



ZAMBIA

TECHNICAL ASSISTANCE REPORT—REPORT ON EXTERNAL SECTOR STATISTICS TECHNICAL ASSISTANCE MISSION

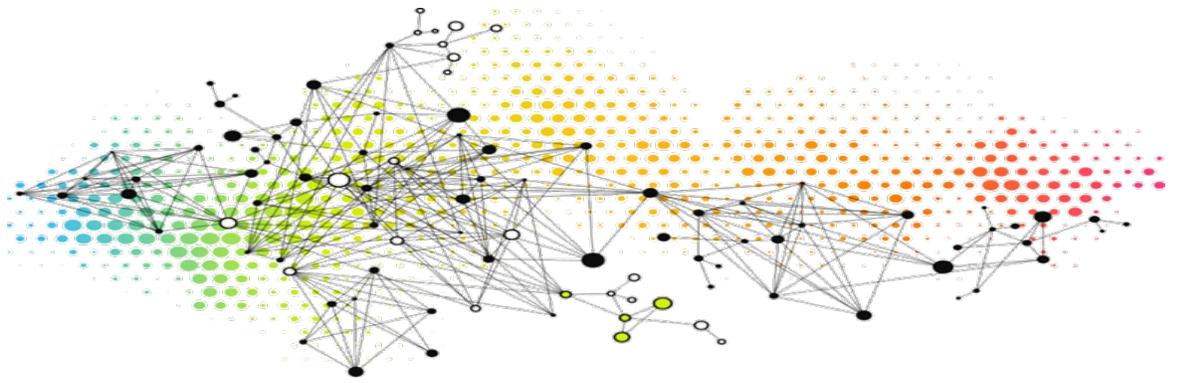
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ZAMBIA

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REPORT ON EXTERNAL SECTOR STATISTICS TECHNICAL ASSISTANCE MISSION (MARCH 4–15, 2019)

PREPARED BY FERNANDO LEMOS

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Glossary

AFR	IMF's African Department
BIS	Bank for International Settlements
BOZ	Bank of Zambia
<i>BPM6</i>	<i>Balance of Payments and International Investment Position Manual, sixth edition</i>
CSO	Central Statistical Office
DFID	United Kingdom's Department for International Development
DMFAS	Debt Management and Financial Analysis System (UNCTAD)
IDM	Investment and Debt Management Department (MOF)
IIP	International investment position
LBS	Locational banking statistics, BIS
MOF	Ministry of Finance
NEO	Net errors and omissions
PCF	Private Capital Flows
QEDS	Quarterly External Debt Statistics database (World Bank)
TA	Technical assistance
SAM	Social Accounts Matrix
SOEs	State owned enterprises
STA	IMF's Statistics Department
ZIPAR	Zambia Institute for Policy, Analysis, and Research

SUMMARY OF MISSION OUTCOMES AND PRIORITY RECOMMENDATIONS

- 1. A technical assistance (TA) mission on external sector statistics (ESS) was conducted in Lusaka, Zambia, during March 4–15, 2019.** This fifth mission, as part of the United Kingdom’s Department for International Development (DFID)—Enhanced Data Dissemination Initiative (EDDI) 2 Project Module 1 on improving balance of payments statistics, was carried out in consultation with the IMF’s African Department (AFR).
- 2. The Bank of Zambia (BOZ) has made commendable progress on the dissemination of external sector statistics (ESS) during the DFID-EDDI2 Project.** The international investment position (IIP) statistics, associated metadata, and release calendar, as well as the revised balance of payments, have been published on the Bank’s website after the mission was conducted and ahead of the scheduled plan. The mission worked closely with the Balance of Payments Division of the BOZ on assessing and revising the internally produced IIP statement for 2015–16 annual data and 2017/Q3–2018/Q3 quarterly data. The main revisions, as a result of the mission’s work were on the treatment of deposits of nonfinancial enterprises, using data sourced from the Bank for International Settlements (BIS), the market-price valuation of Eurobonds issued by the Government of Zambia, and the classification of loans from fellow enterprises.
- 3. The mission recommended breakdowns in the IIP table that are of analytical relevance, such as government securities issued abroad and issued domestically, and loan liabilities of the government and other sectors.** The IIP statement compiled during the TA mission was published following the mission’s conclusion (Table 1). The BOZ has also published IIP metadata and an IIP release calendar on its website, in line with the TA mission’s recommendations.

