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**Progress Report on Work of the
Interagency Task Force on Finance Statistics**

**Prepared by the Statistics Department
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EXECUTIVE SUMMARY

1. This report provides an update of the main activities of the Inter-Agency Task Force on Finance Statistics (TFFS) since the 2013 meeting of the International Monetary Fund (IMF) Committee on Balance of Payment Statistics (Committee). The annual meeting of the TFFS¹ was held at the World Bank Headquarters in Washington D.C., USA, on March 13–14, 2014, and was an occasion to discuss the following: (1) the progress made towards implementing the updated Quarterly External Debt Statistics (QEDS) tables and database in line with the 2013 *External Debt Guide Statistics: Guide for Compilers and Users* (2013 *EDS Guide*) and the sixth edition of the *Balance of Payments and International Investment Position Manual (BPM6)*; (2) ways to improve data availability and comparability in the presentation of gross government debt in the Public Sector Debt (PSD) statistics database; TFFS members also discussed (3) the way forward on the final version of the 2013 *EDS Guide* posted on the TFFS website on May 2014; (4) a medium/long term agenda for the debt database, including potential expansion of coverage to include contingent liabilities, net debt, and sub-national borrowing; (5) proposals for Joint External Debt Hub (JEDH) enhancements; (6) collection efforts of contingent liabilities data; (7) a proposal for revamping the TFFS website; (8) valuation of debt securities in debt management systems; and (9) work on a debt statistics Data Structure Definition (DSD). This report is provided to the Committee members for information.

I. METHODOLOGICAL WORK

A. 2013 *External Debt Statistics Guide* – Status of Publication

2. Since the 2013 meeting of the Committee, the IMF's Statistics Department, in close collaboration with the TFFS agencies, has been working on the publication of the 2013 *EDS Guide*. The final publication version of the 2013 *EDS Guide* was posted on the TFFS website (www.tffs.org) in May 2014. A simultaneous press release announcing this publication was coordinated among some TFFS member agencies. The TFFS Secretariat informed balance of payments, international investment position, and external debt statistics compilers, and Special Data Dissemination Standard (SDDS) and General Data Dissemination System (GDDS) correspondents about the posting via email. Hard copies of the 2013 *EDS Guide* in English were sent to IMF country members and QEDS reporters.

3. Currently, the 2013 *EDS Guide* is being translated into Arabic, Chinese, French, Russian, and Spanish. These versions may be available in 2015.

¹ The Bank for International Settlements (BIS), Commonwealth Secretariat (ComSec), European Central Bank (ECB), Statistical Office of the European Communities (EUROSTAT), International Monetary Fund (IMF), Organisation for Economic Co-operation and Development Organization (OECD), United Nations Conference on Trade and Development (UNCTAD), and World Bank, attended the meeting. The Paris Club Secretariat was unable to attend. The minutes of the 2014 TFFS meeting are available at <http://www.tffs.org/meet.htm>.

B. Public Sector Debt Statistics Guide

4. In December 2011, the final version of the *Public Sector Debt Statistics Guide (PSDS Guide)* was posted on the TFFS website and also disseminated in book form. Since its publication, TFFS members have been actively promoting the *PSDS Guide* through workshops, seminars, and other similar activities. Translated versions of the *PSDS Guide* into Arabic, Chinese, French, Russian, and Spanish are also now available.

II. AVAILABILITY OF DEBT DATA

A. JEDH Issues

5. During the 2014 TFFS meeting, the JEDH subgroup (BIS, IMF, OECD, and World Bank) made the following proposals to further enhance the JEDH: (1) for debt securities, switch from BIS international debt securities to the Coordinated Investment Portfolio Survey (CPIIS) debt securities data; (2) for trade credits, switch from OECD's official trade credits to Berne Union's short-term insured trade finance; and (3) modify the periodicity to semiannual in line with CPIIS reporting. The TFFS considered the proposed rearrangement of items is relevant but left the timing of such changes to the World Bank, noting the complexities involved in changing the layout of the JEDH.

B. World Bank Quarterly External Debt Statistics Database

6. Progress is being made in the economies' participation in the QEDS database (<http://datatopics.worldbank.org/debt/home>). As of September 2014, more than 110 economies have reported quarterly external debt position data to the QEDS database. Seventy-three economies (all 71 SDDS subscribers, New Zealand, and the Euro Area) reported data for Table 1 of the QEDS/SDDS (gross external debt position by sector—prescribed SDDS category), 27 economies reported data for Table 2 (foreign currency and domestic currency external debt position—SDDS encouraged item), 15 economies reported data for Table 3 (debt service payment schedule—SDDS encouraged item), and 30 economies reported at least one of the six supplementary tables. In addition, 45 GDDS participants have reported external debt position data for the QEDS/GDDS, of which 18 economies also reported the gross external debt position data by sector (SDDS prescribed category). Nevertheless, there is room to improve timeliness and foster participation of GDDS participants. As of September 2014, about half of the QEDS reporters included the SDR allocations in their total external debt position.

