Capacity Development in Public Sector Debt Statistics
Achievements and Challenges from a Practitioner’s Perspective

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Tangible Progress of Past CD: The Example of Senegal

- Expanding PSDS coverage in Senegal to the public sector for the first time has helped to paint a more complete picture of the public debt burden and related fiscal risks.

- This successful outcome reflects:
  - **Strong ownership**: The authorities’ drive to subscribe to the SDDS, implement regional fiscal and debt directives, and modernize the country’s infrastructure, with associated borrowing needs, have driven reforms;
  - **Cross-agency cooperation**: Various agencies involved in PSDS strengthened their cooperation;
  - **Well-focused CD**: Complementarity of CD from IMF’s Statistics and Fiscal Affairs Departments helped achieve results;
  - **Leveraging IMF country teams**: CD was linked to IMF surveillance and lending operations.

**Senegal—Total Public Sector Debt (% of GDP, 2017)**

- Public Sector Debt (includes Para-Public and SOEs) 60.6
- General Government Debt (includes Para-Public entities) 54.0
- Central Government Debt 49.8

Challenges for PSDS Capacity Development in LLMICs

Data availability and quality issues can be daunting in many cases.

**Source data**
- **Availability:**
  - Data for sub-sectors of government often not available
  - Agency fragmentation on PSDS compilation and reporting
- **Format:**
  - Some data only available in hard copies
- **Frequency:**
  - Low frequency (annual at best) with substantial delays
- **Compilation methods**
  - Not always aligned to international guidelines

**Data coverage**
- **Institutional coverage**
  - Often limited to the budgetary central government, thus not fully capturing fiscal risks and vulnerabilities
- **Instrument coverage**
  - Usually limited to debt securities and loans
  - Little or no data on other accounts payable (arrears)

**Data dissemination**
- **Insufficient data dissemination:**
  - Lack of understanding and political will on the merits of data dissemination
  - Only 27 LLMICs reported to the WB/IMF QPSDS database in 2018
  - Only 13 LLMICS reported liabilities stock position to the IMF’s 2017 GFSY
  - Data sharing with IMF country teams limited and irregular
  - Country-internal data dissemination infrequent, limited in coverage, and not always in line with international guidelines
Tackling the Challenges to PSDS CD under the D4D Fund – Planning Stage

**Challenges**

Assessing the key deficiencies in a country’s PSDS:

- Are there *source data* issues, including in terms of availability, frequency, and compilation methodology?
- Where are deficiencies in *coverage*? Is it more institutional and/or instrument coverage?
- What are obstacles to PSDS *dissemination*, especially also in terms of reform ownership and political will?

**The D4D Fund Approach**

*D4D Fund PSDS CD is based on a thorough diagnostic:*

- Demand-driven CD starts with the authorities and the IMF country team as a key data user to independently identify policy-relevant data gaps.

*Getting the authorities involved early on helps build reform ownership:*

- Regional workshops with peers raise awareness of the merits of improved reporting and how other countries have tackled reform steps.
- The diagnostics form the basis for developing country-tailored work plans. TA hinges on senior policy-makers endorsing the work plan.

*Closely involving IMF country teams, other IFIs, and donors can further leverage reform momentum by:*

- Embedding addressing critical data gaps in policy dialogue with IMF country team.
- Selecting qualified workshop participants and most relevant counterparts.
- Ensuring CD coordination.
Tackling the Challenges to PSDS CD under the D4D Fund – Delivery Stage

**Capacity Development in Public Sector Debt Statistics**

**Challenges**

Selecting and addressing top priority data gaps in sequence among a country’s many PSDS deficiencies:

- What improvements in *source data* and *data coverage* can best fill the most critical information gaps towards a more complete picture of fiscal risks?
- What progress can realistically be achieved in the *short, medium, and longer term*?
- How to ensure continuous *engagement with policy-makers* and data users in filling source data and coverage gaps and *improving dissemination*?

**The D4D Fund Approach**

*D4D Fund PSDS CD is delivered based on a country-tailored and risk-based approach:*
- Focusing on specific issues on data quality and coverage with substantial bearing on macroeconomic management.
- Starting with low-hanging fruits to quickly generate positive outcomes.
- Tracking progress in IMF’s RBM framework and adjusting approach as needed.

*Sharpened focus and better access to policy-makers*

*Levering IMF country teams’ access to better engaging senior policy-makers:*
- Partially overlapping CD with IMF country team missions to improve access to policy-makers and strengthen the data for the DSA.
- Appealing directly to senior authorities in endorsing reforms and addressing critical data impediments for sound policy-making.
- Stressing direct dissemination channels to get data to IMF country teams as key data users so as to directly support surveillance.
Tackling the Challenges to PSDS CD under the D4D Fund – Follow-up Stage

Challenges

Achieving tangible and sustainable improvements through implementation of TA recommendations:

• How to generate “buy-in” and commitments to follow through the recommendations in strengthening source data, broadening coverage, and improving dissemination?

• How to maintain the incentives and momentum after required reforms start?

• How to better create synergies among IMF departments, other IFIs, and donors to support countries on a continuous basis?

The D4D Fund Approach

D4D Fund PSDS CD is followed by a holistic approach aimed at sustainability, impact, and effectiveness:

Closely involving country authorities, IMF country teams, other IFIs, and donors to preserve country ownership and provide continuous support for implementation, as needed:

• Including reform milestones in IMF policy advice and lending programs to countries.

• Further improving CD and surveillance coordination within the IMF on a continuous basis.

• Collaborating with other IFIs and donors to ensure continued support, as needed, to tackle any remaining needs for PSDS improvements and ensure sustainability.

Leveraging other CD vehicles, including through continuous methodology advice and improved compilation and dissemination processes; this may also involve CD missions funded by RCDCs and other resources.
The Mauritius workshop served as a successful prototype with lessons to emulate in subsequent CD work under the D4D Fund.
The Mauritius PSDS workshop – Implementing the D4D Fund Approach

**Capacity Development in Public Sector Debt Statistics**

**Top priorities— from country compilers and IMF country teams**

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**PSDS data gaps to fill**

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- **Workshop Attendees**

- **Area Departments**

  - Light Green- Low Priority
  - Green- Medium Priority
  - Dark Green- High Priority

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**Some countries to receive first follow-up TA missions**

- Buy-in from authorities – Liberia TA on PSDS after two-year hiatus.
- Interest from IMF country team prompted quick follow-up TA to Zambia.
What is new?

- Focus more on getting better PSDS data to country policy-makers, IMF country teams, and other users (e.g., investors, rating agencies, parliamentarians, media).

- Reduce reporting burden by leveraging countries’ National Statistics Data Page (NSDPs) established under the IMF Data Standards Initiatives.

- Shift gradually to machine-to-machine data transmission via the planned Global Data Common, as envisaged under the IMF’s Overarching Strategy for Data and Statistics at the Fund in the Digital Age.
PSDS CD in LLMICs - Past, Present, and Future

2016-2018 STA CD Delivery on PSDS in LLMICs
PSDS CD in LLMICs - Past, Present, and Future

STA CD Delivery on PSDS in LLMICs: HQ D4D
(From Inception Through July 2020)

* Participating countries.
Questions and comments?