Table 1. IIP (End of Period - USD Millions)

	2015	2016	2017				2018		
	Q4	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Net IIP	-21.735	-24.582	-25.911	-26.862	-26.686	-27.544	-27.395	-25.977	-24.269
Assets	6.599	7.005	7.162	7.023	6.707	7.243	6.677	6.881	7.849
Liabilities	28.333	31.587	33.073	33.885	33.393	34.787	34.072	32.857	32.118

Source: BOZ (<https://www.boz.zm/international-investment-position.htm>)

- 4. The integrated IIP is key to verifying the consistency between the positions (opening and closing stocks in the IIP), the transactions (flows in the balance of payments), and other changes.** The BOZ has begun the compilation of the integrated IIP statement, which reconciles the changes in positions between two periods with the balance of payment’s financial account transactions and other changes not caused by transactions. Its compilation will be instrumental in fostering closer collaboration between the IIP compilers and the balance of payments compilers within the BOZ and improving the Balance of Payments Division staff’s command of both position and flows compilation methodology. The mission recommends that the BOZ compile the integrated IIP statement on a quarterly basis starting from 2017.

- 5. The BOZ has made continued progress on the collection of source data for both the balance of payments and the IIP.** The BOZ relies on a robust framework for collection of transactions and positions with nonresidents, the quarterly Private Capital Flows (PCF) survey. The survey form is broad in terms of coverage of both flows and positions, and the data collection process, with emphasis on large enterprises, especially in quarterly surveys. Direct contact with data reporters helps secure overall timeliness, coverage, and accuracy of the reported data. Follow-up on reporting compliance should nonetheless remain a central task of the BOZ, as there are periods for which companies report either incomplete or no data.
- 6. Further work is needed to identify the major causes of errors and omissions.** The balance of payments compilation includes procedures to mitigate errors and omissions, which are currently not justifiable. The procedure, which is the “reclassification” of a large share of errors and omissions to other investment, is based on the assumption that unidentified outflows result from the accumulation of trade credit assets, which is nonetheless not reflected in the data reported through the PCF. The mission provided guidance on further assessing whether payments made directly abroad for goods and services provided domestically, and which therefore are not reported under current PCF guidelines, may be the reason for these errors and omissions.
- 7. The accuracy of the components within the international reserves in the balance of payments and in the IIP can be further improved.** Valuations changes in positions are being included in the balance of payments for some components, such as government external debt and reserve assets, and should be removed from transactions. Pooled assets are being included under reserves deposits, and should be properly classified as other reserve assets.
- 8. To support progress in the above work areas, the mission recommended a detailed action plan with the following priority recommendations (see Table 2).** Further details on the priority recommendations and the related actions/milestones are found in the action plan under Detailed Technical Assessment and Recommendations.

Table 2. Priority Recommendations

Target Date	Priority Recommendation	Responsible Institutions
June 2019	<i>Disseminate annual 2015–17 and quarterly 2017 and 2018 (first three quarters) IIP statistics on the BOZ website. (completed and disseminated in May 2019).</i>	BOZ
June 2019	<i>Finalize the metadata for publication of the IIP. (completed and disseminated in May 2019).</i>	BOZ
December 2019	<i>Complete the compilation of the integrated IIP.</i>	BOZ
December 2019	<i>Maintain and update the IIP dissemination calendar, informing users in advance of changes in release schedule.</i>	BOZ

DETAILED TECHNICAL ASSESSMENT AND RECOMMENDATIONS

A. Action Plan

9. This action plan includes steps to accomplish milestones as well as target completion dates (Table 3). Actions are prioritized (high, medium) and priority recommendations (PR) are identified.

Table 3. Detailed Action Plan

Priority	Action/Milestone	Target Completion Date
Outcome: Source data are adequate for the compilation of external sector statistics		
H	Identify all balance components compiled based on change in positions and remove the changes that are not due to transactions.	September 2019
H	Ensure, when more than one source is available for the balance of payments and the IIP, that the same source is used or that they are compatible.	September 2019
H	Use market value for the Eurobonds; include a footnote in IIP publications informing the face value, used by the MOF in its publications, and explaining that the market value follows <i>BPM6</i> guidelines.	September 2019
H	Investigate whether payments made directly abroad for goods and services provided domestically, and which therefore are not reported under current PCF guidelines, this may be the reason for the large adjustments of errors and omissions allocated under other investment.	September 2019
H	Verify if the carry-over procedure of data for companies that missed to report to the PCF during certain quarters is functioning properly;	September 2019 and every reporting quarter on an ongoing basis.

