFAS).

- *Data availability* section presents selected data on external and public debt that are disseminated through online databases by international organizations on economies' financial positions outstanding.

- *Data quality* section describes some guidelines for the provision to the public of comprehensive, timely, accessible, and reliable debt statistics such as the IMF Data Quality Assessment Framework (DQAF) for external and public debt statistics and Debt Management Performance Assessment (DeMPA), and

- *Capacity building* section presents the collaborative efforts in the field of technical assistance and training to foster the implementation of, and adherence to, international statistical standards for the compilation and dissemination of external and public sector debt statistics.

2. The TFFS sets methodological standards for statistics on external and public sector debt; promotes data availability on financial positions, particularly on external and public sector debt; encourages internationally accepted statistical practices to enhance data quality; and fosters inter-agency collaboration in statistical capacity building (see http://tffs.org/index.htm).

3. The international agencies included in this document are the current members of the Task Force on Finance Statistics (TFFS): the Bank for International Settlements (BIS), the ComSec, the European Central Bank (ECB), Eurostat, the International Monetary Fund (IMF), the Organisation for Economic Co-operation and Development (OECD), the Paris Club Secretariat, the UNCTAD, and the World Bank.

4. This document has been prepared by the IMF with information supplied or confirmed by the TFFS member agencies.

II. Data Management Systems

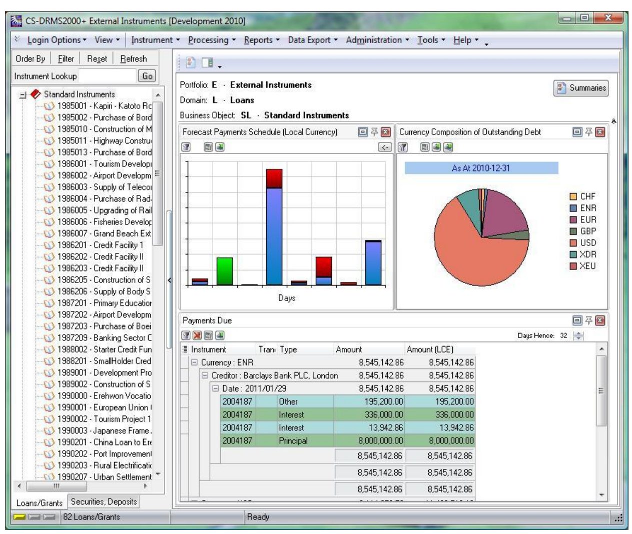
A. Commonwealth Secretariat

5. The ComSec's Debt Management Solutions (CS-DMS) comprises a suite of three software products: ComSec Debt Management and Recording System (CS-DRMS), ComSec Horizon—a public debt analytical tool, and ComSec Securities Auction System (CS-SAS). The provision of the software suite, including associated capacity building support, is free of charge to Commonwealth member countries. The software is currently deployed in 61 Commonwealth and non-Commonwealth countries, across more than 100 sites in finance ministries, central banks, treasuries, accountant general offices, and provincial governments. CS-DRMS, which was the first software to be developed under the ComSec's debt management program, was launched in 1985.

CS-DRMS

6. CS-DRMS is an integrated tool for recording, monitoring, analyzing, and reporting public and publicly guaranteed debt. As well as providing a comprehensive repository for external and domestic debt and guarantees on an instrument-by-instrument and aggregate basis, it allows users to record and manage private sector debt and grants. The system can be used across the entire cycle of debt operations within a country starting from loan negotiation and/or issuance of a security until its maturity and/or redemption, respectively.

Figure 1. CS-DRMS Main Screen



7. CS-DRMS has a user-friendly graphical interface that allows the debt manager to review the government's borrowing and associated transactions quickly and easily, through various aggregations (see Figure 1). The system adheres to international standards and conventions in recording and managing debt data including coverage, accounting principles such as valuation and time of recording, classification, and reporting. The system is thus compliant with the compilation and reporting requirements recommended by the *External*

Debt Statistics: *Guide for Compilers and Users* (*EDS Guide*), and the *Public Sector Debt Statistics: Guide for Compilers and Users* (*PSDS Guide*).

8. CS-DRMS can be easily configured to support specific debt management operations. It provides a number of audit controls and validations tools to ensure debt data is stored accurately and safely. Its holistic approach offers a wide range of functionalities and a robust, secure, and open architecture, which allows interfaces with third party information management systems, including integrated financial management information systems (IFMIS). The system is being continually enhanced to reflect changes in the debt management environment, creditor practices, debt reporting standards, and technology to stay in tune with evolving changes, whilst catering to the varying needs of client countries at the same time.

Summary of Key Functionalities of the System

Debt recording

9. CS-DRMS is an integrated system that records public and publicly guaranteed external and domestic debt, grants and government lending for day-to-day administration and management. It has a comprehensive loans module that allows for the recording of a wide range of official and commercial instruments, including short term debt and private sector external debt. Its comprehensive securities module allows for the recording of various types of government securities including Treasury bills, bonds (fixed, floating, discount, and indexed instruments), promissory notes, and commercial papers. Sovereign bonds issued on international capital markets can also be recorded in CS-DRMS.

10. Forecasts of debt service payments can be generated using instrument agreement/characteristics and compared with actual transactions in the system. Based on these data, the system automatically updates the outstanding debt positions and projected flows, including any accumulated arrears.

11. A dedicated disbursement module offers facilities for recording and tracking various types of disbursements (e.g. reimbursement, cash advance, and direct payment) for project implementation. The module can be used to capture the government chart of accounts and expenditure line items and produce reports in budget and chart of accounts formats.

Debt reporting

12. CS-DRMS has a fully customizable and flexible reporting facility. More than 100 standard reports are available within the system that meet most countries' needs relating to operational, analytical, and statistical functions. Where additional reports are required, users are able to create and customize reports through an in-built user-friendly reporting wizard and an advanced reporting tool.

13. The system is fully compliant with the international reporting requirements of the Special Data Dissemination Standard (SDDS)/General Data Dissemination System (GDDS) for reporting to Quarterly External Debt Statistics (QEDS), World Bank Debtor Reporting System (DRS), and Public Sector Debt (PSD) databases. In addition, CS-DRMS has a number of in-built reports, which comply with the templates prescribed under the various

data dissemination initiatives. The system also provides automatic links to the DRS and QEDS/GDDS and PSD databases.

Debt analysis

14. CS-DRMS has comprehensive analytical features that allow easy analysis of the entire debt portfolio. The analysis module provides a number of portfolio analysis functions to summarize the characteristics of the debt portfolio including creditor profile, currency composition, maturity profile, interest type and interest rates, and an array of debt sustainability risk indicators.

15. Users can create their own projections of macroeconomic variables and borrowing scenarios to analyze the impact on the portfolio. The key debt ratios are reported as standard in the analysis but other ratios can also be constructed to meet specific country needs. CS-DRMS has facilities to generate data as in-built reports in the prescribed templates (both low income and market access country templates) for debt sustainability analysis under the Debt Sustainability Analysis (DSA)-Debt Sustainability Framework for low-income countries (DSF) and also for the Medium-Term Debt Strategy (MTDS) toolkit as part of the MTDS framework, both developed jointly by the IMF and World Bank. CS-DRMS seamlessly allows electronic export of portfolio data to the Commonwealth Horizon software for advanced portfolio analysis among other analytical functions.

Debt restructuring

16. CS-DRMS has specialized functionality for debt restructuring negotiated through the London Club and Paris Club, including ones through the Heavily Indebted Poor Countries (HIPC) Initiative as well as the Multilateral Debt Relief Initiative (MDRI). In addition, the system supports facilities to handle refinancing, buy-backs and derivatives transactions (embedded options, swaps etc.).

Integration with financial management information systems

17. Beyond interfaces to reporting portals and established debt management tools, CS-DRMS can also be linked to IFMIS. Besides providing the technical solution for such integration, the Secretariat also supports countries in analyzing their business processes to maximize the efficiency gains from such integration.

18. The main functions of CS-DRMS are also summarized in Table 1.

Table 1. Major Functions of the ComSec Debt Recording and Management System (CS-DRMS)

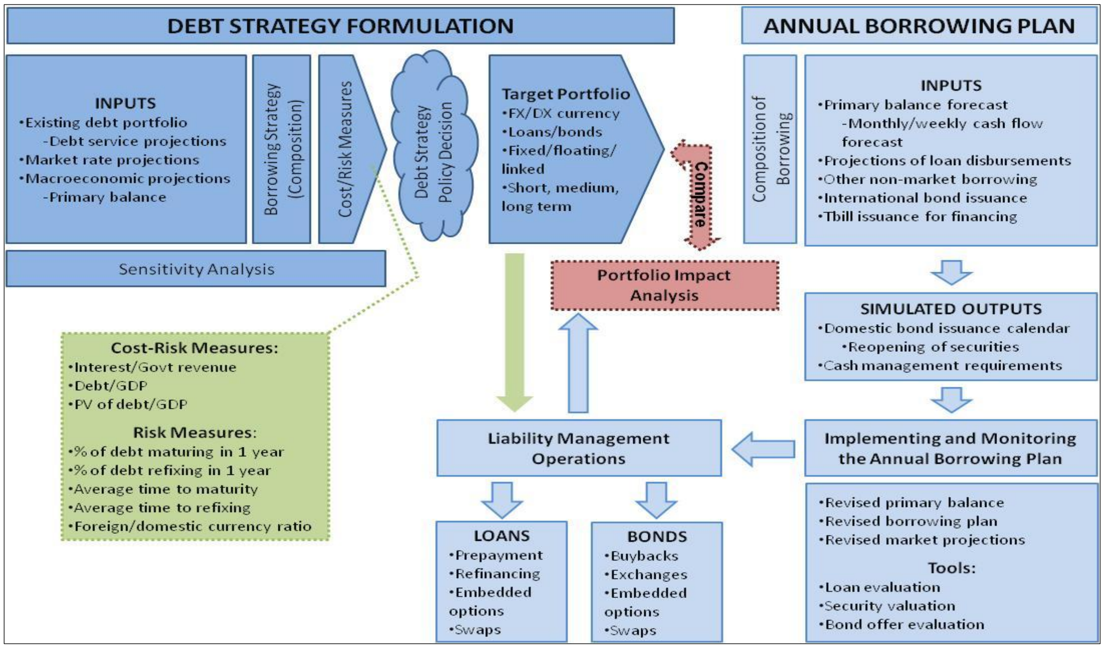
Recording and Management	Reporting/Statistical	Analysis	Other functions
• Maintain an inventory of all external and domestic debt instruments (and grants), including: - public sector debt and guarantees - short-term and private sector debt - restructuring agreements, including rescheduling • Record all of the terms and conditions of instruments, including a copy of any related documentation • Record other relevant information such as exchange rates, interest rates, and macroeconomic data and non-business days • Forecast debt-service payments, both by instrument and in aggregate terms, with and without future disbursements • Record actual transactions of debt service and disbursements on a transaction-by-transaction basis • Identify debt in arrears and calculate penalty payments • Monitor loan and grant utilization and disbursements • Record and monitor guarantees, lending and on-lending • Manage the portfolio through debt reorganization and liability management operations	• Fully adheres to international debt data compilation standards (e.g. the guides on public debt statistics and external debt statistics) • More than 100 standard reports to meet various reporting requirements for operational, analytical and statistical functions • In-built reports based on the international reporting templates of SDDS, GDDS, DRS and PSDS • Provide information and reports on any instrument or class of instruments • Easy generation of customized reports to comply with any other reporting requirements • Transfer data electronically to the World Bank's DRS, GDDS-QEDS, and PSD databases • Export data for use in other analytical tools such as the IMF-World Bank's MTDS toolkit and the DSA templates for low and middle income countries and the Commonwealth Horizon software	• Perform sensitivity analysis on interest and exchange rate variations under various scenarios • Test the implications of new borrowings, based on different assumptions of currencies, interest, and repayment terms • Evaluate different loan options • Evaluate different proposals for refinancing and rescheduling of loans and compute debt relief requirements • Combine CS-DRMS debt data with exogenous economic data to project critical debt indicators, on both a nominal and present value basis • Compute various cost and risk indicators and evaluate the exposure to different types of risks (e.g. exchange rate, interest rate, rollover, refinancing)	• Validation tools to ensure database integrity and accuracy • Integrate front, middle, and back office functions via the database and security management options • Reduce operational risk by controlling access and performing functions such as backup and restore • Easy integration with other financial management information systems (i.e. IFMIS) to enhance efficiency and minimize operational risk within the public finance management framework • Easy integration to aid management systems as well as other project management systems to facilitate management of projects **Future developments** • Web-enabled for online recording and reporting • Full capabilities for accrual accounting and market valuation • Enhanced capabilities for assessing and monitoring contingent liabilities

Commonwealth Secretariat Horizon

19. ComSec Horizon is a specialized middle office/front office decision support system designed to enable prudent debt management with a cost and risk focus. The tool supports formulation and implementation of a debt management strategy. Horizon is based on an integrated framework under which costs and risks of alternative borrowing strategies are assessed to formulate a debt management strategy (see Figures 2 and 3). The tool also supports implementation and monitoring of the desired debt strategy through integration of cash and debt management, development of an annual borrowing plan including an issuance calendar and liability management operations (e.g. buybacks, exchanges, embedded options,

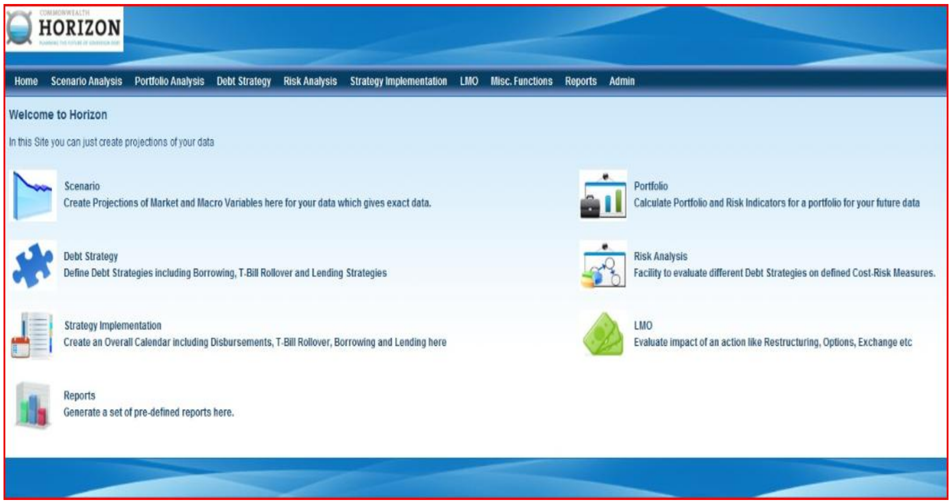
restructuring and swaps). Whilst part of CS-DMS, this analytical tool has been specially designed to interface with any debt recording software for importing the debt portfolio data.