7. During the 2014 TFFS meeting, the discussion about QEDS was focused on the following: (1) progress made towards implementing the updated QEDS database to fully be aligned with *BPM6* and the 2013 *EDS Guide*; (2) a proposal for converting *BPM5*-based QEDS data to *BPM6*; and (3) ways to improve country coverage (GDDS economies) and the range of tables reported (SDDS economies). ComSec, UNCTAD, and the IMF will continue

to foster participation in QEDS database through training activities and technical assistance (see section III).

8. In October 2012, the World Bank and IMF developed a temporary *BPM6* Table 1 for the QEDS/SDDS (a table equivalent to Table 1—gross external debt position by sector). As of September 2014, around 40 economies reported these data using the *BPM6* Table 1.

9. After the successful completion of a small-scale pilot to obtain feedback from reporting economies on the new/updated QEDS templates, the World Bank/IMF presented for discussion the strategy and timetable to convert QEDS data to a *BPM6* format at the 2014 TFFS meeting.

10. In October 2014, the World Bank released for the first time the 2014Q2 *BPM6*-based external debt statistics. The new QEDS/SDDS database features four new tables on short-term remaining maturity, net external debt, reconciliation of positions and flows, and debt service payment schedule by sector and instrument, which have been well received and reported for the first time by a range of 7 to 11 economies. The new QEDS/GDDS database features one new table on foreign currency and domestic currency breakdown of public and publicly-guaranteed private sector external debt, which was reported by 11 economies for the first time. The preparatory process for presenting QEDS on a *BPM6* basis started in December 2013, when QEDS reporters were invited to submit 2014Q2 data using the new/updated tables by October 6, 2014. Reporters were asked to inform the World Bank/IMF if they would be able to submit data in the *BPM6*-based tables; otherwise, they could continue reporting using the current, *BPM5*-based tables. The electronic version of the updated QEDS templates was made available in May 2014 in follow-up correspondence with reporters. It is central to this exercise that a single comprehensive updated database covering historical (consistent) data be maintained. Therefore, as part of the consultation process, the World Bank converted historical and current QEDS data reported on a *BPM5* basis to *BPM6*, using generic conversion rules. Generic converted data were shared for approval with participating economies that did not submit their own data on a *BPM6* basis.²

C. Quarterly Public Sector Debt Statistics Database

11. The quarterly PSD statistics database comprises data on gross public sector debt position at nominal value. Reporting sectors for which quarterly data are provided include: (1) general government; (2) of which, central government; (3) of which, budgetary central government; (4) nonfinancial public corporations; (5) financial public corporations; and (6)

² For this release of the QEDS/SDDS database, out of the 73 economies, the WB converted data from a *BPM5* to a *BPM6* basis for 21 economies while 52 economies reported their own data on a *BPM6* format. Regarding the QEDS/GDDS database 13 economies reported their own data on a *BPM6* format for this release.

total public sector.³ The participation of countries in the PSD statistics database is voluntary, as it is in the QEDS database. The minimal requirement is reporting central government debt position data by type of instrument. The database is a collaborative effort by the World Bank, OECD, and IMF.

12. As of September 2014, 72 economies provided position data for the PSD statistics database, out of which 68 economies reported data between 2013Q1 and 2014Q1 for central government, 54 economies for general government, and 23 economies for the nonfinancial public sector. Only 21 economies reported data for the public sector as a whole. The IMF continues to work with the World Bank, UNCTAD, and ComSec to increase reporting in emerging and developing economies.

13. Since 2012, the PSDS Working Group (with representatives from ComSec, ECB, Eurostat, IMF, OECD, UNCTAD, and World Bank) holds quarterly videoconferences. The group continues to ensure consistency across international organizations and facilitates discussion and consensus building on key issues related to PSDS. Current discussions are underway for improving the transparency of gross debt data disseminated in the World Bank/IMF/OECD PSD statistics database by using a cascading approach for instrument coverage and levels of government.

14. In order to strengthen the transparency and cross-national consistency of PSDS, the TFFS continues to endorse the reporting of all debt instruments for general government as a benchmark for achieving greater fiscal transparency in PSDS. This is consistent with other initiatives including the standard template for Recommendation 17 in the G-20 DGI report and the SDDS Plus category on general government gross debt.

III. CAPACITY BUILDING

15. The IMF continued promoting the 2013 *EDS Guide* through training courses. In November-December 2013, the IMF conducted its second four-week headquarter course on EDS fully aligned with the *BPM6*. The pre-publication draft of the 2013 *EDS Guide* was the main course material. The course benefitted from the collaboration of other TFFS member agencies (BIS, ComSec, ECB, UNCTAD, and World Bank), who delivered presentations on topics in their area of expertise.