Priority	Action/Milestone	Target Completion Date
	identify outliers and investigate whether data were not reported.	
H	Use data sourced from the IMF to compile transactions in and positions of SDR holdings (classified as reserve assets) and allocations (classified as other investment liabilities).	September 2019
H	Reclassify reserve assets invested under pooled schemes (by the BIS and the World Bank) to other reserve assets (rather than deposits, as currently classified).	September 2019
Outcome: A new data set has been compiled and disseminated internally and/or to the public		
PR	Compile the integrated IIP on a quarterly basis starting from 2017 for assessment of consistency between the IIP and the balance of payments.	December 2019
PR	Disseminate annual 2015–17 and quarterly 2017 and 2018 (first three quarters) IIP statistics on the BOZ website.	June 2019 (completed and disseminated in May 2019).
PR	Complete the IIP metadata questionnaire and disseminate it on the BOZ website.	June 2019 (completed and disseminated in May 2019).
PR	Maintain the IIP release calendar updated, informing users in advance of changes in release schedule.	December 2019

H = High M = Medium

B. Revision and Compilation of the IIP

10. The mission assisted the BOZ with its work plan to compile IIP statistics. This is the fifth TA mission delivered to the BOZ under the five-year EDDI 2 project¹ funded by DFID. The main objectives within the project, launched in August 2015, are to improve the accuracy, availability, comparability, and timeliness of balance of payments and IIP statistics in the

¹ The Balance of Payments Module 1 under this project has been designed for improving balance of payments statistics in eight selected African countries, one of which is Zambia.

participating countries and to increase participation in the IMF's Coordinated Direct Investment Survey and the World Bank's Quarterly External Debt Statistics (QEDS) database.

11. The compilation of the IIP statement was completed during the mission and was almost ready for dissemination. The mission worked with compilers on the assessment and revision of the IIP statement for annual data for 2015–18 and quarterly data for 2017–2018 (first two quarters) (see Annex 1). In May 2019, the BOZ disseminated the IIP statement on its website: <https://www.boz.zm/international-investment-position.htm>.

12. Key IIP components were revised for 2015–18 during the visit. Table 4 lists the main IIP revisions resulting from the work of the mission and BOZ compilers.

Table 4. List of Revised IIP Components

Component	Issue Identified	Revision	Source
Assets, other investment, currency and deposits, other sectors	BIS locational banking statistics (LBS) were being mistakenly treated as liabilities of residents of Zambia rather than assets.	These deposits are now correctly treated as assets of residents of Zambia.	BIS LBS
Reserve assets; pooled assets	Pooled reserve assets were being treated as deposits.	Reclassification from deposits to other assets, both on reserves.	Financial Markets Department
Liabilities, other investment, loans	Loans from fellow enterprises to resident enterprises were being accounted for twice in the IIP: as other investment/loans and as direct investment/debt instruments, due to the data extraction procedure. This was leading to an overestimation of liabilities.	The mission and the BOZ reviewed the data extraction procedures; the liabilities are now only classified under direct investment/debt instruments.	PCF

Component	Issue Identified	Revision	Source
Liabilities, other investment, portfolio, general government	Euro Bonds issued by the government of Zambia were being included in the IIP, by its face value, a total of US\$3.0 billion.	The face value was replaced with market value provided by the BOZ's FMD. The correction was also recommended for the balance of payments. A footnote was added to the IIP in order inform data users of the different valuation criteria used by the BOZ and the MOF.	MOF
Quarterly positions for several components	The IIP was omitting data for non-reporting enterprises, resulting in sharp falls in liabilities in some quarters.	A carry-over procedure, to serve as a temporary estimate for missing data of positions of non-reporters, was adopted.	PCF

13. The main data gap remaining relates to position data on external assets of nonfinancial corporations. This gap is more evident in the balance of payments. The integrated IIP shows that the change in the assets, measured by means of data sourced from the BIS LBS, does not match the estimates for these flows in the balance of payments. The reason for this gap will be further investigated during the next TA mission.

