

## **Main Takeaways and Concluding Comments**

### **FSB/IMF Virtual Global Conference on the Second Phase of the G-20 Data Gaps Initiative (DGI-2)**

**June 10, 2021**

*The Financial Stability Board (FSB) and the International Monetary Fund (IMF) organized the 2021 (virtual) Global Conference on the G20 Data Gaps Initiative (DGI) on June 10, 2021, to discuss: (i) DGI-2 implementation and update on work from January to June 2021; (ii) remaining actions until the conclusion of DGI-2; and (iii) possible new international cooperation initiative on data gaps beyond 2021.*

#### **I. DGI-2 Implementation: Update on Work from January to June 2021**

##### **Updates on the 2021 DGI-2 thematic workshops and other activities**

1. Due to the COVID-19 pandemic, the DGI-2 workplan continued to be implemented virtually. The following workshops and virtual courses were conducted since January 2021.
  - (i) On Recommendation II.2, four virtual courses on Financial Soundness Indicators (FSIs) were organized by the IMF from January to March 2021. The courses familiarized participants with the methodology for compiling FSIs based on the IMF *2019 FSI Compilation Guide*, focusing on indicators and source data for deposit-taking corporations.
  - (ii) On Recommendation II.7, a virtual course on securities statistics was organized by the European Central Bank (ECB), Bank for International Settlements (BIS), and IMF, in collaboration with the IMF-Singapore Training Institute (March 15-18). The course introduced the methodology recommended by the 2015 *Handbook on Securities Statistics* and the conceptual framework for compiling securities statistics.
  - (iii) On Recommendation II.10, a virtual workshop on the currency composition of the International Investment Position (IIP) was organized by the IMF (March 9-10). The participants engaged in discussions on data sources, estimation techniques, and the need for further research, including on financial derivatives, as well as on the key insights from analysis of currency composition data. Several economies noted their plans to start reporting currency composition data by the end of 2021.
  - (iv) On Recommendation II.20, a virtual workshop on promotion of data sharing, organized by the IMF, Eurostat, and Deutsche Bundesbank, took place on March 24-25. The participants agreed to support the follow-up work to develop an international micro data standard, to identify, share, and document good practices, as well as investigate what is feasible, including how a form of a self-commitment by economies could be introduced. The work will consider principles, enablers, and users relating to data sharing, and will cover: (i) benefits of data sharing among various public and

private entities; (ii) assurance of privacy and cybersecurity; (iii) tools to facilitate the use of micro data and to promote efficiency; (iv) legal issues relating to the exchange of confidential information; and (v) fostering of cooperation with major public sector and with private data holders.

### **Status of DGI-2 Implementation: Identifying Recommendations that Need to be Further Addressed**

5. The IMF and the FSB, with inputs from the Inter-Agency Group on Economic and Financial Statistics (IAG), provided an update on the progress made by the participating economies since December 2020. Participating economies maintained progress in closing the data gaps identified and in promoting the regular flow of timely and reliable statistics for policy use, although at a slower pace, as the pandemic continued to affect the DGI-2 workplan.

6. To make further progress with the DGI-2 recommendations until the end of 2021, the preliminary assessment by the international organizations on the recommendations that remain unfinished was discussed. Although DGI-2 has been instrumental in closing identified data gaps and in helping policymakers to gain better access to key information to monitor risks in the financial and nonfinancial sectors as well as to analyze interconnectedness and cross-border spillovers (as was evident during the crisis triggered by the COVID-19 pandemic), some challenges still remain for specific targets and economies in implementing some recommendations. Given the limited time available, it is very likely that some recommendations will not be completed by the end of 2021, when the DGI-2 will conclude. Participants agreed to make further efforts in completing the recommendations but also noted the need for a balanced assessment in the Sixth Progress Report where the progress and efforts made in each economy are appropriately considered.