16. A number of regional courses, workshops, and seminars on external debt statistics were conducted, including: (1) two seminars on Practical Aspects of IIP and EDS compilation for Asian and Pacific Island countries in Fiji and Thailand, respectively (both workshops in July 2013); (2) a course at the IMF Singapore Regional Training Institute (STI)

³ The database includes position data by both original and remaining maturity (short term and long term), broken down by instrument, as well as position data by currency of denomination (domestic and foreign currency) and by residence of the creditor (domestic and external creditors).

(October 2013); (3) a Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI)/IMF course on EDS and PSDS in Botswana (October 2013); (4) a course at the IMF Middle East Center for Economics and Finance (CEF) in Kuwait (September 2014); and (5) a course on EDS at the IMF Brazilian Training Center (BTC) in Brazil (October 2014). As usual, the collaboration of TFFS members in these courses was highly appreciated.

17. The IMF continued its efforts to improve the capacity to collect, compile, and disseminate the public debt statistics for all components of the public sector and to provide training to improve PSDS on a global basis. Courses and workshops on PSDS were conducted at the IMF Joint Partnership for Africa in Tunis (April 2013 and January 2014), MEFMI in Botswana (October 2013), at the IMF Joint Vienna Institute (November 2013), and in Indonesia (February 2014).

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

19. Over the past year, ComSec organized two regional training workshops and five in-country training programs related to the compilation and dissemination of debt statistics through use of Commonwealth Secretariat Debt Recording and Management System (CS-DRMS). These workshops were organized in coordination with the Eastern Caribbean Central Bank (ECCB) and the MEFMI, and were attended by debt managers from 14 countries in the Caribbean region and 10 countries in the Southern and East African region, respectively. The five training programs were for Lesotho, Guyana, Barbados, Namibia and Mozambique. ComSec, in collaboration with the IMF and MEFMI, organized a workshop in Botswana for the Southern and East Africa Region on the PSDS. The workshop introduced participants to the functionality in CS-DRMS for compiling and reporting in conformity with the *PSDS Guide*. In addition, ComSec made presentations on: (1) Debt Statistics Reporting through CS-DRMS at the IMF Workshop on PSDS held in Tunisia; (2) PSD Reporting at the IMF Joint Vienna Institute EDS course; and (3) recording and reporting of Private Sector Debt through CS-DRMS at the EDS course at IMF Headquarters in Washington, D.C.

20. During the period under review, ComSec provided assistance for developing a Public Debt Bulletin to Barbados and Papua New Guinea, and undertook country specific missions with focus on improving debt data quality in Trinidad and Tobago, Barbados, Botswana, Lesotho, Namibia, Jamaica, Guyana, and Tanzania. Assistance to create a complete public debt dataset in a single computerized system was provided to Trinidad and Tobago, Seychelles, Barbados and Lesotho. ComSec also delivered assistance through policy advisory support to Sri Lanka on developing the domestic debt market, Trinidad and Tobago on development of a procedures manual on debt data compilation and reporting through CS-DRMS, Botswana and British Virgin Islands on the formulation of a medium-term debt management strategy, and Malta on the formulation of a Public Debt Act.

21. On the application side, ComSec released the latest version of CS-DRMS (version 2.0) in September 2014. The new version is packed with: (1) a new data export facility for the Quarterly PSDS; (2) a new export facility for World Bank Debt Reporting System (DRS) Form 4 for Private Sector External Debt reporting; (3) new reports for better monitoring and analysis of risks in the portfolio; (4) SDMX compliant World Bank Debtor Reporting; (5) a new facility to forecast debt service flows taking into consideration non-business days; (6) a new tool to facilitate reporting of debt service flows and stock balance that exclude undisbursed amounts in line with recommendations from the guides; and (7) recording and compilation of flexible loan products with embedded options.

22. Similarly, UNCTAD has conducted ten workshops related to debt statistics during October 2013-June 2014 (data validation–Paraguay, debt statistics–Bangladesh, Republic of Congo, Dominican Republic, Gabon, Oman, Paraguay, and debt portfolio analysis– Republic of Congo, Congo D.R., and El Salvador). These workshops used the DMFAS Program's newest version of its debt statistics capacity-building module, which incorporates the latest standards relating to the 2013 *EDS Guide* and the *PSDS Guide* as well as the latest developments in the area of debt statistics.

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

IV. FORWARD WORK PROGRAM OF THE TFFS

24. The main activities included in the 12-month work program agreed at the March 2014 TFFS meeting are: (1) report on QEDS data conversion to the 2013 *EDS Guide* and future steps for increasing participation; (2) report on the new approach of presenting PSDS in the IMF/OECD/World Bank database and on actions to improve PSDS reporting; (3) publicity of debt statistics; (4) report on the JEDH proposed enhancements and the JEDH Service Level Agreement (SLA) Triennial Review; (5) general government contingent liabilities data collection; (6) net government debt data availability; and (7) valuation of debt securities in debt management systems.

V. NEXT TFFS MEETING

25. The TFFS member agencies will next meet at the UNCTAD Headquarters in Geneva, Switzerland on March 12-13, 2015.