The other identified gap is Zambia's participation in international organizations.

14. The mission also recommended breakdowns, already implemented, in the IIP table, which are of analytical relevance. Debt securities issued by the government are broken down between those issued abroad, and therefore repaid in foreign currency, and issued domestically. Also broken down are loan liabilities, of the government and of other sectors.

Recommendations:

- Ensure, when more than one source is available for the balance of payments and the IIP, that the same source is used or that they are compatible;
- Use market value for the Eurobonds; include a footnote in IIP publications informing the face value, used by the MOF in its publications, and explaining that the market value follows *BPM6* guidelines;
- Incorporate in the IIP information that were missing in the first dissemination;

- Verify if the carry-over procedure of data for companies that missed to report to the PCF during certain quarters is functioning properly; identify outliers and investigate whether data were not reported.

C. Dissemination of IIP Data and Metadata

15. The mission recommended that the BOZ should disseminate IIP metadata with the IIP statement. The TA mission conducted in 2018 shared with compilers a copy of the IIP metadata questionnaire used to submit key IIP compilation details to STA. Notwithstanding its relevance, if the metadata are not complete by the dissemination deadline, this should not delay the dissemination of the IIP. In such case, the BOZ should publish the metadata shortly after the first release of the IIP.

16. The BOZ published IIP metadata and the IIP release calendar on its website in May 2019: <https://www.boz.zm/international-investment-position.htm>. The BOZ should ensure that the release calendar is kept up-to-date and that any changes in the release schedule are reflected on the website as promptly as possible.

Recommendations:

- Disseminate annual 2015–17 and quarterly 2017–18 IIP statistics on the BOZ website **(Completed in May 2019)**.
- Prepare IIP metadata and disseminate it on the BOZ website **(Completed in May 2019)**.
- Maintain the release calendar updated, reflecting any changes in the release schedule on the website as promptly as possible.

D. Other Issues Addressed by the Mission

17. The mission investigated with compilers the adjustment to the net errors and omissions (NEO), which implies removing a varying amount (quarter to quarter) from NEO to keep it at a low value. The amount subtracted from NEO is then added to other investment, resulting in a persistent and significant net acquisition of external financial assets (balance of payments estimates persistently point to an excess of supply over use of external funds). The mission's conclusion was that compilers should contact large resident direct investment (DI) enterprises that provide goods and services domestically to verify whether payments for these transactions are being made directly abroad to their parent or fellow enterprises. This is because the mission identified that a most likely reason behind the need for this adjustment is that payments are being made to parent companies abroad for goods and services provided domestically by resident DI enterprises. Details on these goods and services would not be collected by the current surveys, as they are transactions between residents.

18. The mission found that some components of the balance of payments, among which reserves, are compiled based on change of position rather than transactions.

The mission explained that this is a methodologically inconsistent procedure; changes in positions not due to transactions should not be included in the balance of payments. The integrated IIP would be instrumental in identifying and separating changes in position not due to transactions. It should be underscored that this does not affect the accuracy of the position of reserve assets. It may, though, result in errors and omissions in cases in which the change in the reserve asset position does not stem from transactions, but rather from other changes that affect total reserve assets (e.g., valuation changes).

19. The mission discussed with the BOZ the adjustments made to trade in goods in relation to goods crossing the Zambian customs border in transit between foreign countries. The BOZ informed the mission that goods in transit are no longer included in trade statistics, therefore no longer requiring adjustments of trade in goods in the balance of payments.

20. The mission confirmed that it would be correct to include the so-called encumbered reserves in Zambia’s reserve assets, based on the information provided by the Assistant Director of the Economics Department. According to the BOZ, these are statutory foreign exchange deposits, and there is no legal impediment for their use for meeting balance of payments needs. In other words, notwithstanding the nomenclature (“encumbered”), these assets are in fact readily available for use to meet balance of payments needs. In order to avoid future misinterpretations, it may be advisable that the BOZ consider referring to these assets as “statutory foreign exchange deposits” rather than “encumbered reserves”.

21. The mission found that reserves assets invested under pooled schemes managed by the World Bank and the BIS were classified under deposits. The mission recommended that these assets be treated as other reserves assets based on the composition of the investment portfolio, which includes different types of assets and considering that the invested amounts are readily available to the BOZ.

