IMF Government Finance Division

Terms of Reference

for GFSM Update Task Teams

GFS Compilation Task Team

Debt and Other Monetary and Financial Task Team

Environmental Task Team

Fiscal Analysis and GFS Communication Task Team

Prepared by the Statistics Department

INTERNATIONAL MONETARY FUND

TERMS OF REFERENCE

Mandate

The task team will contribute to the work related to updating the IMF's *Government Finance Statistics Manual 2014 (GFSM 2014)* by providing technical inputs and recommendations on the specific research projects assigned to the task team. The initial assignment of research projects is set out in Annex 1 of these terms of reference, based on the published *List of Research Projects for Updating the GFSM 2014*, although the task team research projects may be modified during the update work with the agreement of the IMF's *Government Finance Statistics Advisory Committee (GFSAC)*.

Membership

The task team will consist of members and two co-chairs. The co-chairs will lead the work of the task team.

The co-chairs and task team members may be drawn from IMF's GFSAC, IMF member countries, international organizations (including the IMF) as well as experts in fiscal reporting and from other macroeconomic and related statistical domains. The total number of task team members will be decided by the IMF Statistics Department and the task team co-chairs.

Co-chairs and task team members may be proposed by IMF's GFSAC, IMF member countries and/or international organizations. However, the appointment of task team members will be the sole preserve of the IMF Statistics Department.

The selection of co-chairs and members will consider the background and expertise of the individuals as well as the geographical balance of the task team as a whole. Co-chairs and members of the task team will work on a voluntary basis and shall not be remunerated by the IMF.

The secretariat for the task team will be provided by the IMF Statistics Department.

Deliverables

The task team will prepare two deliverables for each assigned research project, a discussion note, and a proposed recommendations document.

Discussion notes: The task team will develop one discussion note per research project. Discussion notes should clearly and succinctly convey the issues to technical experts, compilers, and users to encourage informed discussion and develop recommendations which are well supported. A template of the Discussion Note is provided in Annex 2.

Proposed recommendations: Once global consultation on the discussion note has taken place, the task team will prepare a proposed recommendations document for review and endorsement by the GFSAC. The proposed recommendation document should clearly explain the issue and the proposed recommendation(s). Documents should highlight the GFS implications from a compilation and fiscal analysis perspective and should avoid unnecessary repetition of text in the related discussion note. A template of the Proposed Recommendations Document is provided in Annex 3.

Timelines

- The deadlines for the preparation of discussion notes for research projects will be determined once the task team is established.

- A proposed recommendations documents will be drafted following endorsement of the related discussion note by GFSAC and conclusion of the global consultation.

Task Team co-chairs will be required to provide quarterly updates to the GFSAC on progress for each research project. A template for such updates will be prepared by the GFSAC Secretariat and shared with Task Team co-chairs.

As a general guide:

- The research and development stage of preparing a discussion note should take no more than 3-4 months, this includes development of the note and discussions within the task team. It is recommended that a first draft of the discussion note should be prepared within 2 months of the start of the research project.
- GFSAC should receive the discussion note, agreed by the task team, no later than 4 months after the start of the research project.
- If amendments are required after GFSAC's review, then the task team will make these changes within 1 month.
- Once endorsed by the GFSAC, global consultation of the discussion note will take place, lasting 1 month. The consultation will be managed by the GFSAC Secretariat and not the task team. The GFSAC Secretariat will compile and summarize the feedback received and share it with the task team.
- The task team will prepare the proposed recommendations document reflecting feedback received, within 1 month after the end of the global consultation.

Working Procedure

The working procedures and sequencing for developing discussion notes and proposed recommendations are outlined in the published *Process and Timeline for Updating the GFSM 2014.*

Using the *List of Research Projects for Updating the GFSM 2014*, IMF Staff have prepared Project Initiation Documents (PIDs) for each research project, setting out the objectives and expected outcomes. Using the PIDs, the task team will develop discussion notes which explore the relevant issues and identify possible options for addressing those issues. Each discussion note should include recommendations based on the options identified.

Task team co-chairs will have the flexibility to decide how to organize the development of each discussion note, including whether they decide to assign individuals or a sub-group to develop draft discussion notes. However, all draft discussion notes must be shared with the task team for review and comment prior to being shared with the GFSAC.

The recommendations in the discussion notes should be agreed within the task team through written consultations and/or virtual meetings. The task team should strive to reach a consensus on the options and recommendations for each research project. However, where there are substantive disagreements within the task team over the option(s) to be recommended, then these should be noted in the discussion note prior to sharing with the GFSAC.

The GFSAC will review all discussion notes produced by the task team and may request the task team to revise or update discussion notes.

The final decision to endorse the discussion note as ready for global consultation lies with the GFSAC. The global consultation will be managed by the IMF GFSAC Secretariat, including sharing the results of the consultation with the task team for consideration.