Figure 2. The CS-PDAT Framework



20. The tool supports a range of analysis, from basic to advanced, on the entire public debt portfolio. It focuses on the costs and risks of different borrowing strategies under different scenarios for analyzing alternative strategies. Various market risks and refinancing risks are extensively analyzed through the application of the ComSec Horizon system. Once the desired strategy is selected, ComSec Horizon allows the debt manager to implement the strategy through the development of an annual borrowing plan, including the simulation of an issuance calendar for government securities. For the development of the domestic debt market, the system specifically supports the building up of benchmark bonds through re-openings of existing securities. For implementing a specific strategy within ComSec Horizon, various liability management operations, such as buy-backs, exchanges, prepayment, pre-financing, swaps, and the exercise of embedded options, can be analyzed through its impact on the portfolio. Such liability management operations can also be included as part of the annual borrowing plan for comprehensive debt management planning. The system will also trigger the need for certain liability management operations based on limits for refinancing risk stipulated by the debt manager. Finally, the system incorporates lending strategies and operations to allow a holistic analysis of debt management strategies within an asset-liability risk management framework.

Figure 3. ComSec Horizon Main Page



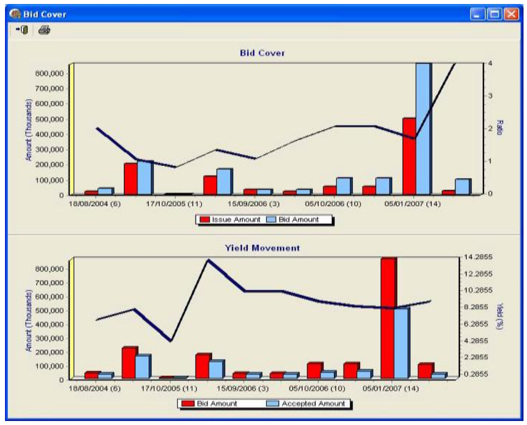
CS-SAS

21. The CS-SAS helps institutions manage their securities auction process from notification until bids are successfully processed and allotment effected. The software supports different instrument types (T-Bills, Fixed, Floating, and Zero coupon bonds), various auction types (uniform price and bid price), different bidding processes (yield-based or price-based) as well as competitive and non-competitive bidding. Required payments from the successful bidders can be manually captured or electronically uploaded. The system is based on an end-to-end workflow management assisting institutions manage and monitor the entire auctioning process together with providing support in determining allotment cut-off price/yield.

22. While the software supports the traditional paper based bidding, it also provides a web interface for dealers to submit their bids online as well as track the status of their bids (see Figure 4).

23. The software includes a fully-customizable allotment certificate for successful bidders and incorporates a range of reports for decision making. Useful information on accepted bids can be electronically exported to other systems (including CS-DRMS) for monitoring and reporting on cash flows and stocks.

Figure 4. Bid Cover and Yield Movement



System security and Audit

24. The CS-DMS suite incorporates fully user-configurable multilayer security features to meet individual country requirements. The security setup allows for configuration of workgroups and roles to match the country's own setup, such as the front, middle, and back office model. The users can be assigned appropriate roles to restrict their access to screens and reports as per the security setup.

Technological characteristics

25. The software products operate on both Oracle and Microsoft SQL Server as backend databases. The software is available in both English and French, and has language-independent design to facilitate translation into other languages.

26. The software has a help facility, both on-line and in hardcopy, that is supported by a frequently asked questions section on the CS-DRMS website and hotline support together with remote connection facility from the technical staff located in the headquarters in London.[1]

27. For further information, see the CS-DRMS website at www.csdrms.org or contact:

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Commonwealth Secretariat
Marlborough House, Pall Mall, London SW1Y 5HX, United Kingdom
Tel: 44-(0) 20–7747 6430 Fax: 44-(0) 20–7747 6450
E-mail: csdrms@commonwealth.int.

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[1] For further information, see http://www.csdrms.org

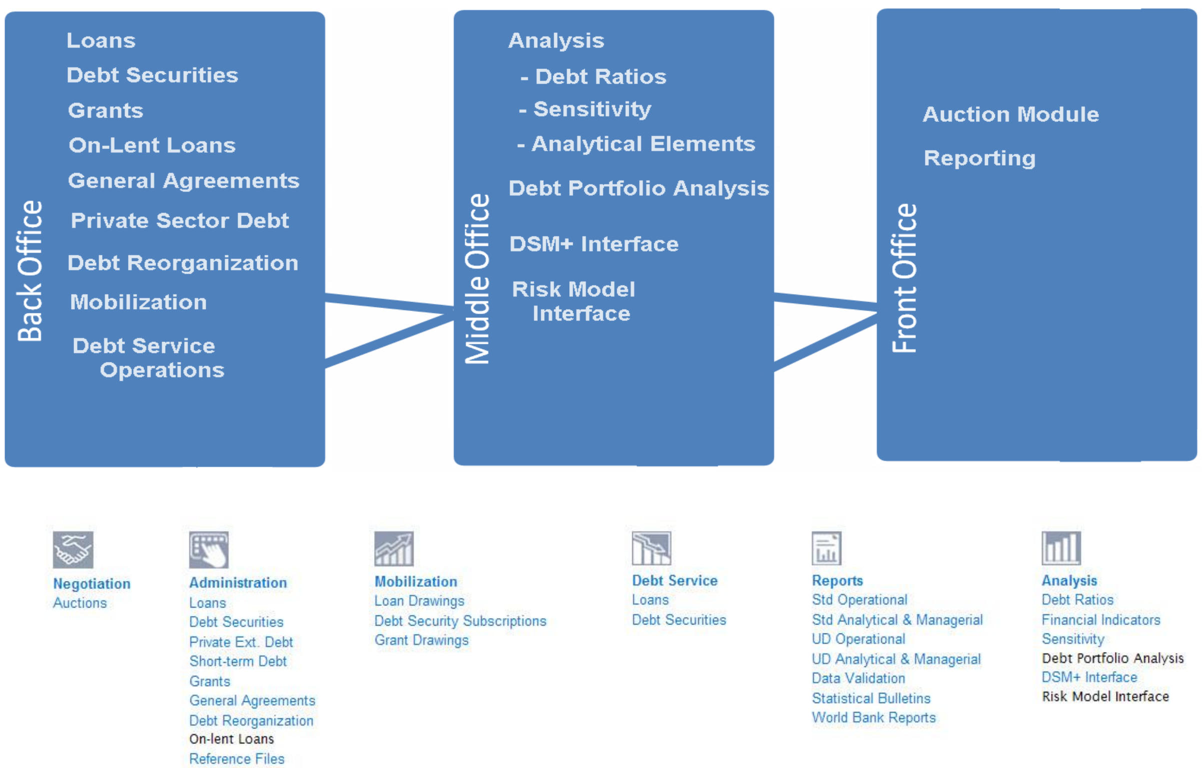
B. United Nations Conference on Trade and Development

28. The DMFAS is a specialized debt management and financial analysis software, developed for governments and central banks. It can be used for the management of public and publicly guaranteed short and long-term debt (external and domestic), private sector external debt, as well as on-lending operations, and for recording of loans, debt securities, general agreements, grants, and debt reorganization. It is regularly enhanced so that it remains current with, and helps establishing best practices in debt management. In order to improve overall public financial management, the DMFAS is easily linked with other financial management systems.

29. DMFAS 6 contains a web interface (portal) that provides centralized access to all DMFAS modules, information, applications, data, and links that are commonly used by its users (see Table 2). It also contains an on-line help facility. The DMFAS interface can be easily customized, modified, and translated. The standard DMFAS version 6 exists in three languages—English, French, and Spanish—, and will be available in Arabic and Russian. It can be used both in a single-user and in a networked environment (intranet or extranet). User profiles and access privileges are defined in the system's security module.

30. All modules can be accessed easily and independently, according to the user's customized needs. They are organized to follow the typical operational life cycle of a debt agreement (Administration, Mobilization, and Debt Service) complemented by Negotiation (for debt securities), Reports, and Analysis functions. These cover the comprehensive needs of a debt management office, whether they are front (loan contracting and issuance of debt securities), middle (analysis) or back office (registration and management of operations) tasks.

Table 2. Major Functions of the UNCTAD-DMFAS



Negotiation

31. Negotiation in DMFAS refers to the first phase in the life cycle of a debt instrument. It contains an auctions module. This module is used to record bids on bills or bonds on a single price/yield basis (non-competitive auction) or multi-price/yield basis (competitive auction). Both successful and unsuccessful bids are maintained in the DMFAS database for a defined period in order to monitor investor and bidder participation in the primary market. The data can be sent automatically to the Debt Securities module where it appears in the Subscriptions data for the instrument. The data on the transactions are used to calculate the pricing and valuation of the instrument (clean price, dirty price, etc.)

Administration

32. Under *Administration*, the user can register general and detailed information for any type of debt agreement by accessing the relevant module for loans, debt securities, private nonguaranteed external debt, short-term debt, grants, general agreements, debt reorganization, on-lent loans, as well as reference files.

33. In the *Loans module*, general information is recorded about a loan agreement such as the parties, the loan identity document and signature. Specific information such as the

principal, interest, and commission terms is also recorded. Each loan recorded includes its own set of tranches, with each tranche representing a distinct part of a loan as defined by the creditor in the detailed payment schedules sent to the debtor. Each individual amortization defined by the creditor is represented by the individual tranche in the system.

34. The *Debt Securities module* is used to register all types of debt securities from short-term to long-term. It is divided into four main categories of instruments:

- Money market instruments (discount, interest bearing)
- Bonds and Notes (zero coupon, fixed rate, floating rate, stepped annuity, perpetual, other)
- Promissory Notes (discount, interest bearing)
- Other securities

35. *Private nonguaranteed data* and *short-term debt* can be entered either on an instrument or on an aggregate level, either manually or imported from other applications (e.g., Excel).

36. The *General Agreements module* is designed to capture data about agreements that cover several individual instruments. A link can be set up between a general agreement and the agreements arising from it. There are various types of general agreements of which the most common are frame agreements as well as those relating to reorganization (e.g., Paris Club Agreed Minutes).

37. The *Reorganization module* can handle all types of debt reorganization including: refinancing, rescheduling, forgiveness, debt conversion, and prepayments (buybacks). This module handles all phases of the reorganization and maintains a relationship between the old debt and new debt.

38. The *module for On-lent loans* records loans borrowed by a government on behalf of other public sector entities. The direct loan between the creditor and the government is recorded in the Loans module while the on-lent loan between the government as creditor and the public-sector enterprise is registered in the On-lent module.

39. Reference files are the starting point for work in DMFAS. They contain detailed information which can be referred to/from many DMFAS windows. They include essential and optional data about the participants, exchange rates, budget lines, and financing relating to an agreement.

Mobilization

40. DMFAS records all types of individual transactions related to loan drawings and grant drawings as well as debt security subscriptions. Loan real drawings can be recorded in cash, in kind, or as a direct payment. Drawings take the form of a direct payment when the beneficiary or debtor of a loan requests the creditor to pay a third party directly from the loan. When a real drawing is recorded, DMFAS automatically reduces the undisbursed amount of the relevant loan tranche, automatically recalculates estimated drawings of the tranche, and recalculates the amortization table. For grant drawings, the process is similar to that of loans.

41. In DMFAS, a subscription is the payment made to the issuer of a debt security by the subscriber, in the form of funds, goods, or services. Users can record subscriptions according to the level of detail required by their institution. DMFAS provides two ways to enter subscriptions: through the Subscriptions module or the Debt Securities module.

Debt Service

42. DMFAS 6 contains two debt service modules, for loans and for debt securities. They are intended for debt service operations relating to principal and interest, commissions, and penalty interest.

43. DMFAS records and monitors the different types of debt service operations: payments, non-payments (i.e. arrears), prepayments (for loans), buybacks (for debt securities), rescheduling, forgiveness, swaps, and stripped securities. All debt-service operations can be entered and/or tracked in any currency.

44. This module also contains a budget period allocation sub-module, which is intended for institutions that wish to link debt service payments to their budget system.

Reports

45. All data recorded in DMFAS is ultimately aimed at producing reports that are accurate, complete, and compliant with international standards. DMFAS can generate a wide range of standard and customized reports. These include reports on loans, debt securities, grants, projects, general agreements, reorganization agreements, and reference files.

46. Standard reports are predefined reports delivered with the system. These are reports that have already been created by the DMFAS Programme. This category of reports includes operational reports as well as analytical and management reports.

47. Standard operational reports include reports on loans, debt securities, projects, general agreements, grants, and reference files. Analytical and management reports consist of reports on debt status, reorganization, World Bank reporting, and general agreements involving revolving credits.

48. User-defined reports are reports created and generated by DMFAS users in any given country. Also categorized as either operational or analytical and management, these cover data validation, debt status, and statistical bulletins. Data validation refers to predefined reports that allow checking the accuracy and consistency of the data recorded in the DMFAS database. Debt status and statistical bulletins are reports on external and domestic debt that generally adhere to international standards.

Analysis

49. The analysis modules offer powerful tools for middle-office debt managers to determine the sustainability of their debt portfolio and to build debt strategies. They cover the following: debt ratios, financial indicators, sensitivity, debt portfolio analysis, a debt sustainability interface, and a risk model(s) interface.