Recommendations:

- Investigate whether payments made directly abroad for goods and services provided domestically, and which therefore are not reported under current PCF guidelines, may be the reason for the large adjustments of errors and omissions allocated under other investment.
- Include in the survey form a question breaking down services consumption by mode of payment: paid for domestically and paid for abroad; use the amount paid for abroad for adjustment.
- Identify all balance components compiled based on change in positions and remove the changes that are not due to transactions.
- Compile the integrated IIP on a quarterly basis starting from 2017 for assessment of consistency between the IIP and the balance of payments.
- Reclassify reserve assets invested under pooled schemes (by the BIS and the World Bank) to other reserve assets (rather than deposits, as currently classified).

- Consider referring to “statutory foreign exchange deposits” as such rather than as “encumbered reserves”.

22. At the request of the BOZ, the mission took part in a workshop with the Zambia Institute for Policy, Analysis, and Research (ZIPAR) and the Central Statistical Office (CSO) to discuss the compilation of Zambia’s Social Accounts Matrix (SAM) for 2010. The purpose was to discuss whether the BOZ could provide balance of payments transactions data for the compilation of the SAM. The mission and the BOZ compiler provided guidance to the other agencies on how to source the data from the balance of payments, explaining the limitations of the balance of payments breakdown and coverage (e.g., lack of breakdown between enterprises and households) for the compilation of the SAM. The mission and the BOZ were nonetheless able to provide guidance on proxy classifications based on the characteristics of Zambia’s economy and inward and outward flows.

E. Officials Met During the Mission

Name	Current Position	Institution
Dr. Denny Kalyalya	Governor	Bank of Zambia
Dr. Francis Chipimo	Deputy Governor Operations	Bank of Zambia
Dr. Ivan Zyuulu	Assistant Director - External Capital Flows	Bank of Zambia
Dr. Francis Mulenga Muma	Senior Economist - External Capital Flows	Bank of Zambia
Ms. Chisala Sofia Ngándwe	Senior Economist - Private Capital Flows	Bank of Zambia
Ms. Mwika Mwenechanya	Senior Economist - Private Capital Flows	Bank of Zambia
Mr. Kafula Longa	Acting Senior Economist - Balance of Payments	Bank of Zambia
Mr. Emmanuel Chokwe	Economist - Balance of Payments	Bank of Zambia
Mr. Wachisa Sibale	Acting Economist Balance of Payments	Bank of Zambia