## **II. Remaining Actions until the Conclusion of DGI-2**

### **2021 Work Program: Remaining Actions until the Conclusion of DGI-2**

7. The FSB and the IMF, with inputs from IAG members, presented the proposed work program until the conclusion of the DGI-2 at the end of 2021. The work program for the rest of 2021 includes the following actions: (i) implementation of DGI-2 recommendations (until the end of 2021); (ii) monitoring through traffic light dashboards (the next update planned for June to August 2021); (iii) preparing the Sixth Progress Report for submission to the G20 Finance Ministers and Central Bank Governors (FMCBG) meeting in October (June to October 2021); and (iv) Closing Global Conference (December 2021, to be confirmed). In addition, unless otherwise indicated by the G20 FMCBG, work will begin after July 2021 to elaborate, as planned, on the work plan for a new international cooperation initiative on data gaps that would be launched after 2021.

8. Two thematic workshops are planned for the remaining months of 2021 to facilitate implementation of recommendations II.5 and II.9. A workshop on securities financing data collection and aggregation, to be organized by the BIS and FSB, is tentatively planned for late 2021 (Rec II.5). The Bank of Italy, representing the Italian G20 Presidency, is also planning to

conduct a workshop on distributional financial accounts in early November 2021, along with the Italian National Institute of Statistics, Eurostat, ECB and Organisation for Economic Cooperation and Development (Rec II.9). Other workshops initially planned for 2021 were postponed due to the COVID-19 pandemic. The efforts by international organizations to assist economies in topics currently covered by DGI-2 recommendations will continue after the conclusion of DGI-2 at the end of 2021.

9. With regard to the recommendations not likely to be completed by the end of 2021, participating economies requested a careful assessment made in cooperation with the relevant economies, and the inclusion of the final status of each recommendation (e.g., in the form of traffic light dashboard) in the final DGI-2 report. The need for developing a clear and balanced narrative associated with unfinished recommendations was also emphasized.

### **Proposed Structure of the Sixth Progress Report**

10. The FSB and the IMF presented the proposed structure of the Sixth Progress Report. Based on the previous progress reports, the proposed structure includes: (i) key messages; (ii) introduction; (iii) progress achieved since Oct 2020 in light of continued COVID-19 pandemic; (iv) remaining work towards completing the DGI-2 recommendations; and (v) the new international cooperation initiative on data gaps (to the extent the details are agreed).

11. As in the previous progress reports, the Sixth Progress Report will include the monitoring tables as an annex. Similarly, the detailed progress status and key challenges of participating economies (based on self-assessment) will be updated and published separately on the FSB and IMF websites. For 2021, the monitoring tables may be adjusted to focus on the DGI-2 recommendations that require further efforts.

12. The participating economies agreed with the structure proposed for the Sixth Progress Report, noting the need for the DGI-2 Final Report (planned for early 2022) to clearly communicate the significant progress made on the recommendations and targets established in 2015. In addition, participants raised the need to specify in the Sixth Progress Report and the Final Report the status and way forward for the DGI-2 recommendations that are likely to remain unfinished.

### **Presentation on a New DGI Webpage**

13. The IMF presented an expanded DGI webpage, which documents the achievements of the DGI as a successful international cooperation initiative, to be available shortly after the Global Conference on IMF.org. This webpage was developed with the support and input of IAG members and FSB Secretariat, and is organized around four main themes: (i) Global Conferences on DGI; (ii) DGI Recommendations and Data; (iii) G20 DGI Progress Reports and Other Documents; and (iv) About the DGI.<sup>1</sup> The participants welcomed the expanded DGI webpage.

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<sup>1</sup> The Principal Global Indicators website (<https://www.principalglobalindicators.org/>) will be decommissioned after the updated DGI webpage is made available to the public.