50. The debt ratios in DMFAS cover public sector debt, external public sector debt, and domestic debt. They include, among many others:

- PSD/GDP or Public Sector Debt/Gross Domestic Product.
- XPSD/XGS or External Public Sector Debt/Exports (nominal and present value).
- DPSD/PSD or Domestic Public Sector Debt/Public Sector Debt.

51. The Financial Indicators module refers to the calculation in DMFAS of average terms and the grant element for a selected group of instruments; the results of the calculation appear in the reports. Average terms relate to the average interest rate, grace period, and life of a group of loans, or debt securities.

52. DMFAS allows the user to perform exchange rate and interest rate sensitivity analysis. This type of analysis is used to make projections about how changes in interest rates and/or exchange rates impact a country's debt service and, consequently, its debt sustainability. It can be used to build scenarios or "what if" simulations for evaluating different refinancing strategies.

Audits and evaluations

53. External scrutiny and audit. The system provides comprehensive information to support audits and other types of evaluations. It provides details on each instrument and transaction and audit trails are incorporated within the system. Supporting documentation and back-ups are always recommended as part of the DMFAS implementation process.

Linkages with other systems

54. The DMFAS can easily be linked with any other system. A standard interface is available for linkage with the IFMIS, in particular for streamlining operations with budgeting and accounting, and has been implemented in a number of countries.

55. Interfaces exist between the DMFAS system and all standard analytical tools including the debt sustainability model, MTDS, DSF, and risk models. The DMFAS Programme is also planning to build linkages with Aid Management systems in the near future.

Technical characteristics

56. DMFAS 6 works on any standard Internet Browser. It uses Oracle's Relational Database Management System (RDBMS) and was developed using Java and ORACLE Development Tools.

DMFAS and the *External Debt Statistics Guide*

57. Efforts are continuously being made to ensure that the DMFAS system is consistently updated and in line the latest standards, including the updates to the *EDS Guide*. Efforts have been taken to ensure that core conceptual foundations are consistent. This includes the areas of definition, coverage, valuation, present value calculations, classifications, and reporting:

- **Definitions**. All definitions of debt, external debt, and related terms are consistent.

- **Coverage**. DMFAS addresses most of the instruments included in the *EDS Guide*. Some information on instruments, such as arrears due to suppliers, is not generally incorporated, but this can be done if the data are available.

- **Valuation**. Valuation of stocks and flows are consistent. Stocks are valued at end-of-period exchange rates, and transactions on the day of the transaction. Market valuation of the instruments is also possible.

- **Present Value**. Present value calculations are also incorporated into DMFAS, using the sets of currency-specific interest rates as required, such as Commercial Interest Reference Rates (CIRRs).

- **Classifications**. DMFAS also incorporates classifications incorporated in the *EDS Guide*, including by debtor sector, instrument, and maturity (original and residual). In addition, many other types of classifications included, including by creditor, guarantee status, and economic sector.

- **Reporting.** DMFAS provides a comprehensive set of reports, which are consistent with the core tables in the *EDS Guide*. It also has a flexible reporting methodology which allows the user to customize reports, and generate a substantial set of reports, to meet the additional specific requirements of the institution/country.

58. For further information, see www.unctad.org/dmfas or contact:

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III. Data Availability

A. Bank for International Settlements

59. The BIS produces three sets of data relevant to the monitoring of external debt: the International Banking Statistics (IBS), the Debt Securities Statistics, and the Over-the-Counter Derivatives Markets Statistics. These data are available at http://www.bis.org/statistics/index.htm. These datasets are not collected with the primary aim of measuring external debt. However, as counterparty (creditor) and market data they may be useful to help monitor and proxy external debt during periods when more comprehensive national data are not available or delayed. Selected data on the IBS and the Debt Securities Statistics are included in the Joint External Debt Hub (JEDH).

International Banking Statistics

60. Table 3 shows the coverage of the BIS International Banking Statistics.

61. Under the guidance of the Committee on the Global Financial System[2] (CGFS) and in cooperation with central banks, the BIS compiles two sets of statistics on international banking activity: Firstly, locational banking statistics, which measure international claims and liabilities of banking offices resident in the respective reporting countries, including inter-office positions, using principles that are consistent with national accounts and international investment position data. Secondly, consolidated banking statistics, which measure worldwide consolidated claims of banks headquartered in the respective reporting

[2] The Committee on the Global Financial System was established in 1971 by the central banking community to analyze the macroeconomic and financial consequences of the growth of international deposit markets; hence the committee's original name, the Euro-currency Standing Committee.

countries, including claims of own foreign affiliates but excluding inter-office positions, building on measures of country risk exposures used by banks.

62. Each set of statistics comprises two sub-sets. For the locational statistics, data are reported according to either the residency of the counterparty (locational by residence) or the nationality of ownership of the reporting institution (locational by nationality). For the consolidated statistics, data are reported according to either the residency of the immediate counterparty (consolidated on an immediate counterparty basis) or the residency of the ultimate obligor after taking into account risk transfers (consolidated on an ultimate risk basis).

63. The locational banking statistics are consistent with the international investment position (IIP) framework. First, debtor counterparties are identified according to their country of residence. Second, creditors are identified by their country of residence and, therefore, reported by the host lending country. This approach permits a statistical reconciliation on a country-by-country bilateral basis. Third, the breakdown by instrument—namely, between debt securities holdings and loans—comes close to the IIP distinction between portfolio and other investment positions, respectively. Fourth, the currency breakdown makes it possible to derive changes in stocks, which can be used as a proxy for measuring balance of payments transactions.[3] Also, there is a sectoral breakdown between banks and nonbanks. Keeping in mind that domestic debt compilers face difficulties reporting comprehensively on domestic nonbank financial transactions, this breakdown is particularly useful to national debt compilers for comparative or estimation purposes.[4]

Table 3. Coverage of BIS International Banking Statistics

Locational banking statistics	**Consolidated banking statistics**
Role of banks in intermediating international capital flows	Exposure of national banking systems to country, liquidity and transfer risks
(1) *By residence* – international claims and liabilities of banks based on the residence of the reporting banks and the residence of the counterparties	(1) *Immediate counterparty basis*
(2) *By nationality* – international claims and liabilities of banks based on the nationality of ownership (control) of the reporting banks	(2) *Ultimate risk basis, derived as:* Immediate risk basis - Outward risk transfers = Ultimate risk exposure + Inward risk transfers = Ultimate risk basis (adjusted for risk transfers)

[3] Changes adjusted to exclude the impact of currency movements on stock data using average exchange rates for the period under consideration can only serve to approximate actual transactions.

[4] See also IMF (1992), pp. 54–62.

64. In contrast to the locational statistics by residence, the locational statistics by nationality and the consolidated statistics are published on the basis of the home country of bank groups and thus are not suited to a statistical reconciliation of IIP data on a country-by-country bilateral basis. Their main interest for external debt analysis purposes is that they provide information disaggregated by the control (home) country of creditor banks.

65. The locational data by nationality are arrived at by rearranging the locational positions by the nationality of the controlling parent. The locational by nationality data are being enhanced to make available a detailed counterparty country breakdown, thus providing information on the home countries of bank claims for each borrowing counterparty country.

66. The BIS consolidated statistics on an immediate counterparty basis follow a similar approach to the locational statistics by nationality data, but capture worldwide positions excluding intrabank positions. Consolidation implies that the country exposure of individual reporting institutions covers that of their affiliates in all countries, including in the debtor country itself. The worldwide coverage of the consolidated statistics can result in more complete coverage of cross-border debt liabilities to banks on the debtor country side, because the claims of reporting banks' affiliates in countries that do not report the locational statistics are also included in the report by the parent bank. As part of the process of consolidation (and to avoid double-counting of claims), positions between the related offices of the same banking groups (intrabank positions) are excluded, which reclassifies some of the cross-border positions as local exposure on the debtor country. Finally, country exposure under this reporting system includes local claims denominated in foreign currencies, which fall outside the scope of balance of payments statistics.

67. Although the risk-based nature of the reporting of consolidated claims implies some divergence from IIP classifications, the data provide an insight into some important categories of countries' external debt not available elsewhere. Prime among these is short-term debt (with a remaining maturity of up to one year), which had not been the original focus of debtor reporting systems. Another important piece of information is the sectoral breakdown (banks, the official sector, and private nonbanks). In the consolidated statistics, central banks are allocated to the official sector and publicly-owned companies are allocated to the nonbank private sector on account of the greater similarity in credit risk.

68. The "ultimate risk" basis consolidated claims result after a reallocation of claims (outward risk transfers), according to the country of domicile of the guarantor (either the head office of the borrowing entity itself (for branches) or of borrowed funds with explicit (legally binding) guarantees. This provides "ultimate risk exposure" data. In a last step, those risks that have been transferred out of the immediate borrower countries are reallocated to the guarantor countries by "inward risk transfers", thus leading to the concept of "Consolidated data on an ultimate risk basis" (see Table 3).

69. The data on exposures to ultimate counter-parties provide a useful complement to those on exposures to immediate counterparties for the purpose of evaluating country and sector risk. Indeed, in view of the difficulty of measuring where the final risk lies and of the significance of borderline cases, the Basel Committee on Banking Supervision has explicitly recommended that banks calculate their country exposure on both bases (dual exposure measurement).[5] Certain potential claims, such as guarantees extended, undisbursed credit commitments, and the positive market value of derivatives claims related to the country, are also reported separately in the "ultimate risk" data set.

Debt Securities Statistics

70. The BIS debt securities statistics capture borrowing activity in debt securities markets and distinguish between three markets of issue: international market, domestic market and all markets. The statistics are harmonized with the recommendations in the Handbook on Securities Statistics, Part 1 of which sets out an internationally agreed framework for classifying debt securities issues.

71. International debt securities (IDS) are those issued in a market other than the local market of the country where the borrower resides, i.e. issues by nonresidents in all markets. They are compiled from a security-by-security database built by the BIS using information from commercial data providers, in particular information from Dealogic, Euroclear, Thomson Reuters and Xtrakter. The BIS calculates gross issuance, net issuance after repayments, and amounts outstanding.

72. Domestic debt securities (DDS) are those issued in the local market of the country where the borrower resides, i.e. issues by residents in their local market. They are compiled from data reported to the BIS by central banks, including data sourced from national statistical offices. The BIS calculates exchange-rate adjusted changes in stocks by assuming that amounts outstanding are denominated in the currency of the local market.

73. Total debt securities (TDS) combine international and domestic debt securities, i.e. issues by residents in all markets. Outstanding amounts are compiled from data reported to the BIS by central banks, including data sourced from national statistical offices. Owing to potential overlaps between the BIS's IDS statistics and DDS statistics from other sources, the BIS does not calculate total debt securities; TDS statistics are only published when reported by central banks.

Over-The-Counter (OTC) Derivatives Markets Statistics

74. The objective of the Semiannual OTC Derivatives Markets Statistics is to obtain comprehensive and internationally consistent information on the size and structure of the

[5] See Basel Committee on Banking Supervision (1982).

global derivatives market. They provide data on notional amounts outstanding and gross market values and permit the evolution of particular market segments to be monitored. In conjunction with the banking and securities statistics, they offer a more comprehensive picture of activity in global financial markets.

75. The semiannual statistics are reported by derivatives dealers on a worldwide consolidated basis. The data are not available with a country by-country breakdown of counterparties.

76. The semiannual statistics are complemented by data from additional reporters every three years. The use of this survey for external debt purposes is limited by the fact that crossborder amounts are reported without a country breakdown.

B. European Central Bank

77. The main purpose of ECB statistics is to support the monetary policy of the ECB and other tasks of the Eurosystem and the European System of Central Banks (ESCB). In compiling statistics, the ECB is assisted by the national central banks (NCBs). The NCBs (and, in some cases, other national authorities) collect data from reporting agents in their respective countries and calculate aggregates at the national level, which they send to the ECB. The ECB then compiles the aggregates for the euro area.

78. The ECB computes the gross external debt position statistics of the euro area from data received within the IIP reporting framework (see Table 4). NCBs deliver IIP statistics to the ECB on a quarterly basis. The ECB then compiles the IIP for the euro area as a whole. The IIP data conform to the international standards. The quarterly IIP of the euro area has been released since the May 2005 issue of the *Monthly Bulletin*.

79. The underlying legal framework is the ECB Guideline on the statistical reporting requirements of the ECB in the field of external statistics (recast) (ECB/2011/23) which came into force on March 1, 2012. This legal act lays down new reporting requirements, which mainly reflect methodological changes introduced in the sixth edition of the *Balance of Payments Manual and International Investment Position* (*BPM6*). It will be implemented as from June 1, 2014.

Table 4. The Euro Area Gross External Debt

8. Gross external debt

	Total	By instrument						By sector (excluding direct investment)			
		Loans, currency and deposits	Money market instruments	Bonds and notes	Trade credits	Other debt liabilities	Direct investment: inter-company lending	General government	Eurosystem	MFIs (excluding Eurosystem)	Other sectors
	1	2	3	4	5	6	7	8	9	10	11
	Outstanding amounts (international investment position)										
2010	10,910.7	4,708.7	453.3	3,824.0	202.5	200.0	1,522.2	2,140.9	271.0	4,743.7	2,232.9
2011	11,929.7	4,799.8	444.4	4,228.3	226.4	260.9	1,970.0	2,285.9	412.7	4,553.5	2,707.8
2012	12,091.6	4,522.9	461.2	4,438.9	229.0	327.5	2,112.2	2,488.3	428.9	4,243.9	2,818.4
2013 Q1	12,254.2	4,544.4	501.2	4,498.1	231.7	358.7	2,119.9	2,553.8	398.6	4,273.2	2,908.6
Q2	12,208.7	4,437.1	492.0	4,456.1	228.3	344.2	2,251.0	2,533.0	375.2	4,117.6	2,931.9
Q3	11,964.4	4,236.0	521.0	4,398.8	228.5	355.2	2,224.8	2,538.8	361.7	3,967.3	2,871.8
	Outstanding amounts as a percentage of GDP										
2010	119.1	51.4	4.9	41.7	2.2	2.2	16.6	23.4	3.0	51.8	24.4
2011	126.6	51.0	4.7	44.9	2.4	2.8	20.9	24.3	4.4	48.3	28.7
2012	127.5	47.7	4.9	46.8	2.4	3.5	22.3	26.2	4.5	44.7	29.7
2013 Q1	129.1	47.9	5.3	47.4	2.4	3.8	22.3	26.9	4.2	45.0	30.6
Q2	128.3	46.6	5.2	46.8	2.4	3.6	23.7	26.6	3.9	43.3	30.8
Q3	125.4	44.4	5.5	46.1	2.4	3.7	23.3	26.6	3.8	41.6	30.1

Source: ECB.