Appendix I. Preliminary IIP Statistics

ZAMBIA										
INTERNATIONAL INVESTMENT POSITION										
(IIP)										
(Millions USD)										
	2015	2016	2017				2018			Prel.
	Q4	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	
NET INTERNATIONAL INVESTMENT POSITION (A-B)	-21.734,5	-24.582,4	-25.911,0	-26.861,7	-26.685,7	-27.544,2	-27.395,0	-25.976,6	-24.269,1	
A. ASSETS	6.599,0	7.004,9	7.162,2	7.022,8	6.706,9	7.242,8	6.676,9	6.880,8	7.849,2	
A.1 Direct Investment	1.457,1	1.697,9	1.673,1	1.587,2	1.581,6	1.638,8	1.564,8	1.667,9	2.031,3	
A.1.1 Equity and investment fund shares	433,3	476,4	478,8	539,4	543,6	535,7	525,3	525,4	521,8	
A.1.2 Debt instruments	1.023,8	1.221,5	1.194,3	1.047,7	1.037,9	1.103,2	1.039,5	1.142,5	1.509,5	
A.2 Portfolio Investment	115,8	30,5	48,0	48,0	33,8	32,9	45,1	45,0	45,0	
A.2.1 Equity and investment fund shares	115,8	30,5	48,0	48,0	33,8	32,9	45,1	45,0	45,0	
A.2.2 Debt securities	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
A.3 Financial derivatives (other than reserves) and employee stock options	28,7	15,9	19,1	21,6	14,9	10,2	10,2	10,2	9,6	
A.4 Other Investment	2.783,3	3.377,9	3.547,9	3.341,2	3.218,0	3.713,6	3.486,5	3.518,7	4.298,7	
A.4.1 Other equity	1,9	2,4	2,5	2,6	2,5	2,6	2,8	2,7	2,2	
A.4.2 Currency and deposits	1.909,2	2.346,1	2.573,8	2.387,7	2.264,2	2.705,1	2.618,2	2.645,4	2.758,6	
A.4.3 Loans	94,3	59,0	59,1	58,4	58,4	108,6	65,0	65,0	118,4	
A.4.4 Insurance, pension, and standardized guarantee schemes	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
A.4.5 Trade credits and advances	776,9	940,5	882,8	863,3	863,2	867,3	771,2	776,3	1.390,4	
A.4.6 Other accounts receivable	1,1	29,9	29,7	29,2	29,7	29,9	29,3	29,3	29,2	
A.5 Reserve Assets	2.214,0	1.882,5	1.874,0	2.024,9	1.858,6	1.847,3	1.570,3	1.638,9	1.464,7	
B. LIABILITIES	28.333,5	31.587,3	33.073,1	33.884,5	33.392,6	34.787,0	34.071,9	32.857,3	32.118,4	
B.1 Direct Investment	16.488,5	18.858,8	18.692,8	18.813,6	19.337,0	19.826,9	18.764,7	18.137,8	17.615,7	
B.1.1 Equity and investment fund shares	7.091,0	7.827,8	8.449,0	8.361,2	9.120,3	8.220,8	8.815,5	7.837,9	7.359,7	
B.1.2 Debt instruments	9.397,4	11.031,1	10.243,8	10.452,4	10.216,8	11.606,1	9.949,2	10.299,9	10.256,0	
B.2 Portfolio Investment	2.595,4	3.633,6	3.753,7	3.912,7	3.995,4	4.262,2	4.085,6	3.613,1	2.961,6	
B.2.1 Equity and investment fund shares	27,0	106,7	60,3	53,9	53,8	106,1	75,2	91,7	122,3	
B.2.2 Debt securities	2.568,4	3.526,8	3.693,3	3.858,8	3.941,6	4.156,1	4.010,4	3.521,4	2.839,4	
B.2.2.1 Government	2.568,4	3.526,8	3.693,3	3.858,8	3.941,6	4.156,1	4.010,4	3.521,4	2.839,4	
B.2.2.1.1 Issued abroad	2.334,3	2.906,0	3.014,0	3.083,8	3.154,9	3.251,3	3.092,5	2.634,6	2.144,2	
B.2.2.1.2 Non resident holdings of locally Issued Securities	234,1	620,8	679,3	774,9	786,6	904,8	917,9	886,8	695,2	
B.2.2.2 Other	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	
B.3. Financial derivatives (other than reserves) and employee stock options	213,3	12,6	25,8	35,6	7,2	13,8	13,8	13,8	8,7	
B.4 Other Investment	9.036,3	9.082,3	10.600,9	11.122,7	10.053,0	10.684,1	11.207,9	11.092,5	11.532,3	
B.4.1 Other equity	0,0	197,3	257,3	262,7	255,8	233,9	243,8	243,9	300,6	
B.4.2 Currency and deposits	108,0	279,5	400,8	430,3	347,9	275,9	325,0	266,1	210,6	
B.4.3 Loans	8.120,9	7.816,7	9.075,7	9.640,1	8.627,6	9.351,1	9.834,2	9.701,0	10.184,8	
B.4.3.1 Government	3.959,1	4.185,5	4.372,3	4.491,8	4.553,1	5.957,9	6.581,1	6.602,7	6.744,3	
B.4.3.2 Other	4.161,8	3.631,2	4.703,5	5.148,3	4.074,5	3.393,2	3.253,1	3.098,3	3.440,5	

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INTERNATIONAL INVESTMENT POSITION									
(IIP)									
Prel.									
(Millions USD)	2015	2016	2017				2018		
	Q4	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
B.4.4 Insurance, pension and standardized guarantee schemes	1,6	3,5	3,9	3,9	3,9	3,9	3,9	3,9	3,9
B.4.5 Trade credits and advances	115,6	71,8	175,7	83,9	106,0	67,9	104,4	205,9	161,9
B.4.6 Other accounts payable	39,6	84,9	49,5	49,4	49,4	84,9	12,7	12,7	12,7
B.4.7 Special drawing rights	650,6	628,7	638,0	652,4	662,3	666,5	683,8	659,1	657,8