### **III. Possible New International Cooperation Initiative on Data Gaps Beyond 2021**

#### **New Data Gaps Initiative: April G20 Communiqué and Concept Note**

14. The IMF presented the draft Concept Note for a possible new international cooperation initiative on data gaps that could be launched after 2021. In its April 2021 Communiqué,<sup>2</sup> the G20 FMCBG, recognizing that improving data availability and provision, including on environmental issues, will be critical to better inform policy decisions, asked the IMF to prepare, in close cooperation with the IAG and the FSB, a Concept Note on a possible new DGI. The Concept Note stated that statistical areas to be addressed should be policy driven and the new initiative should gather the political support essential to be successful. The Concept Note also noted that the new initiative could leverage on progress made on some DGI-2 recommendations and could offer a possible avenue to finalize the work. Coordination will ensure that there is no overlap with other existing international statistical workstreams, including ongoing updates of the International Statistical Standards (e.g., SNA and BPM). The Sixth DGI-2 Progress Report will discuss whether and how the ongoing work on some DGI-2 recommendations needs to be further pursued by the established statistical infrastructure and governance.

15. The four priorities identified by the Italian G20 Presidency were included in the scope of the new initiative: (i) climate change; (ii) household distributional information; (iii) Fintech and financial inclusion data; and (iv) access to private sources of data and administrative data.

16. Concerning governance and guiding principles, the new initiative will rely on the strong support and guidance from the G20, the close collaboration among the participating economies and the international organizations, and a strong peer pressure mechanism. The new initiative will be coordinated by the IMF, in close cooperation with the IAG and the FSB, and report to the G20 FMCBG. The work plan to be developed will include the careful formulation of targets, taking into consideration resource implications and feasibility for G20 and other statistical systems.

17. On the next steps, a revised version of the Concept Note, including to the extent possible the comments received from participating economies, will be sent to the Italian G20 Presidency for submission to the G20 FMCBG ahead of their meeting on 9-10 July 2021. Similar to the current DGI, the IMF, in close cooperation with the IAG, the FSB, and the participating economies, will draw a work plan to address the data gaps priorities identified.

18. Participating economies appreciated the presentation and supported the priorities of the Italian G20 Presidency, as included in the Concept Note. Participating economies also agreed with the importance of not duplicating the efforts, emphasizing that a new initiative could support the development of synergies between the several ongoing initiatives. They highlighted the need to define the scope, timeline, and consultation process to avoid overlaps among different initiatives, given the constraints of the available resources on the national and international agencies. In addition, participating economies emphasized the need to ensure the applicability of the new initiative in policy making by sharing participating economies' experience in using

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<sup>2</sup> <https://www.g20.org/wp-content/uploads/2021/04/Communique-Second-G20-Finance-Ministers-and-Central-Bank-Governors-Meeting-7-April-2021.pdf>.

improved statistical data in policy formulation. Detailed governance arrangements will also be discussed after the scope of the new initiative is determined. Data needs of users and policy makers should be taken in consideration when establishing the targets.

#### **IV. Concluding statements**

19. Significant progress has been achieved during the phases 1 and 2 of the DGI on the recommendations and related targets set by participating economies and international organizations. The progress built on the close collaboration among the participating economies and the international organizations, the peer pressure mechanism, and the explicit support from the G20, that were essential in addressing policy-relevant data gaps during the current DGI. The achievements attained during the DGI should be clearly communicated in the final report.

20. Despite the efforts made by participating economies, some challenges remain concerning specific targets and economies, not least because the COVID-19 pandemic has slowed down progress since 2020. Participating economies should do their best to make further progress until the conclusion of DGI-2 at the end of 2021, focusing on the targets that need further efforts. In this regard, the FSB and the IMF, along with other IAG members, are committed to supporting the participating economies to advance further.

21. The discussions during the Global Conference indicated that there is a general consensus on the need for a new international cooperation initiative on data gaps after the conclusion of the DGI-2. This initiative would address emerging data needs, could offer an effective vehicle to finalize the work on some DGI-2 recommendations and continue to contribute to the enhancement of the global statistical infrastructure. A new initiative should focus on priorities of policy makers, leverage the ongoing DGI work, and avoid duplication with other existing initiatives. Moreover a new initiative should consider the balance between ambition and capacity given different level of capabilities among economies. The participants expressed general support for the four priority areas identified in the Concept Note. The Concept Note will include views expressed by participating economies and international organizations.