1) Data refer to the changing composition of the euro area, in line with the approach adopted for the reserve assets of the Eurosystem. For further information, see the General Notes.

80. The instrument breakdown of the euro area gross external debt statistics is in line with the standard components of the *EDS Guide*, including loans, currency and deposits, bonds and money market instruments, trade credits, other debt liabilities and inter-company lending. It is further broken down by institutional sector of euro area residents, i.e. central bank,[6] other deposit-taking institutions,[7] general government, and other sectors.

81. Gross external debt statistics for the euro area are disseminated through various channels within the ECB's website. The underlying euro area aggregate is either a "Euro Area 17 - fixed composition" (using the same group of countries throughout all periods) or a "changing composition" (using the euro area composition at the time to which the statistics relate). The use of a certain country composition is based on the specific needs of the indicator in question. The channels are listed below:

[6] The Eurosystem, composed by the euro area NCBs and the ECB, in the monetary authority for the euro area.

[7] The MFI sector (excluding the Eurosystem) is the deposit-taking institutions resident in the euro area.

Quarterly balance of payments (b.o.p.) press release[8]

82. A sentence on the developments of the 'euro area gross external debt' for the latest reference quarter is presented alongside information on the quarterly b.o.p. items, in the press release and accompanying Table 3.[9]

Statistical Data Warehouse (SDW)[10]

83. The SDW is an online data delivery service for statistics. It features robust and simple-to-use interfaces that allow users to quickly find, display, chart and download (into a variety of common formats) euro area time series data, including in some cases, national breakdowns. The data and their descriptions are presented in a harmonized and integrated way.

84. In the SDW Monthly Bulletin Reports section, indicators in table format are available under the 'Euro area overview[11], and the "External transactions and positions[12]" options. In the latter, the 'total gross external debt' (according to a changing country composition) and breakdowns by instrument or by institutional sector are shown - for the latest 3 quarters and last 3 years. This is the same table (see above) as is also published in the statistical annex of the ECB's *Monthly Bulletin*[13] publication (updated on a quarterly basis) since May 2010.

85. In addition, the indicator 'gross external debt as a percentage of GDP' is available for individual EU (non-euro area) Member States[14] in the section "Developments outside the euro area" in the SDW.

C. Eurostat

86. Eurostat is the statistical office of the European Commission. Eurostat collects and disseminates on the web harmonized data related to all the countries members of the

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[8] Quarterly ECB b.o.p. press release (e.g. for Q1-2013): http://www.ecb.int/press/pr/stats/bop/2014/html/bp140123.en.html.

[9] Gross external debt', memo item in Table 3: http://www.ecb.int/press/pr/stats/bop/2014/html/bp140123_t3.en.html.

[10] SDW: http://sdw.ecb.europa.eu/home.do.

[11] SDW/ Reports / Monthly Bulletin / Euro Area Overview / 3. External Statistics: http://sdw.ecb.europa.eu/reports.do?node=100000127.

[12] SDW/ Reports / Monthly Bulletin / 7 External transactions and positions / 7.3 Financial Account: http://sdw.ecb.europa.eu/reports.do?node=100000215.

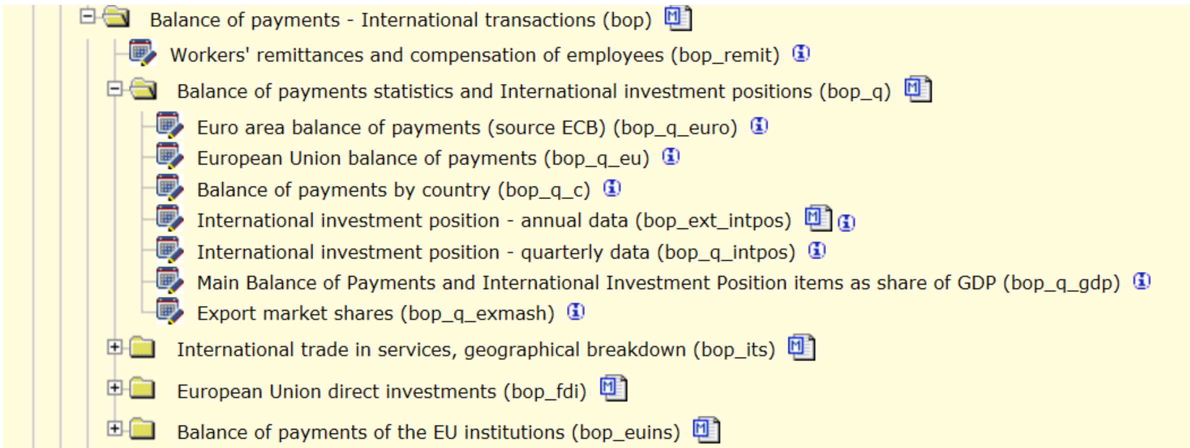
[13] Monthly Bulletin publication: http://www.ecb.int/pub/mb/html/index.en.html.

[14] SDW/ Reports/ Monthly Bulletin / 9 Developments outside the euro area / 9.1 Developments in other EU Member States: http://sdw.ecb.europa.eu/reports.do?node=100000235.

European Union (EU), for the European Free Trade Association (EFTA) and for the candidate countries. These data are available at http://epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database.

87. In the area of external sector statistics, Eurostat collects and publishes data related to balance of payments, IIP, international trade in services, and foreign direct investment. The following snapshot (see Figure 5) shows the structure of the tables related to the external sector available from Eurostat's on-line database.

Figure 5. Structure of Tables Related to External Sector Available in Eurostat's on-line Database



88. As part of the initiatives for strengthening economic governance in the EU, in 2011 a procedure for identifying and addressing macroeconomic imbalances was introduced.[15] The Macroeconomic Imbalance Procedure (MIP) is a surveillance mechanism that aims to identify potential risks early on, prevent the emergence of harmful macroeconomic imbalances and correct the imbalances that are already in place.[16] Every year the Commission publishes the Alert Mechanism Report (AMR), which is the initial screening device and the first step of the procedure, whereby the Commission identifies countries warranting detailed scrutiny. A crucial tool in the elaboration of the AMR is the MIP scoreboard, a set of eleven early warning indicators intended to screen internal and external macroeconomic imbalances in the EU Member States. The scoreboard acts as a first filter in a broader process seeking to disentangle the existence and seriousness of macroeconomic imbalances in the EU Member States. For more information on the indicators used to monitor macroeconomic imbalances in the EU, see

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[15] http://eur-lex.europa.eu/JOHtml.do?uri=OJ:L:2011:306:SOM:EN:HTML.

[16] http://ec.europa.eu/economy_finance/economic_governance/macroeconomic_imbalance_procedure/index_en.htm.

http://epp.eurostat.ec.europa.eu/portal/page/portal/macroeconomic_imbalance_procedure/indicators.

89. The Net international investment position and the net external debt (NED) are included among the MIPs main and auxiliary indicators. The values of gross and net external debt (Gross external debt-GED and Net external debt-NED) disseminated by Eurostat are a subset of the IIP data and follow the definitions included in Table 7.11 and Table 7.14 of 2013 *EDS Guide*.

90. GED and NED disseminated by Eurostat are calculated as follows (using the coding from the *BPM6*-based BoP DSD):

GED Gross external debt = F12+F2+F3+F4+F6+F8+FL (FL=Debt within FDI) (considering only the Liabilities/L)

NED Net external debt FNED=F11B+F12+F2+F3+F4+F6+F8+FL (calculated as N=L-A)

91. Table 5 and 6 below show how the data on GED and NED can be found in Eurostat’s on-line database, for all EU Member States.

Table 5. Data on Gross External Debt from the IIP Tables

International investment position - quarterly data **[bop_q_intpos]**
Last update: 24-01-2014
Table Customization show

TIME | GEO | CURRENCY: Million euro (from 1.1.1999)/Million ECU (up to 31.12.19
FINPOS: Net position | FIN_TYP: Gross foreign debt | PARTNER: All countries of the world

TIME / GEO		2012Q1	2012Q2	2012Q3	2012Q4	2013Q1	2013Q2	2013Q3	2013Q4
Belgium	5,612	1,034,037	1,048,265	1,032,163	1,004,317	1,022,645	998,647	1,017,167	:
Bulgaria	5,295	36,632	37,186	37,505	37,636	37,601	37,451	37,141	:
Czech Republic	8,436	93,243	91,719	91,677	92,114	92,017	92,654	91,852	:
Denmark	1,866	453,132	464,288	455,305	444,910	447,909	431,430	432,189	:
Germany (until 1990 fo	1,485	4,334,441	4,454,700	4,439,753	4,332,675	4,327,449	4,251,293	4,120,887	:
Estonia	5,250	15,610	16,018	16,293	16,622	16,200	16,485	16,091	:
Ireland	8,904	1,672,109	1,694,582	1,683,571	1,645,102	1,675,828	1,637,948	1,618,069	:
Greece	0,182	389,923	417,944	413,699	437,458	418,637	422,766	418,880	:
Spain	3,877	1,758,254	1,770,719	1,726,178	1,726,493	1,738,718	1,711,747	1,664,350	:
France	7,751	4,059,831	4,100,721	4,092,968	4,070,570	4,128,410	4,130,403	4,108,481	:
Croatia	5,832	45,964	46,747	45,672	44,800	44,978	45,974	44,927	:

Table 6. Data on Net External Debt from the IIP Tables

International investment position - quarterly data **[bop_q_intpos]**
Last update: 24-01-2014
Table Customization show

TIME | GEO | CURRENCY: Million euro (from 1.1.1999)/Million ECU (up to 31.12.19
FINPOS: Net position | FIN_TYP: Net external debt | PARTNER: All countries of the world

TIME / GEO		2012Q1	2012Q2	2012Q3	2012Q4	2013Q1	2013Q2	2013Q3	2013Q4
Belgium	8,825	-406,775	-396,508	-398,124	-352,164	-338,873	-344,380	-342,341	:
Bulgaria	3,545	13,013	13,136	11,969	11,426	11,649	10,732	9,831	:
Czech Republic	1,331	1,646	-823	-74	-2,027	-3,623	-1,618	-4,527	:
Denmark	5,756	38,834	34,176	30,173	29,117	20,015	22,459	28,246	:
Germany (until 1990 fo	5,944	-137,362	-163,204	-201,272	-251,574	-247,625	-305,317	-378,621	:
Estonia	815	629	298	-105	-343	-475	-496	-573	:
Ireland	5,479	-558,870	-602,614	-633,381	-650,357	-692,439	-683,143	-695,637	:
Greece	5,009	226,330	231,054	230,995	235,414	239,182	240,078	238,125	:
Spain	8,083	972,349	963,491	949,266	930,121	959,014	952,800	944,866	:
France	4,825	614,786	627,240	687,481	710,441	693,249	687,056	690,497	:
Croatia	7,113	28,211	28,346	26,297	26,120	26,955	27,247	34,741	:
Italy	1,661	842,840	832,400	866,871	886,740	907,284	:	:	:

D. International Monetary Fund

Balance of Payments and International Investment Position Statistics

92. In the field of external debt statistics, the IMF collects and publishes annual and quarterly data on the IIP. These data are published in the monthly *International Financial Statistics* (*IFS*) publication and *Balance of Payments Statistics* (*BOPS*) electronic publication, and in the annual *Balance of Payments Statistics Yearbook* (*BOPSY*).[17] Data on the IIP were first published in *BOPSY* in 1984. The recommended concepts for the

[17] Since August 2012, data are published using the *BPM6* format.

measurement of the IIP are outlined in *BPM6*.[18] The concepts are consistent with the *System of National Accounts 2008* (*2008 SNA*), and hence with the concepts introduced in the *EDS Guide*. As May 2014, IIP data were available for 138 economies (quarterly IIP data were available for 83 economies); a significant increase since 1998 when the number of reporting economies was 38.

93. *BPM6* distinguishes more systematically among debt, equity, and other instruments; provides the currency of denomination of debt instruments; and strengthens sectoral analysis, by separately identifying data on other financial corporations in addition to deposit-taking corporations. The strengthening of sector data and debt identification allow better understanding of the financial interconnectedness of an economy with the rest of the world.

94. The IIP is a measure of the stock of a country's external financial assets and liabilities at one moment in time, such as year-end.[19] In other words, the IIP is a statistical statement of the value and composition of the stock positions of an economy's external financial assets (that is, the economy's financial claims on nonresidents and gold bullion held as reserve assets) and the value and composition of the stock positions of an economy's liabilities to nonresidents. In relation to the balance sheet (as delineated in the *2008 SNA*) of an economy, the net IIP (the stock of external financial assets minus the stock of external liabilities) combined with an economy's stock of nonfinancial assets comprises the net worth of that economy.

95. The position at the end of a specific period reflects financial transactions, valuation changes, and other adjustments that occurred during the period and affect the level of assets and/or liabilities.[20] Because of the consistency of conceptual approach, the financial transactions are those recorded in the balance of payments. The valuation changes in the IIP are holding gains and losses arising from market price changes of such instruments as equities and debt securities, as well as from exchange rate changes.[21] The other adjustments item, which is equivalent to "other changes in volume" in the *2008 SNA*, are changes that are not transactions or valuation changes, but items that affect the levels of assets and liabilities, such as reclassifications.

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[18] *BPM6* maintains continuity with *BPM5* and, at the same time, takes on board many innovations to improve the usefulness of external sector statistics, by addressing issues emerging from globalization and financial innovation. This is particularly relevant for capital flow analysis and its integration in the balance sheet approach work of the IMF.

[19] For a full description of the IIP, see Chapter 7 of *BPM6*.