Footnotes:
1/ Eurobonds under item B.2.2.1 Government, recorded at market value in line with IMF's *Balance of Payments and International Investment Position Manual (BPM6)*

Appendix II. Implementation Status of the June 2018 TA Mission Action Plan

	Outcomes Description	Assumptions/ Verifiable Indicators	Target Date	Completion Date	Implementation Status
H	Use PCF survey results to compile external loan liabilities of nonfinancial corporations in IIP statistics to avoid duplication of liabilities with intercompany lending classified as direct investment.	Data sourced from PCF.	July 2018	March 2019	Completed with TA mission's support.
H	Follow up with the IDM of the MOF on the provision of data on the components of the change in gross public sector external debt positions and on guaranteed external debt data (positions) of state-owned enterprises (SOEs).	Detailed data on public sector external debt changes available.	July 2018 and then ongoing basis	January 2019	Completed.
H	Use public sector external debt data provided by the IDM of the MOF (annual data up to 2016 and 2017 quarterly data) to revise IIP and balance of payments corresponding components and to compile the integrated IIP statement for 2017.	Data are used for compilation purposes.	August 2018 and then ongoing basis.	March 2019	Completed during TA mission.

	Outcomes Description	Assumptions/ Verifiable Indicators	Target Date	Completion Date	Implementation Status
H	Use in IIP and balance of payments statistics data provided by the IDM of the MOF on guaranteed external debt data (positions) of SOEs, if not collected through the PCF survey (ensure that guaranteed external debt data of SOEs reported by the IDM are not duplicated with external debt of SOEs currently collected through the PCF survey).	Data included in IIP statistics.	August 2018 and then ongoing basis.	January 2019	Completed.
H	Remove BOZ other short-term loan liability entries from the IIP working file as they duplicate with IMF credit and loans.	Data removed from IIP statistics	July 2018	May 2018	Completed.
H	Use data sourced from the IMF to compile transactions in and positions of SDR holdings (classified as reserve assets) and allocations (classified as other investment liabilities).	Data sourced from IMF are used	July 2018		Not completed.

	Outcomes Description	Assumptions/ Verifiable Indicators	Target Date	Completion Date	Implementation Status
M	Preliminary use of BIS locational banking statistics data on Zambian nonbanks external deposits to estimate the corresponding IIP component.	BIS data are used in IIP statistics.	July 2018	July 2018	Completed.
H	Confirm that the so called "encumbered reserves" are encumbered assets and ensure their consistent treatment in IIP and balance of payments statistics (they are classified as BOZ "other investment" in the latter).	"Encumbered reserves" are properly classified in the IIP.	August 2018	May 2018	Completed.
M	Further investigate the significant decrease in direct investment assets, debt instruments, in 2014 to validate both, IIP and balance of payments records.	IIP entries are confirmed.	September 2018	June 2018	Completed.

	Outcomes Description	Assumptions/ Verifiable Indicators	Target Date	Completion Date	Implementation Status
M	Examine if the criteria to geographically allocate national data on inward direct investment to Canada and South Africa follows the immediate or ultimate counterpart economy (to explore the possible reasons of the significant differences between national and mirror Coordinated Direct Investment Survey data for Canada and South Africa).	Allocation criteria is determined.	December 2018	June 2018	Completed. Companies have informed that the reporting criteria is immediate investor.
H	Finalize the revision and validation of selected IIP data series (particularly general government and nonfinancial corporations loan liabilities) to complete work done during the mission. Priority Action.	Revised IIP statistics are available internally	August 2018	March 2019	Completed.
H	Reconcile 2017 quarterly changes in stocks by looking at the transactions recorded in the financial account of the balance of payments and other changes in financial assets and liabilities. Priority action.	2017 integrated IIP statement available for internal use.	September 2018		Completed during March 2018 TA mission.

	Outcomes Description	Assumptions/ Verifiable Indicators	Target Date	Completion Date	Implementation Status
H	Disseminate annual 2015–16 and quarterly 2017 IIP statistics on the BOZ website. Priority action.	IIP statistics posted on the BOZ website	December 2018		Completed following the TA mission.
H	Compile the IIP metadata questionnaire and disseminate it on the BOZ website.	IIP metadata posted on the IIP website	December 2018		Completed following the TA mission.