If the consultation highlights support for the recommendations of the discussion note, it will be the responsibility of the task team to prepare a proposed recommendations document showing how they will be adopted for integration into the updated GFSM. However, if the consultation highlights that the collective view of the GFS community diverges from the recommendations of the task team, then the GFSAC will decide whether alternative recommendations should be adopted, or further research is required. If further research is required, the task team will conduct this research and revise the discussion note and recommendations, for further review by the GFSAC.

The final decision on endorsing the discussion note recommendations resides with the GFSAC.

If no consensus can be reached on a recommendation to address a research issue, despite iterations of this process, then the dispute resolution mechanism will take effect. Accordingly, the Chair of GFSAC makes a final ruling on how to proceed. If the Chair concludes that a decision cannot be reached, then the default position will be to leave the current discussion in *GFSM 2014* on this research project unchanged.

The work of the task team will be carried out through virtual meetings and emails. The working language of the task team will be English, without any translation of documents or interpretation during video conferences.

Annex 1: Task team research projects

GFS Compilation Task Team

Proposed Work Agenda by Research Projects (ranked according to consultation responses):

1	2.1 Boundary between government and nonfinancial public corporations
2	2.14 Treatment of public private partnerships (PPPs)
3	2.21 Social Security Schemes
4	2.22 Government assumption of pension obligations
5	2.23 Employee benefits – defined benefit schemes
6	2.17 Boundary between capital and current transfers
7	2.6 Defining and subclassifying extrabudgetary units
8	2.7 Government or public nonlife insurance schemes
9	2.5 Treatment of zakat
10	2.3. Indigenous governments

Debt and Other Monetary and Financial Topics Task Team

Proposed Work Agenda by Research Projects (ranked according to consultation responses):

1	2.8 Debt valuation issues
2	2.15 Treatment of capital injections by government into corporations
3	2.2 Boundary between government and financial public corporations
4	2.11 Recording of provisions and contingent liabilities
5	2.9 Debt assumption and debt payments on behalf of others
6	2.13 Equity for public corporations
7	2.10 Valuation and recognition of loans
8	2.16 Treatment of privatization
9	2.12 Stock positions and related flows with the IMF and other regional / international organizations
10	2.4 Transactions with sovereign wealth funds (SWFs)

Environmental Topics Task Team

Proposed Work Agenda by Research Projects (ranked according to consultation responses):

1	2.19 Accounting for natural resources and their exploitation in GFS
2	2.18 Recording and valuation of infrastructure assets
3	2.20 Climate-sustaining and climate-damaging subsidies and other transfers
4	2.26 Presentation of GFS flows related to natural resources

Fiscal Analysis and GFS Communication Task Team

Proposed Work Agenda by Research Projects (ranked according to consultation responses):

1	2.32 Balance sheet analysis
2	2.31 GFS within fiscal analysis and policymaking
3	2.25 Communicating GFS to users
4	2.27 Relationship between GFS and IPSAS
5	2.30 Methodological guidance on compilation and analyzing SOE data
6	2.24 A framework for the presentation of GFS metadata
7	2.28 Tax expenditures, tax deferrals, and other similar incentives
8	2.29 Retained earnings of public corporations and their impact on fiscal analysis

Discussion Note:

2.x [Title] *to be taken from project initiation document*

The discussion note will be typically 6 to 12 pages in length and should not be longer than 20 pages. If required additional annexes may be used to include important supplementary information that is not necessary to the main narrative of the discussion note, but any annexes should be kept short and focused. Links to other documents or websites, where relevant, are preferred over annexes.

Typeface: *Arial, size 10*

Lines and Paragraphs: *Numbered, with multiple line spacing set at 1.25*

Summary Details

Task Team Responsible	*[name]*
Authors of Discussion Note	*[names]*

Summary of Issues and Draft Recommendations:

Short summary of issues and draft recommendations to resolve these issues in bullet point format. This should be completed as a high-level synopsis of the discussion note and should not discuss the background of the issues or the rationales for recommendations which should instead be provided in the relevant sections of the document.

Background and Issues

Content: *The background and issues section should explain why there is need for new or refined GFS guidance by presenting the issues or gaps with the current GFS guidance.*

Format: *This section will generally be no more than four pages and will typically consist of prose paragraphs. Bullets may be used to break up text and make the explanation more accessible, similarly tables or figures should be used if these provide an effective way to summarize the issues.*

Options Identified to Address Issues

Content: *This section should form the main component of the discussion note. For most research projects, this section will describe different approaches to resolving the issues identified in the previous section, with the pros and cons of each option set out clearly. One option will usually be to keep the current guidance in GFSM 2014. For a few projects (such as some of the fiscal analysis and GFS communication) this section will instead explain the approach to analysis or communication being researched under the project.*

Format: *This section will typically consist of prose paragraphs. Bullets may be used to break up text and make the explanation more accessible, similarly tables or figures should be used if these provide an effective way to explain the options.*

Draft Recommendations (with rationale)

Content: This section should succinctly and clearly explain which option is preferred by the task team who has developed the decision note, and why. This section should not repeat the pros and cons of options described in the previous section, but should instead highlight those points that were considered persuasive when arriving at the draft recommendation. For those projects which are dealing with topics of fiscal analysis and communication then this section should clearly explain what is recommended to be included within the updated GFSM, and what should be included in a supplementary format.