[20] While the financial transactions are shown in *IFS* and *BOPSY* as part of the balance of payments statement, the valuation changes and other adjustments are not collected or published by the IMF.

[21] In nominal value terms, changes in the market price of a debt instrument do not affect the nominal amount outstanding.

96. Thus, the IIP provides a framework that allows transactions in external debt, such as disbursements and repayments of loans, the accrual of interest costs, etc., that are recorded in the balance of payments to be related to changes in outstanding positions in external debt liabilities, as recorded in the change in the IIP between reporting periods. Because position levels are sometimes utilized in the determination of investment income receipts and payments in balance of payments accounts, consistent classification and valuation throughout the income category of the current account, the financial account, and the position components allows for meaningful analysis of yields and rates of return on external investments. In addition, the reconciliation between the IIP and the rest-of-the-world balance sheet in the national accounts provides a framework for analyzing developments in the IIP in the context of the financial behavior of all institutional sectors of the economy.[22]
These various reconciliations support debt analysis work.

Government Finance/Debt Statistics

97. Government finance statistics (GFS), which include debt statistics, are disseminated in the IMF's *Government Finance Statistics Yearbook* (*GFSY*) and in the monthly *International Financial Statistics (IFS)*. The latter contains monthly and quarterly data with less detail than the former. In both publications, data are presented according to the *Government Finance Statistics Manual 2001* (*GFSM 2001*) [23] and the *Public Sector Debt Statistics: Guide for Compilers and Users* (*PSDS Guide*). The concepts are consistent with the *2008 SNA* and *BPM6.*

98. The GFS/debt statistics available in the *GFSY* distinguishes eight debt liability instruments: special drawing rights; currency and deposits; debt securities; loans; insurance, pension, and standardized guarantee schemes; and other accounts payable. These instruments are also distinguished by valuation approaches: market or nominal value and face value. Furthermore, the debt of the subsectors of general government is distinguished according to counterpart sectors, namely: central bank; deposit-taking corporations except the central bank; other financial corporations; nonfinancial corporations; and households and nonprofit institutions serving households.

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[22] There are differences in classification between the rest-of-the world account and the IIP that reflect, inter alia, differences in analytical requirements. For instance, the national accounts focus on instruments, while the IIP focuses on functional categories. The detailed reconciliation is provided in Appendix IV.

[23] The updated version of the *GFSM 2001*, the *GFSM 2014*, is available as pre-publication draft on the IMF website at http://www.imf.org/external/np/sta/gfsm/index.htm.

Principal Global Indicators (PGI) and Debt Statistics

99. Other IMF efforts regarding data availability are the Principal Global Indicators (PGI) in cooperation with other international agencies and (2) the IMF eLibrary Data. The PGI dataset provides internationally comparable data for the Group of 20 economies (G-20) and those economies not in the G-20 that have systemically important financial centers, as determined by the IMF Executive Board[24] to facilitate the monitoring of economic and financial developments for these jurisdictions. Launched in 2009 in response to the global financial crisis, the PGI website is a joint undertaking of the Inter-Agency Group on Economic and Financial Statistics (IAG).[25] It provides information on major economic indicators that is available at participating international agencies covering financial, governmental, external, and real sector data, with links to data available at websites of international and national agencies. The IMF eLibrary Data (launched in early 2011) which provide considerable flexibility both for presenting data in a range of online data reports and for users to build their own data queries by searching across the IMF Data Warehouse. IMF Data Mapper apps for mobile devices and the IMF's Statistical Data and Metadata eXchange (SDMX) web service further boost STA's online data publishing capability.

[24] G20 countries are Argentina, Australia, Austria, Belgium, Brazil, Canada, China, France, Germany, India, Indonesia, Ireland, Italy, Japan, Luxemburg, Mexico, Republic of Korea, Russia Federation, Saudi Arabia, South Africa, Sweden, Turkey, United Kingdom, United States, and the European Union, and the five of the Financial Stability Board (5-FSB) Hong-Kong SAR, Switzerland, Spain, Netherland, and Singapore.

[25] The Inter-Agency Group on Economic and Financial Statistics (IAG), comprises the BIS, the ECB, Eurostat, the IMF, Chair), the OECD, the UN, and the World Bank. It was established in 2008 to coordinate statistical issues and data gaps highlighted by the global crisis and to strengthen data collection.

E. Organisation for Economic Co-operation and Development

100. The OECD Development Assistance Committee (DAC) collects data on aid and other resource flows to developing countries, based on reporting by DAC members, multilateral organizations, and other donors. The data, including information on external indebtedness, are collected via two reporting systems and are based on balance of payments principles:

- Aggregate data on flows of aid loans and grants, other official flows, private market transactions, and assistance from nongovernmental organizations to each recipient country and recipient countries combined, based on donors' returns to the DAC annual questionnaire.

- The Creditor Reporting System (CRS) aid activity database, which contains detailed quantitative and descriptive data on individual aid projects and programs. The CRS was established in 1967, jointly by the OECD and the World Bank, with the aim of "supplying the participants with a regular flow of data on indebtedness and capital flows." The system has become the internationally recognized source of data on the geographical and sectoral breakdown of aid and other lending to developing countries.

- For bilateral official loans other than export credits reported in the CRS, individual new loan commitments are reported annually as well as subsequent disbursements and the status of each loan at the end of the period (outstanding amounts, arrears). For fully disbursed outstanding loans and for rescheduled loans, data on debt service payments and debt stocks may be reported in the form of aggregates by recipient country.

101. For more information, see www.oecd.org/dac/stats/idsonline.

102. In January 2012, in the framework of the recommendation 18 – Public Sector Debt, made by the G-20 Data Gaps Initiative (DGI), the OECD Statistics Directorate, in cooperation with the World Bank and the IMF, set up a data collection on Quarterly Public Sector Debt for all OECD countries, in line with the *2008 SNA*, to support macroeconomic analysis and cross-country comparisons. It covers general government, central government and more broadly public sector debt, broken down by details on instruments, maturity, the residence of creditor, and currency. Since January 2013, Eurostat also contributes to this collaboration work.

103. Public sector debt data are consolidated both at the sector and sub-sector levels and data are generally recorded at nominal value.

104. For more information, see the OECD website (http://stats.oecd.org/Index.aspx?DataSetCode=QASA_TABLE7PSD) and the World Bank website (www.worldbank.org/qpsd).

105. In a parallel effort to the database on general government debt in line with *SNA*, the OECD Directorate for Financial and Enterprise Affairs also undertakes the annual collection of debt data for two publications:

- The *OECD Central Government Debt Database*, where external debt is reported as a memorandum item for marketable and non-marketable debt. However, due to lack of resources drafting of the revised publication and updating the database are being delayed. Note that the revised database for OECD central government debt is included in the G20 action plan for local currency bond markets.

- The *African Central Government Debt Statistical Yearbook*, where total debt is reported, i.e. external debt is included. Future editions envisage include memorandum items for external debt by country. For further information on this data base: http://www.oecd.org/document/57/0,3746,en_2649_27994977_46251577_1_1_1_1,00.html.

F. Paris Club

106. The Paris Club is an informal group of official creditors whose role is to find coordinated and sustainable solutions to the payment difficulties experienced by debtor countries. As debtor countries undertake reforms to stabilize and restore their macroeconomic and financial situation, Paris Club creditors provide an appropriate debt treatment. Paris Club creditors provide debt treatments to debtor countries in the form of rescheduling or, in the case of concessional rescheduling, reduction in debt service obligations during a defined period (flow treatment) or as of a set date (stock treatment).

107. Since 2008, the Paris Club has published on an annual basis the amount of its claims on debtor countries. These claims are held either by the Paris Club members directly, or through their appropriate institutions (especially export credit or official development aid agencies) on behalf of the members. In its website, the Paris Club publishes tables containing comprehensive data that cover the full range of claims held by Paris Club members on any sovereign countries and public entities. Therefore, it encompasses very different categories of debtors, around half of which have always fully serviced their debt due to Paris Club members. The debtor countries presented in the tables have negotiated an agreement with the Paris Club at some time in the past.

108. The table published on the Paris Club website shows the total amount of claims as of December 31 of any particular year held by Paris Club members on each debtor country, with

a split between Official Development Assistance (ODA) claims and non-Official Development Assistance claims (non ODA).[26] The stock of claims is aggregated at a debtor country level.[27] Some amounts on which Paris Club creditors decided to provide debt relief may still appear in this table for technical reasons, especially delays in the signing of bilateral agreements implementing Paris Club agreements.

109. Data on Paris Club ODA and non ODA claims are included in the JEDH.

G. World Bank

110. The World Bank collects data on external indebtedness from debtor countries through the DRS. These reported data form the core of the detailed country-level debt stock and flow data that are published annually in the International Debt Statistics (IDS) publication (formerly Global Development Finance). Selected debt data are also available in the annual World Development Indicators publication, and in the quarterly position data of QEDS and Quarterly Public Sector Debt Statistics (QPSD) (see further, below).

111. The World Bank's interest in debt statistics is both analytical and operational. At the analytical level, the Bank is a leading international source of information and analysis on the economic situation of developing countries. Bank staff make extensive use of debt statistics in analyzing the economic prospects, financing needs, creditworthiness, and debt sustainability of developing economies. At the operational level, the lending and borrowing activities of the Bank demand a close monitoring of the overall financial situation of each borrower, such as debt-servicing capacity. To this end, the Bank's General Conditions (of borrowing) require a borrowing or guaranteeing member country to report external debt information to the Bank. As a condition of presentation of loans and credits to the World Bank's Executive Board, each borrowing or guaranteeing country must submit a complete report (or an acceptable plan of action for such reporting) on its external debt.

Debtor Reporting System

112. The DRS was established in 1951 and is the World Bank's principal means of monitoring external debt. Through the DRS, countries—typically low-and middle-income—that borrow from the Bank report data on long-term external indebtedness.

113. The number of countries covered and the data to be reported have expanded over time. At the time of writing, 128 countries submitted two kinds of reports: loan-by-loan data on long-term external debt of the public sector and external debt guaranteed by the public sector; and summary reports on long-term external debt of the private sector not publicly

[26] These data are available since 2009. For 2008, data are available as of September 2008.

[27] http://www.clubdeparis.org/sections/donnees-chiffrees/encours-du-club-paris3756.

guaranteed. The data are supplied on special reporting forms. For public and publicly guaranteed debt, individual new loan commitments are reported (quarterly), and the status of each loan at the end of the recording period and the transactions recorded during the recording period are reported. For private nonguaranteed debt, aggregate figures on the stock of debt, transactions during the recording period, and future debt services are reported. Short-term debt data are either obtained from the QEDS reports, country, or estimated separately using creditor and other sources, the most important source being remaining-maturity data from the BIS consolidated International Banking Statistics, which are adjusted to come into line with the original-maturity concept.[28]

114. For further information see http://data.worldbank.org/.

Quarterly External Debt Statistics (QEDS) Database

115. The QEDS database, jointly developed by the World Bank and the IMF, and it is part of an ongoing effort to improve the transparency, timeliness, and availability of external debt statistics. The database has been endorsed by the TFFS that produced the *EDS Guide.* It brings together detailed external debt data of countries that subscribe to the IMF's SDDS and a number of countries that participate in the IMF's GDDS**.** The benefit of bringing together comparable external debt data and metadata is to facilitate macroeconomic analysis and cross-country data comparison (see more at www.worldbank.org/qeds).

116. The current SSDS and GGDS QEDS reporting data templates and tables have been updated in line with the 2013 *EDS Guide*. An invitation letter was sent to SDDS/QEDS and GDDS/QEDS compilers to provide to the World Bank with 2014 Q2 QEDS using the updated templates by October 2014 for dissemination in the QEDS website.

Quarterly Public Sector Debt (QPSD) Database

117. The QPSD database was jointly developed by the World Bank and IMF with the endorsement of the TFFS in 2010. The main purpose of the QPSD database is to facilitate the timely dissemination of high quality public sector debt data in a standardized format, user friendly macroeconomic analysis, and cross-country comparison. General government debt data are available in QPSD which are essential for comparison with external debt data (that covers general government) and deriving domestic general government debt as the difference between total general government debt and the corresponding external debt (see more at www.worldbank.org/qpsd).

[28] Described in detail in the notes and definitions to the Global Development Finance report; on the Internet, see http://www.worldbank.org/prospects/gdf2002/vol1.htm. The GDF database is also available on-line, by subscription, at http://publications.worldbank.org/ecommerce/catalog/product?item_id=1023868.

Joint External Debt Hub (JEDH) Database

118. The purpose of JEDH is to facilitate timely and frequent access by a broad range of users to one dataset that brings together external debt data currently compiled and published by the contributing international agencies (BIS, IMF, OECD, and World Bank). The JEDH brings together national external debt data provided to the QEDS by SDDS subscribers and GDDS participants; creditor/market sourced external debt and selected foreign assets data for over 200 economies; and associated metadata for the two sets of statistics. The national external debt data are sourced from the World Bank's QEDS database, and the creditor/market data are sourced by the four contributing agencies (see more at http://www.jedh.org).

Comparison of World Bank GFD/DRS and Balance of Payments/IIP data

Presentation of data

119. The presentation of debtor data, as shown in the IDS, responds to a different set of analytical requirements from that of the IIP. The aim is to provide a detailed view of a country's borrowing activities, accessibility to external funds, and borrowing costs, as well as to facilitate a comprehensive analysis of the debt burden, debt-servicing capacity, financing needs, and creditworthiness of the country. To this purpose, both position and flow data are provided at different levels of breakdown. The first breakdown is that between long- and short-term debt, and the second between public (and publicly guaranteed) and private borrowing. Special attention is paid to identifying private borrowing with direct government guarantees. Also, projected repayment profiles are viewed as critical to analysis and management of obligations, and these are included in the presentation of data.

120. The creditor breakdown goes beyond a breakdown by instrument. For instance, for official creditors, multilateral and bilateral, the more detailed breakdown identifies concessional lending by this sector. These data are particularly useful in debt work. Official credits with an original grant element of 25 percent or more using a 10 percent rate of discount are characterized as concessional (as defined by the DAC). The exception are credits from major regional development banks—African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, and the Inter-American Development Bank—and from the IMF and World Bank, where concessionality is determined on the basis of each institution's own classification of concessional lending.

121. The disaggregation of private lending is a mixture—by institution, such as banks, and by instrument, such as bonds. Trade-related borrowing, such as export credits and supplier credits, is included within "other private," and so not separately identified. The presentation of the data distinguishes between private-sourced debt that is owed by public entities or owed by private entities but with explicit government guarantees, and that which is owed by the private sector.

122. Projected debt-service payments and debt-disbursement profile are based on current debt transactions and loan terms. Projected debt-service payments are projections of payments due on existing debt outstanding, including undisbursed amounts of existing external debt, taking account of implemented multiple-year restructuring agreements. Future disbursements and debt-service payments refer only to existing debt and do not reflect any assumptions about future borrowing.

Concepts

123. The principal concepts used by the DRS in compiling debt stocks are consistent with the conceptual framework of the *EDS Guide* and there is consistency with several elements of the IIP as well. The level of detail of the information required from reporting countries and the presentation of debt data are influenced by the analytical and operational application of the data (see paragraph 103-104). The DRS includes all debt with an original maturity of more than one year owed to nonresidents and short-term debt. Total external debt is derived as the aggregate of long-term and short-term debt and use of IMF credit.

124. Like the IIP, external debt statistics in the DRS are compiled on a residence basis (as opposed to a nationality basis)—external debt is that owed by entities physically located in the reporting country to entities located outside the reporting area, irrespective of nationality. So, branches of foreign banks are resident to the reporting country, whereas foreign offices of domestic banks are not. Also, bank deposits held in domestic banks by nationals living abroad are included in external debt data.

125. In a few cases the DRS deviates from the residence criteria, and hence the IIP framework, for analytical and operational reasons. For instance, the DRS excludes from a country's external debt the indebtedness of banks located in a resident offshore banking center; this indebtedness can often be very large in relation to the host economy.[29]

126. Debts payable in both foreign and domestic currency to nonresidents are required information to be reported under the DRS. Foreign currency debt owed to residents is included. This is a departure from the IIP framework.

127. A point of departure from the IIP is the valuation of stocks. The DRS measures all stocks at nominal value rather than at market value. For nontraded or nontransferable debt instruments such as loans and deposits, there is in practice little difference because nontraded instruments are invariably valued at nominal value in the IIP. However, this is not true for debt securities.

[29] The same can be true for countries that sponsor "flag of convenience" companies.

128. Short-term and long-term debts are similarly defined in the DRS and the IIP: short-term debt includes all debt with an original maturity of one year or less, and long-term debt includes all debt with an original maturity greater than one year; interest arrears are included under short-term debt. The DRS and IIP classifies these arrears by the original type of the debt, in line with *BPM6*.

129. The DRS sectoral classification of external long-term debt has two categories: debt of the public sector and private debt with a public sector guarantee; and all other private, nonguaranteed debt. This classification is not equivalent to the IIP breakdown, although with the available information it is possible to relate the DRS's debtor classifications—the nine types are central government, local government, central bank, private bank, direct investment, public corporation, mixed enterprise, official development bank, and private—to those of the IIP. Within the debtor category the DRS provides a further breakdown by creditor sector. The IIP does not provide a creditor sector breakdown.

130. The DRS measures debt stocks and flows on a cash transaction basis as opposed to the accrual method recommended in the IIP. Thus, reported flows are the result of a cash (or in-kind) transaction, such as an actual loan disbursement or repayment, and debt outstanding is the amount disbursed less amount repaid (and any interest arrears). Projections are on a debt-due basis. In the IIP framework, disbursements are recorded when they occur, but payments are reported. Debt stocks in the IIP include interest costs that have accrued and have not yet been paid.

Comparison of World Bank QEDS and Balance of Payments/IIP data

Presentation of data

131. The QEDS data are presented following the approaches highlighted in the *EDS Guide*: (1) the institutional-sector based approach generally for SDDS subscribers (QEDS/SDDS tables) and (2) the public-sector based approach generally for GDDS participants (QEDS/GDDS tables). For detailed descriptions of these approaches see Chapter 4 and 5 of the *EDS Guide*. The breakdowns for the core table of the institutional-sector based approaches are: (1) the first level of disaggregation is by institutional sectors (general government, central bank, deposit-taking corporations, except the central bank, and other sectors[30]) and direct investment: intercompany lending; (2) the second level of disaggregation is by maturity, short- and long-term on a original maturity basis; and (3) the third level of disaggregation is by type of debt instrument. The breakdowns for the core table of the public-sector based approach are: (1) the first level of disaggregation is by public

[30] QEDS data include supplementary tables. For SDDS, six supplementary tables, one of which presents breakdowns for other sectors: other financial corporations, nonfinancial corporations, and households and nonprofit serving households.

sector and publicly-guaranteed private sector; and (2) the second level of disaggregation is by maturity on an original basis. Special attention is paid to presenting Debt-Service Payment Schedule for Outstanding External Debt as of End-Period (SDDS encouraged item) and Debt-Service Payment Schedule for Public and Publicly-Guaranteed External Debt (GDDS core data category). Unlike IIP, QEDS (SDDS or GDDS-core or supplementary) do not present external debt statistics following the functional sector classification, the first level of disaggregation of the IIP. In the IIP, the disaggregation by sector is the third level of disaggregation (that follows the second level of disaggregation by debt instrument) for all the functional sectors, except the direct investment sector.

132. In *BPM6*, additional presentational tables of the analytical position data are included in the Appendix 9. These tables include currency composition at reference date, time series data, and by sector and instrument-at reference date -Table A9-I-2a, Table A9-II-2a, and Table A9-III-2a, respectively. The last table is the closest in terms of presentation to the core QEDS/SDDS, the difference is that its first level of disaggregation is by maturity. The QEDS/SDDS has a table for currency composition but with less detailed, it is for time series data and splits by maturity as well. Table A9-IV presents data for remaining maturity of one year or less of long-term debt of debt liabilities to nonresidents (at reference date) with specific debt instruments and by institutional sectors. QEDS/SDDS tables include a supplementary table for short-term remaining maturity by sector.

133. Additional tables included in QEDS/SDDS and QEDS/GGDS but not in *BPM6* are the following: (1) Gross external debt position: Arrears with breakdowns for principal and interest, (2) Gross external foreign currency and foreign-currency-linked debt position, and (3) public and publicly-guaranteed external debt: creditor sector information.

Concepts

134. The principal concepts used by the QEDS in compiling external debt positions are consistent with the conceptual framework of the *EDS Guide* and there is consistency with several elements of the IIP as well. The level of detail of the information required from reporting economies and the presentation of debt data are influenced by the *EDS Guide*.

135. Like the IIP, external debt statistics in the QEDS are compiled on a residence basis (as opposed to a nationality basis) and follow the same accounting principles for valuation, basis of recording, maturity, and units of account and exchange rate convention.

IV. Data Quality

A. International Monetary Fund

***External Debt Statistics Data Quality Assessment Framework* (*EDS DQAF*)**

136. The IMF EDS DQAF identifies quality-related features of governance of statistical systems, statistical processes, and statistical products. It is rooted in the UN Fundamental Principles of Official Statistics and grew out of the SDDS and GDDS, the IMF's initiatives on data dissemination. The DQAF incorporates their good practices and is the result of intensive consultations. The DQAF provides a structure for assessing existing practices against best practices, including internationally accepted methodologies. It has proved to be valuable for at least three groups of users.

- To guide IMF staff on the use of data in policy evaluation, preparing the data module of Reports on the Observance of Standards and Codes (ROSCs), and designing technical assistance.
- To guide country efforts e.g., to prepare self-assessments.
- To guide data users in evaluating data for policy analysis, forecasts, and economic performance.

137. Five dimensions--assurances of integrity, methodological soundness, accuracy and reliability, serviceability, and accessibility--of data quality and a set of prerequisites for data quality are the center of the DQAF. The DQAF, which is used for comprehensive assessments of countries' data quality, covers institutional environments, statistical processes, and characteristics of the statistical products.

138. The generic DQAF May 2012 serves as an umbrella for seven dataset-specific frameworks, which is a refinement of the preceding July 2003 version to reflect experience and international statistical developments, particularly updated international methodological standards.[31] Specifically, the September 2013 DQAF for External Debt Statistics is aligned to the 2013 *EDS Guide* and *BPM6*.

139. The methodological soundness dimension (Dimension 2) is assessed against the guidelines outlined in the 2013 *EDS Guide* and the sixth edition of the *BPM6*.
The application of these guidelines would generally be evaluated at the level of the materially-significant external debt data categories (institutional sectors, maturity, and type

[31] The May 2012 DQAF for fiscal statistics brings together the government finance and public sector debt statistics frameworks.

of instruments). If these guidelines are not fully followed, an appropriate "migration path" to the *Guide*'s framework has been adopted or is being implemented.

140. For additional information see http://dsbb.imf.org/Pages/DQRS/DQAF.aspx and Appendix VI of the 2013 *EDS Guide*.

B. World Bank

Debt Management Performance Assessment (DeMPA)

141. The DeMPA evaluates strengths and weaknesses in public debt management, through a comprehensive set of 15 performance indicators covering six core areas of public debt management: (1) governance and strategy development; (2) coordination with macroeconomic policies; (3) borrowing and related financing activities; (4) cash flow forecasting and cash balance management; (5) operational risk management; and (6) debt records and reporting. Its scope is central government public debt management and closely related functions such as issuance of loan guarantees, on-lending and cash flow forecasting and cash balance management.

142. The rationale of the debt recording and reporting area is:

- To ensure that secure systems exist to maintain an accurate, consistent, and complete debt database covering central government domestic and external debt, debt-related transactions, and loan guarantees. The key requirement is to assess the effectiveness and completeness of the debt recording or management system to record, monitor, settle, and account for all debt and derivative transactions. There should be tight controls and security around the system and the debt database. Ideally, the debt recording or management system should interface with the government's financial management information and accounting systems. Another key requirement is to assess the effectiveness of the central depositary (registry) system in maintaining accurate and timely records of all holders of government securities issued in the domestic market.

- To ensure that the government regularly publishes information on the stock and composition of its debt, including the currency, maturity, residency classification, and interest rate structure, as well as the costs of servicing its debt. Data on debt stocks and flows should be disseminated in a manner consistent with international reporting standards. The key requirement is to assess the completeness and timeliness of debt reporting, covering central government external and domestic debt and nonfinancial public sector debt and loan guarantees.

143. The DeMPA indicators that assess debt data recording and reporting are broadly consistent with the External Debt DQAF.

V. CAPACITY BUILDING

A. Commonwealth Secretariat

144. The Debt Management Section (DMS) implements the ComSec's capacity building program in debt management in its member countries, and it is an arm of the Special Advisory Services Division of the Secretariat. In accordance with the mandate from the Commonwealth Heads of Government and the principles of the Millennium Development Goals, the central feature of the Secretariat's debt management program is to build capacity as well as to provide advisory support on debt strategies and institutional aspects.
The program has benefited a large number of developing countries both low and middle income.

145. Towards this end, the DMS has developed and continuously maintains the CS-DRMS (ComSec - Debt Recording and Management System) software (www.csdrms.org) which allows the user countries to record the portfolio of their public debt (external and domestic). Since its first launching in 1985, CS-DRMS has grown over the years in both Commonwealth and non-Commonwealth member countries to achieve leadership status in the area of debt information management solutions. As part of the advisory services, the secretariat provides training to the debt management personnel and economists in the use of the software for debt recording, management, and analysis.

146. DMS also provides advisory services in debt management to member countries in developing prudent debt strategies, restructuring debt portfolios, reviewing institutional and governance arrangements for debt management, debt management audit and strengthening domestic debt markets. In addition, DMS carries out in-depth studies on sovereign debt management and makes recommendations on broad areas of reforms and corrective actions for strengthening debt management policies, institutional arrangements, legal framework and capacity building in debt management.

147. Regarding the management of external debt statistics, the ComSec provides technical assistance to advance the strengthening of capacity for establishing an integrated and good quality debt database in CS-DRMS; effective use of the system for supporting debt operations; dissemination on debt portfolio and associated support on developing debt bulletins; and enhancing debt analysis capabilities through training. Such assistance is supplemented through policy advisory support to reform the debt management policies and institutional arrangements within a strategic framework for improved debt statistics.

148. In the field of debt statistics, targeted assistance is available for:

- *Compiling debt data extracted from loan and securities agreements:* CS-DRMS user countries are exposed to the techniques of building a database of loans and securities in CS-DRMS through the interpretation of contractual documents (loan agreements, creditor statements, general conditions and other creditor practices, etc.) so that all relevant debt information can be compiled and recorded in the system. The system is designed for recording debt information (details, terms, and transactions) on instrument-by-instrument basis which facilitates implementation of subsequent developments, such as debt restructuring and liability management operations (i.e. Conversions and Swaps).

- *Recording loan and securities instruments based on international best practice:* Training through country specific and regional workshops is provided on the use of CS-DRMS system and recording of debt data whilst conforming to international debt dissemination standards for the compilation of debt statistics.

- *Debt data reconciliation for accurate reporting on debt positions:* CS-DRMS user countries are trained on methodologies for validating data and reconciling debt stock and debt-service levels with other sources (creditors or other agencies, including the World Bank).

- *Debt data dissemination:* ComSec supports various international initiatives on best standards of debt data compilation, reporting and dissemination. As part of charting out best international standards for debt statistics compilation and dissemination, CS-DRMS is continuously enhanced with features to assist user countries produce reports that conform to the various international reporting standards. In addition, the Secretariat. These features include the in-built 100 reports that are available in CS-DRMS; the facility to export information into spreadsheet for further manipulation; and built-in electronic links with other systems and reporting templates (i.e. Quarterly External Debt Statistics) for both SDDS subscribers and GDDS participants.

- *Creating a Niche on Debt Bulletins:* One of the major gaps observed in most countries is the lack of availability of comprehensive analytical information on their public debt portfolio and also on their debt operations. As part of a new initiative to improve transparency on public debt management, the Secretariat assists countries to develop debt bulletins based on a template designed and developed by the Secretariat. This niche initiative aims to blend building analytical and reporting capabilities in debt offices and also to leverage the use of debt database in CS-DRMS.