Format: This section should generally not be longer than two pages and may either follow a bullet point presentation, or be written as short prose paragraphs.

Proposed Text for GFSM Update [Optional]

Content: This section should include, where possible, specific details of the new text that it is proposed to include in the updated GFSM based on the draft recommendations. It may not be possible for all recommendations to provide the text, and so for this reason this section is optional. If the draft recommendation is to use text from the new SNA and/or BPM then it is sufficient to provide a link to where this text can be found.

Format: This section should follow the structure of the relevent chapter(s) or annex(es) of the manual that it is proposed to update.

Questions for Global Consultation

Content: This section should propose what questions should be posed to the community during global consultation, in order to establish whether or not there is support for the draft recommendations of the decision note.

Format: This section should be in bullet point format.

Additional References [Optional]

Content: This section should list any documents that are of relevance to the discussion note. Documents should be included with hyperlinks where possible. If there are no relevant references to include then this section can be omitted.

Format: This section should be in bullet point format.

Annexes [Optional]

Content: Any additional information which helps explain the issues and/or options under consideration (such as a decision tree, or a numeric example) should be included as an annex and referenced in the main document. Annexes should be kept short and focused.

Format: Any – as required.

Proposed Recommendations Document:

2.x [Title] *to be taken from project initiation document*

The proposed recommendations document will be typically 2 to 4 pages in length and should not be longer than 6 pages. If required an additional annex may be used to include important information that cannot be included in the 6 pages, but any annex should be kept short and focused.

Typeface: Arial, size 10

Lines and Paragraphs: Numbered, with multiple line spacing set at 1.25

Summary Details

Related Guidance Note (SNA/BPM) or Discussion Note (GFSM): *[name] + [link]*	
Global Consultation(s):	*[link(s)]*
Discussions at AEG / BOPCOM Meeting(s):	*[link(s)], if not relevant, enter "not applicable"*
Discussions at GFSAC Meeting(s):	*[link(s)], if not relevant, enter "not applicable"*
Summary of Proposed Recommendations: *Short summary of proposed recommendations detailed in document in bullet point format. Rationales for recommendations should not be given here, they are to be provided in the relevant section of the document.*	

Background and Issues

Content: The background and issues section should explain why there is need for new or refined GFS guidance by briefly summarizing the issues or gaps with the current GFS guidance. This should not replicate all the detail from the guidance/discussion note but instead highlight the most salient points.

Format: This section should not be longer than two pages and will typically consist of prose paragraphs. Bullets may be used to break up text and make the explanation more accessible, similarly tables or figures should be used if these provide an effective way to summarize the issues

Proposed Recommendations

Content: This section should detail each of the proposed recommendations. The text will be based on the discussion/guidance note, global consultation responses, discussions in the relevant task team, and any discussions in GFSAC/AEG/BOPCOM. Rationales for the recommendations should be provided in the next section.

Format: This section should not be longer than one side of paper (and will often be shorter) and will typically benefit from a bullet point presentation, although could also be written as short prose paragraphs.

Rationale for Proposed Recommendations

Content: This section should briefly explain the rationale for the proposed recommendations, referring as needed to the discussion/guidance note, global consultation responses, discussions in the relevant task team, and any discussions in GFSAC/AEG/BOPCOM. Overly long repetition of text in other documents should be avoided, with links to those preceding documents used instead.

Format: This section should not be longer than one side of paper (and will often be shorter) and will typically consist of prose paragraphs, but bullet point presentation may also be used.

Proposed Text for GFSM Update [Optional]

Content: This section should include, where possible, specific details of the new text that it is proposed to include in the updated GFSM. It may not be possible for all recommendations to provide the text at the stage of the proposed recommendation, and so for this reason this section is optional. However, attempts should be made, wherever possible, to provide such text. If the proposal is to use text from the new SNA and/or BPM then it is sufficient to provide a link to where this text can be found.

Format: This section should follow the structure of the relevent chapter(s) or annex(es) of the manual that it is proposed to update.

Additional References [Optional]

Content: This section should list any documents that are of relevance to the proposed recommendations. Documents already reference in the table at the head of the document should not be included here. If there are no relevant references to include then this section can be omitted.

Format: This section should be in bullet point format.

Annex [Optional]

Content: Any additional information which helps explain the proposed recommendation (such as a decision tree, or a numeric example) should be included as an annex and referenced in the main document. Annexes should be kept short and focused.

Format: Any – as required.