- *Bringing efficiency in Public Financial Management through integration of CS-DRMS to Financial Management Information Systems:* ComSec provide country specific assistance in developing and implementing solutions for integrating/interfacing debt and cash systems with FMIS. The assistance is aimed at making integrated public financial management accounting and reporting more efficient.

149. Also, as part of its capacity-building efforts, the ComSec has developed a comprehensive training program in debt management aimed at enhancing the skills and knowledge of officials in the CS-DRMS user countries with different levels of responsibilities, so that they are able to carry out their debt management functions in an effective manner. These training modules, which can be customized to meet specific country needs, can be grouped under the following broad categories:

- Training programs in operational aspects of debt management such as the interpretation of loan/credit agreements (external and domestic debt); debt-restructuring concepts and operations, and debt data validation techniques;

- Basic and advanced training in the use of CS-DRMS for managing loans and securities for timely and accurate reporting of debt statistics, including data extraction to other systems; and for supporting debt analysis such as portfolio analysis or debt-sustainability analysis;

- Specialized courses and workshops on debt-management techniques and strategies, new debt initiatives, and new practices and standards. These are aimed at different audiences ranging from senior officials in governments to those involved in actual debt operations; and

- Seminars and consensus-building meetings on issues with wider implication for debt management—for example, medium term debt management strategies; debt relief initiatives, debt sustainability and portfolio reviews.

150. Adopting Innovative Approaches in Capacity Building: To make the capacity building element of the ComSec more sustainable, accessible, broad-based and cost effective, the Secretariat now runs an innovative E-learning program on external debt management concepts and using CS-DRMS for debt recording. The program is aimed at both new and experienced debt managers at various levels of debt management functions.

151. In delivering its advisory services to countries, the ComSec has actively collaborated with various institutions—regional and international—especially in undertaking joint activities in specific countries (for instance, data validation) and in regional training programs supported by the placement of Regional Debt Advisers.

B. European Central Bank

152. The Eurosystem, under the coordination of the ECB, provides technical assistance to the central banks of the EU Member States and of the countries that are candidates to join the

European Union (EU), the so-called accession countries,[32] with a view to preparing for their future integration into the European System of Central Banks (ESCB), and later into the Eurosystem. The ECB's technical assistance is primarily intended to help these countries implement data collection and compilation systems that will allow them in due course to meet the ECB's statistical requirements, and to contribute to properly articulated (aggregated and consolidated) statistics for the euro area.

153. The assistance takes the form of regular seminars organized at the ECB, in particular the annual "External Statistics Seminar", which forms part of the ECB's Central Banking Training Program,[33] and the "Users Seminar":

External Statistics Seminar

154. The External Statistics Seminar[34] has duration of one week, and takes place in the last quarter of each year. It is targeted at "junior" (i.e. entry-level) balance of payments/international investment position statisticians, in the national central banks (and selected other organizations) of the EU and accession countries. The seminar aims to provide an insight into the methodology and compilation practices followed in the euro area and the rest of the EU in the field of external statistics, as well as an overall understanding of the ECB's data requirements. It covers all components of balance of payments and international investment position statistics, and focuses in particular on those for which the ECB has prime responsibility – financial transactions and positions, and associated income. A separate presentation on "External Debt Statistics" is given by ECB experts.

Users Seminar

155. The Users Seminar has a duration of 1-2 days and also takes place in the last quarter of each year. It is targeted at experts working in the ESCB, and the training given by ECB staff is therefore more specific, with in-depth coverage of methodological and compilation practices.

156. In addition, the ECB organizes country visits, on a needs basis (e.g. due to euro area or EU enlargement), whereby ECB experts engage with experts in the country in question, or vice-versa in the ECB's premises, to discuss policies, procedures and/or to observe the systems in place in relation to statistical reporting and production.

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[32] The Eurosystem comprises the ECB plus the National Central Banks (NCBs) of the 12 EU countries that had adopted the euro as of 1996. The ESCB comprises the Eurosystem and the central banks of the three other EU countries (Denmark, Sweden, and the United Kingdom).

[33] ECB's Central Banking Training Programme: http://www.ecb.int/events/training/html/index.en.html.

[34] External Statistics Seminar: http://www.ecb.int/events/training/html/index.en.html.

157. The ECB also cooperates with the accession countries in the field of financial accounts, including time series for the rest-of-the-world account as specified in the *2008 SNA* and *European System of Accounts 2010* (*ESA2010*); compilation of financial accounts helps to promote consistency across statistical areas. External debt data are embedded in this framework on an instrument, rather than a functional, approach.

158. In addition to the assistance to accession countries, the ECB participates in seminars and workshops organized by regional institutions and forums (for example, Mercosur, West African Economic and Monetary Union, South African Customs Union) to share the experience gained in compiling aggregates for a group of countries.

C. International Monetary Fund

Technical Assistance

159. The IMF Statistics Department offers technical assistance for external sector statistics including balance of payments, IIP, external debt, services, remittances, direct investment, and reserves statistics. This work is reinforced by training courses and seminars for member country officials on statistical methodologies. In addition, the IMF provides information on statistical topics via its public website, at https://www.imf.org/external/np/sta/.

160. In all areas, technical assistance is designed to improve the collection, compilation, and dissemination of official statistics. In addition to providing assessments with respect to accuracy, coverage, and timeliness, technical assistance missions in each area often deliver on-the-job training, help design reporting forms and spreadsheets to facilitate correct classification, and lay out short- and medium-term action plans for the improvement of statistical procedures. Missions may pay particular attention to assisting countries in their efforts to comply with the requirements of the SDDS or participate in the GDDS. Technical assistance missions generally discuss a draft report with country authorities while in the field, which is later finalized with the benefit of the authorities' comments.

161. The IMF delivers technical assistance in various ways. Depending on the nature of the assignment, support is often support through staff (or externally recruited expert) missions of limited duration sent from headquarters (short-term single-topic missions), regional technical assistance centers (RTACs—see Box 1), special capacity building projects financed by donor contributions (such as the Japan Subaccount (JSA), UK's Department for International Development (DFID)), or the placement of experts and/or resident advisors for periods ranging from few weeks or few years.

162. A Panel of Experts is established to recognize those experts who have, by virtue of their experience and qualifications, demonstrated their capacity to contribute to the technical assistance program of the Statistics Department in one or more areas of macroeconomic statistics. The IMF also undertakes multisectoral statistical missions, which provide overall assessments and recommendations for strengthening institutional arrangements,

methodology, collection, and compilation practices in the major areas of macroeconomic statistics. These missions not only address the issues related to each sector, but also consider the consistent treatment of data and coordination arrangements across sectors, and provide short- and medium-term action plans for improving statistics, including follow-up missions in the topical areas.

163. Technical assistance is provided when requested by a country's authorities, or when IMF Area Department and Statistics Department consider there is a need to provide comprehensive support to member countries in improving the quality of statistics they produce. Since the demand for such assistance normally exceeds the resources available from the IMF, a number of considerations are taken into account in prioritizing technical assistance to a particular country, including the extent to which (1) the country's authorities are strongly supportive of obtaining the assistance and committed to ensuring its implementation; (2) the technical assistance addresses those weaknesses in a country's institutional capacity for macroeconomic policy implementation that have been identified in the course of the IMF's surveillance and other work; (3) the assistance contributes to strengthening a country's capacity to design and implement an IMF-supported program; and (4) the assistance supports a country's efforts to comply with internationally agreed statistical standards and codes of transparency. The IMF recognizes that at times the systemic or regional importance of the requesting country and/or the emergence of a need as a result of a post-crisis situation may influence a decision to provide technical assistance.

Box 1. IMF Regional Technical Assistance Centers (RTACs)

Since 1993, the IMF has used regional technical assistance centers to provide technical assistance to member countries. To provide technical assistance to small island economies, first in the Pacific Financial (PFTAC) and later in the Caribbean (CARTAC), the approach has also began adopted in Africa (AFRITACs), the Middle East (METAC) and in Central America, Panama, and the Dominican Republic (CAPTAC). CAPTAC and AFRITAC South are open. At the time of writing, there are five RTACs (see below). The RTACs are guided by a Steering Committee with representatives of participating countries and donors. Day to day management is the responsibility of center coordinators. At the centers a number of resident technical assistance advisors deliver technical assistance and training throughout the region on a peripatetic basis. The advisors are typically supplemented by short-term specialists. The benefits of the regional technical assistance center approach include: flexibility to respond rapidly to emerging needs; ability to field frequent and consistent follow-up site visits, which keeps up the momentum of reforms and solidifies relationships; and continued access to high-quality technical expertise that might otherwise be difficult to obtain. In addition, the format and role of the RTACs enable them to help shape and advance regional policy initiatives and strengthen cooperation and coordination. All RTACs activities are closely coordinated and integrated with the IMF's surveillance and funding activities. For operational guidance, please see RTAC Guidance Note at the IMF's website.

Existing RTACs:

AFRITACs – Four capacity-building centers have been established in East, West, Central and Southern Africa. The mission of these centers is to help build local capacities for economic and financial management within the PRSP framework.

CARTAC – The mission of the Caribbean Regional Technical Assistance Centre (CARTAC) is to enhance the institutional and human resource capacities of countries in the Caribbean region to achieve their macroeconomic, fiscal and monetary policy objectives.

METAC – The Middle East Technical Assistance Center's (METAC) objective is to raise economic growth to "levels sufficient to meet the needs of a rapidly expanding labor force and to achieve real and sustained improvements in the standards of living.

PFTAC – The Pacific Financial Technical Assistance Centre's (PFTAC) mission is to enhance the institutional and human capacities of member countries and regional bodies in the Pacific region to achieve their financial and economic policy objectives. Its objective is to be a center of quality advice and capacity building on the technical aspects of financial and economic policy formulation and management to member countries and regional bodies.

CAPTAC-DR – The Central America, Panama and the Dominican Republic Regional Technical Assistance Center (CAPTAC-DR) is expected to be a sound vehicle to enhance the IMF's ability to provide more technical assistance and training in the region. Initially, the center's activities will focus on five key areas representing common policy challenges to member countries, including those related to increased regional integration: (i) financial sector supervision (ii) tax and customs policy and administration; (iii) medium-term expenditure frameworks and PFM-related issues; (iv) money and public debt markets; and (v) macroeconomic statistics.

164. Supported by the government of Japan, a program with the objective of improving the accuracy, availability, comparability, and timeliness of the external sector statistics for

selected countries in the Asia and Pacific region was launched in October 2012. The program—overseen by the IMF Statistics Department—consists of technical assistance missions and workshops through 2015.

Training

165. The IMF also offers training courses in statistical methodology at the IMF Institute in Washington, D.C., the Joint Vienna Institute, the IMF-Singapore Regional Training Institute, the Joint Africa Institute in Abidjan, the Regional Training Program in the United Arab Emirates, Joint Regional Training Center for Latin America (BTC), IMF-Middle East Center for Economics and Finance in Kuwait, and at several other regional sites. These seminars are up to two weeks in length and generally include a series of lectures, discussions, practical exercises, and case studies. During the lectures, participants are afforded an opportunity to discuss problems that they have actually encountered in the course of their work in their respective countries.

166. The IMF also participates providing training in courses and seminars organized by other international agencies such as the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI); the West African Institute for Financial and Economic Management (WAIFEM); and the Center for Latin American Monetary Studies (CEMLA).

167. The IMF has continued promoting the 2013 *EDS Guide* through training courses. The IMF conducted its second four-week headquarter course on External Debt Statistics fully aligned to *BPM6* in November-December 2013.[35] This was the first IMF headquarter course based on the pre-publication draft of the 2013 *EDS Guide*. The course benefitted from the collaboration of other TFFS member agencies. . In June 2013 the IMF also conducted its regular four-week headquarter course on GFS, which also covered debt statistics.

168. Regional courses/workshops/seminars were conducted: (1) in Fiji and Thailand, on practical aspects of IIP and EDS compilation for Asian and Pacific countries (two workshops in July 2013), (2) in Indonesia, as a supplement to a GFS debt technical assistance mission in February 2014 (3) in Geneva, at the UNCTAD headquarters (this was the first joint External Debt Statistics and PSDS three-day seminar in March 2013), (4) in Singapore, a two-week course at the Singapore Regional Training Institute (STI) in October/November 2013, (5) in Botswana, a MEFMI/IMF EDS and PSDS course in October 2013, and (6) in Vienna, a PSDS course at the Joint Vienna Institute in November 2013.

169. During 2013, the IMF also continued its efforts to improve the capacity to collect, compile, and disseminate the debt statistics for all components of the public sector, and to conduct training to improve public sector debt statistics on a global basis.

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[35] EDS IMF headquarter courses have been conducted every two years since 2005.

170. Courses/workshops on public sector debt statistics were conducted at the Joint Partnership for Africa in Tunis (April 2013 and January 2014), in Botswana (October 2013), at the IMF’s Joint Vienna Institute (November 2013), and in Indonesia (February 2014).

Surveillance

171. The IMF launched the ROSC as a prominent component of efforts to strengthen the international financial architecture. It covers 12 standards that include accounting; auditing; anti-money laundering and countering the financing of terrorism (AML/CFT); banking supervision; corporate governance; data dissemination; fiscal transparency; insolvency and creditor rights; insurance supervision; monetary and financial policy transparency; payments systems; and securities regulation; AML/CFT was added in November 2002. Reports summarizing countries' observance of these standards are prepared and published at the request of the member country.

172. Starting in 2001, ROSC data modules include an assessment of data quality. This assessment is prepared using the DQAF. The integration of the DQAF into the ROSC data module was endorsed by the IMF's Executive Board, at the Fourth Review of the IMF's Data Standards Initiative. ROSC data modules including such an assessment of data quality have been published for the following countries. For a complete listing of ROSC data modules, see: http://dsbb.imf.org/pages/dqrs/ROSCDataModule.aspx.

173. For further information on the IMF’s technical assistance and training courses, please contact:

Director
Statistics Department
International Monetary Fund
Washington, D.C. 20431, U.S.A.

D. Organisation for Economic Co-operation and Development

174. There is no formal program of technical assistance by the division responsible for the CRS of the OECD. However, Secretariat staff provide technical support to member country creditor reporters, both in Paris and through missions to capitals of reporting countries. In addition, as part of its overall engagement strategy with major bilateral donors that are not members of the Committee, the DAC encourages them to report their aid flows, including on debt, and the Secretariat regularly conducts statistical capacity building missions to help build donors’ aid management systems and inform them about DAC statistical reporting concepts and methodologies.

175. More recently, the DAC has been carrying out training activities for partner countries in order to raise awareness and facilitate better use of CRS data by these countries.

176. The OECD hosts the Secretariat of PARIS21—the Partnership in Statistics for Development in the 21st Century. Created in 1999, PARIS21 is a global consortium of statisticians, policymakers, and other users of statistics that supports the development of statistical capacities in developing countries and the better use of statistics globally. PARIS21's goal is to develop a culture of Management for Development Results. It pursues this goal primarily by encouraging and assisting low-income and lower middle income countries to design, implement, and monitor a National Strategy for the Development of Statistics (NSDS). The NSDS is expected to provide a country with a strategy for sustainably developing statistical capacity across the entire national statistical system, including in the production of a wide range of data—economic (including external debt statistics), social, and environmental. By working with the DAC, which brings together the bilateral donors and the European Commission, the IMF, the United Nations Development Program (UNDP), and the World Bank, PARIS21 emphasizes the importance of statistics in attaining and monitoring national and international development goals, and promotes closer coordination among donor programs targeting statistical capacity development. For more details see the PARIS21 website, http://www.paris21.org.

E. United Nations Conference on Trade and Development

177. UNCTAD is entrusted with the preparation of the United Nations Secretary-General's annual report to the UN General Assembly on the external debt problems of developing and transitional economies. This report analyses the latest trends and emerging issues and puts forward policy recommendations. UNCTAD also provides substantive support to the UN General Assembly deliberations of the agenda item on debt.

178. In addition, UNCTAD conducts, inter alia, research on the analytical framework for debt sustainability analyses, domestic debt, bond markets, as well as institutional arrangements for debt management.

179. UNCTAD provides selective advisory services to debtor countries in designing sustainable debt strategies and related negotiations such as Paris Club debt renegotiations. The Debt and Development Finance Branch (DDFB) also works toward promoting responsible sovereign lending and borrowing, and public debt risk management.

180. UNCTAD's DDFB also offers a broad range of technical assistance services to developing countries in strengthening their ability to effectively manage their external and public debt. This technical cooperation is provided by the DMFAS Program.

Overview of the Debt Management and Financial Analysis System (DMFAS) Program

181. DMFAS Program has been successfully helping governments improve their capacity to manage debt since the early 1980s. By 2011, it has supported 69 countries and 106 institutions. As the debt situation of developing countries has evolved over the past three

decades, the DMFAS Program has adapted its technical assistance to countries' changing debt management needs.

182. The DMFAS Program offers countries a set of proven solutions for improving their capacity to handle the management of public liabilities and produce reliable debt data for policymaking purposes. This includes its specialized debt management software, the DMFAS—which greatly facilitates the work of the debt office—as well as advisory services and training activities in debt management.

183. The products and services offered by the DMFAS Program are continuously updated in line with countries' new requirements and in accordance with best practices in debt management. They are shared with countries through technical cooperation projects, as well as through international and regional conferences and workshops. As part of the United Nations, the Program's technical assistance is available to all countries at their request. It is provided in Arabic, English, French, and Spanish.

184. The Program provides continuing support to DMFAS-user countries, beyond the completion of country project activities, including through its Helpdesk service.

185. The Program provides the following:

- Capacity-building through the debt management and financial analysis software (DMFAS) designed to meet the operational, statistical, and analytical needs of debt managers and bodies involved in elaborating public debt strategies, and training in its use;
- Capacity-building through the Program's advisory services, including needs assessments and advice on technical, administrative, legal, and institution al debt management issues, assistance in software installation and maintenance;
- Capacity building in debt management skills and through the Program's modules in debt data validation, statistics, and debt analysis.

186. Details of the DMFAS are provided in section B.2 above.

DMFAS advisory services

187. At the invitation of a government institution, UNCTAD will conduct a needs assessment of that institution's capacity to manage its country's debt. UNCTAD and the government will then work together on defining those areas of debt management that would be improved with the support of the DMFAS Program. All defined activities will be outlined in a technical cooperation project document and submitted to potential funding agencies. Project implementation will start on approval of the document by all parties. Through such a project, the Program gives advice, for example, on the installation and use of the DMFAS

system, on its integration with other financial management systems, on database building, on debt strategies, on communication and information flows, financing techniques, credit analysis and debt renegotiation, among other areas. This advice will also continue after the completion of each project, through such services as its Help Desk support.

DMFAS training and capacity building

188. The Program offers a full range of training and broader capacity building services, ranging from functional and technical training on the DMFAS System, including on different types of debt instruments and production of a range of reports designed for different target audiences, through analysis and linkages with other systems. It also provides comprehensive capacity building modules in the areas of debt data validation, debt statistics and debt portfolio analysis. These modules are intended to support the government authorities, not only to acquire knowledge and skills in the respective areas, but also in applying these to develop defined outputs, which the government (usually the Minister of Finance and/or the Governor of the Central Bank) commits to continue production in a sustainable manner. These outputs are data validation calendars, debt statistics bulletins and debt portfolio reviews, and these are intended to apply the latest international standards.

189. A bottom-up approach is adopted in the delivery of these capacity building activities. This starts with assistance in the creation of a debt database (installation of the DMFAS software, training, registration of debt information, validation of debt data), followed by training in the generation and production of reliable debt statistics (including for the QEDS and PDS databases and for debt statistics bulletins), and followed by assistance in performing debt portfolio analysis (appropriateness of the debt portfolio composition) and in understanding the concepts of debt sustainability analysis. Training is delivered nationally and regionally.

UNCTAD's Debt Management Conference

190. Every other year, UNCTAD organizes an international conference on debt management. The Conference brings together representatives from governments, mostly from country capitals, international organizations, the private financial and legal sector, academia, and civil society. The Conference serves as a discussion forum for countries on many of the most pertinent issues in debt management and public finance, with its ultimate objective being to help developing countries manage their debt more effectively. This meeting also provides an excellent opportunity for debt managers and policy makers around the world to interact and share experiences. New statistics/data initiatives have been presented and discussed during these conferences.

Other activities

191. UNCTAD also works with other agencies and bodies in developing capacity in debt management. These include the IMF, the World Bank, and the MEFMI. Another important

initiative in which UNCTAD participates is the World Bank's Debt Management Facility (DMF). The two main products of this facility are the DeMPA tool, which is designed to assess a country's debt management capacity, and the Medium Term Debt Strategy (MTDS), an Excel-based tool designed to support countries in developing and updating their debt strategies.

F. World Bank

192. The World Bank offers technical assistance in statistical capacity building to its client countries so as to facilitate the production and wide dissemination of key economic, social, and environmental statistics. Such data support economic management and poverty-reduction strategies.

193. Technical assistance is provided through institutional capacity-building projects, advisory functions, training, and related activities. Whatever the modality through which technical assistance is delivered, these programs are essentially country-oriented, although regional programs are sponsored when similar issues are encountered within regional groups and where a common approach can be effective. In all areas, technical assistance draws on international statistical standards and methodologies, good practices in statistical capacity building, and recent technological developments.

194. Technical assistance activities are usually demand driven and are in response to needs and priorities identified by member countries, in collaboration with Bank staff in the course of their country economic and sectoral work, or other international organizations. The goal of coordination among stake-holders—between donors and between entities in the national statistical system—is, most importantly, to avoid duplication of effort and improve harmonization of procedures, thereby reducing transaction costs.

195. The thrust of the Bank's technical assistance work has increasingly been on promoting coordinated, demand-led, and knowledge-based technical assistance for building sustainable statistical capacity and covering both comprehensive (or integrated) statistical capacity building as well as programs relating to specific aspects of the national statistical system.

196. A comprehensive approach to statistical capacity building covers all dimensions of the national statistical system (see Figure 6). The objective here is to:

- Strengthen statistical infrastructure by establishing sound legal and institutional frameworks for the collection, processing, and compilation of statistics;

- Enhance organizational arrangements through improved organizational structure and better coordination among statistical agencies and through managerial reforms involving emphasis on strategic management and corporate planning;

- Improve staffing methods through better human resource management and development;

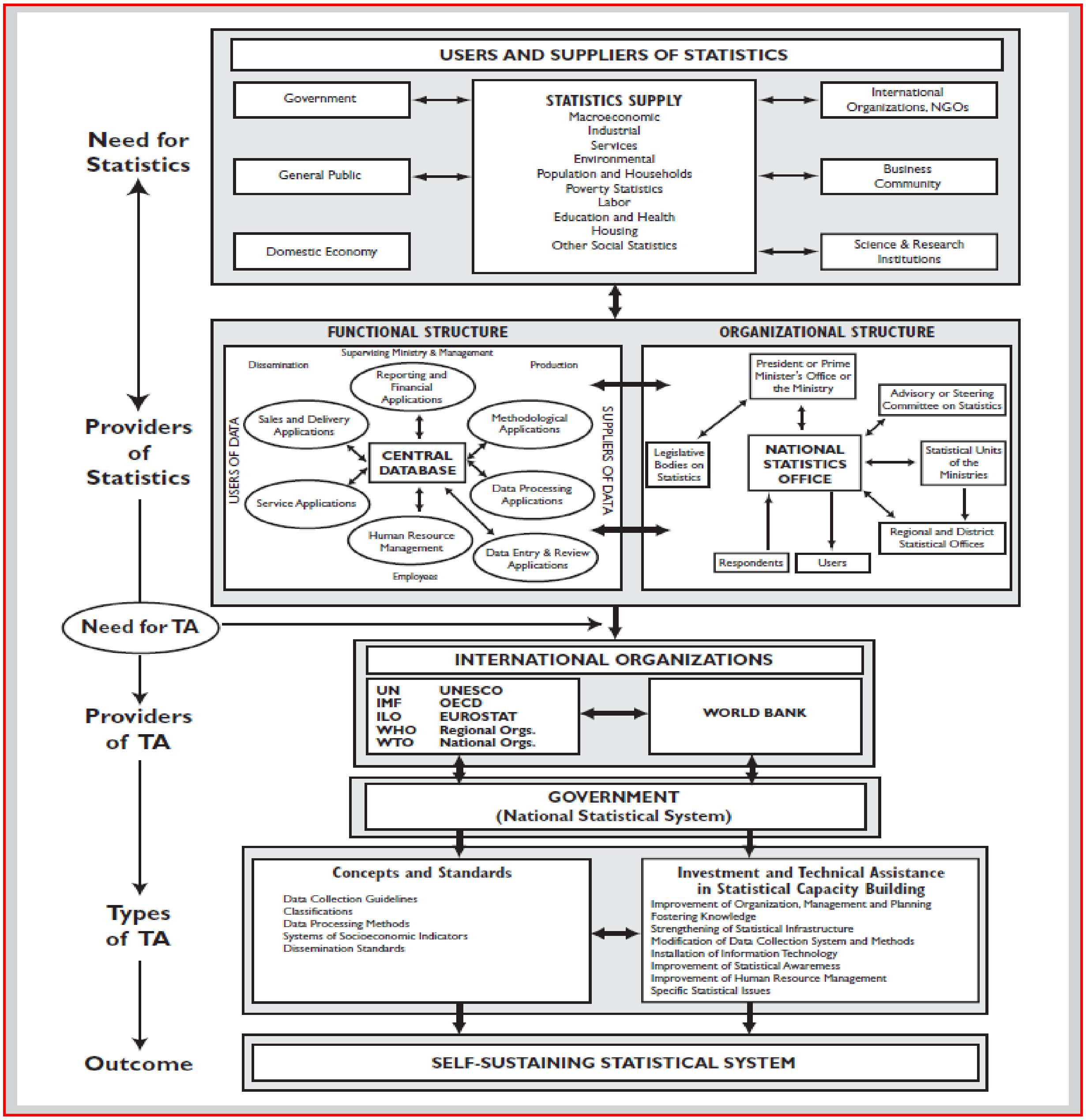
- Upgrade technical and physical resources through newer data collection techniques, application of newer statistical methodologies, and modern information management systems (with appropriate customization on a country-specific basis); and

- Provide training in new data concepts and in international standards for reliable and consistent data compilation, quality control, and widespread dissemination.

197. By contrast, specific programs address gaps in segments of a country's statistical system such as national income accounts, environmental statistics, or debt data systems. But like comprehensive programs, specific programs also address organizational and functional issues.

198. Bank-sponsored technical assistance activities are financed by grants or loans funding for small scale statistical capacity building activities, and targeted improvements to national statistical systems or training may be available from the Trust Fund for Statistical Capacity Building (TFSCB). Small and medium-sized technical assistance programs may also be part of a larger World Bank project loans (International Bank for Reconstruction and Development-IBRD/International Development Association-IDA operations). Larger programs, with the purpose of reforming the national statistical system based on a NSDS, are often financed by IBRD/IDA credits (STATCAPS) often with cofinancing through partnership arrangements with bilateral donors and other international agencies and /or funding from Bank operated Trust Funds operated by the World Bank with the aim of improving statistical systems. The Statistics for Results Facility Catalytic Fund, with contributions from the Department for International Development (DFID/UK) and the Netherlands provides concessional finance to fill NSDS implementation gap. Another statistics specific trust fund, ECASTAT, is being established with funding from the Russian Federation. ECASTAT will provide support for statistical capacity building in the countries of Eastern Europe and the Commonwealth of Independent States, including regional topical programs, data openness and country specific capacity building programs. For some middle- and high-income countries, technical assistance participation can also be provided on a reimbursable basis (Fee Based Services).

Figure 6. World Bank Technical Assistance in Institutional Capacity Building in Statistics



199. Technical assistance activity in debt statistics is likely to cover a wide range of items, including organizational structure of the national debt office, data collection methods, database management systems, data needs for strategic debt management, dissemination practices, and training of debt office staff.