

The Financial Crisis and Information Gaps



**G20 Data Gaps Initiative (DGI-2)
The Fifth Progress Report —
Countdown to 2021 in Light of COVID-19**

Prepared by the IMF Staff and FSB Secretariat

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In drafting this report and more generally through the overall process of the G20 Data Gaps Initiative (DGI), the International Monetary Fund (IMF) Staff and the Financial Stability Board (FSB) Secretariat are thankful for the collaborative efforts of the **Inter-Agency Group on Economic and Financial Statistics (IAG)**.¹

The Member Agencies of the IAG are:

Bank for International Settlements (BIS)
European Central Bank (ECB)
Eurostat
International Monetary Fund (IMF, Chair)
Organisation for Economic Co-operation and Development (OECD)
United Nations (UN)
World Bank

The FSB Secretariat participates in the IAG meetings.

¹ The IAG was established in 2008 to coordinate international statistical work following the 2007-09 Global Financial Crisis.

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Acronyms

BIS	Bank for International Settlements
<i>BPM6</i>	<i>Sixth Edition of the Balance of Payments Manual</i>
DGI	Data Gaps Initiative
DGI-2	Second Phase of the Data Gaps Initiative
ECB	European Central Bank
FMCBG	Finance Ministers and Central Bank Governors
FSB	Financial Stability Board
IAG	Interagency Group on Economic and Financial Statistics
IMF	International Monetary Fund
OECD	Organisation for Economic Cooperation and Development
<i>2008 SNA</i>	<i>System of National Accounts 2008</i>
UN	United Nations

Key Messages

Accurate and timely data are crucial for informing policy decisions, especially during a crisis.

Without reliable data, policymakers cannot assess, for example, how badly the pandemic is hurting the economy, nor can they properly monitor the recovery. The G20 economies, since 2009, have been working to close data gaps, through the implementation of the G20 Data Gaps Initiative (DGI), now in the fifth year of its second phase (DGI-2). The progress made to date has proven its value during the crisis triggered by the COVID-19 pandemic. Policymakers have been able 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, although further improvement is needed.

Participating economies continued to make progress in implementing the DGI-2 recommendations, despite the challenges that COVID-19 poses. Amid the positive developments are enhancements in compilation processes, data sharing arrangements, production and dissemination of additional tables, as well as instrument and sector breakdowns.

The COVID-19 pandemic posed significant challenges to the 2020 DGI work program, thus participating economies agreed to extend the DGI by six months to December 2021. With the closure of some businesses and offices, the production and dissemination of statistics have encountered difficulties in source data collection. The recent crisis has also resulted in new priorities, including resource reprioritization.

To continue addressing data needs beyond 2021, many participating economies support maintaining an organized international collaboration process. Participating economies underscored the benefits of an international collaboration in closing data gaps and emphasized that the DGI, as a unique global collaboration forum, fostered progress in statistics.

Potentially a new mandate could contribute to implementing pending DGI recommendations along with addressing emerging data needs. The COVID-19 crisis has increased policymakers' needs in obtaining more granular, relevant, and reliable data. A new possible mandate could help address emerging policy questions, and its general framework could be defined during 2021 and presented in the next DGI-2 progress report.

IMF staff and the FSB Secretariat will report back to the G20 FMCBG through the sixth Progress Report of the DGI-2 in the second half of 2021. The 2021 DGI-2 work program will include bilateral technical assistance, technical workshops, and the annual DGI Global Conference.

INTRODUCTION

1. **The IMF and the FSB organized a virtual G20 DGI meeting with participating economies on July 7, 2020 to discuss the status of the DGI work.** At the virtual meeting, participating economies exchanged views on: (i) the status of progress in implementing the DGI-2 recommendations by participating economies; (ii) the potential extension of the DGI conclusion due to disruptions created by the COVID-19 pandemic; (iii) the proposed structure of the Fifth Progress Report for the October G20 FMCBG meeting; and (iv) possible next steps beyond DGI-2.
2. **The COVID-19 pandemic resulted in disruptions in the DGI work program for 2020.** The annual Global Conference to be hosted by the FSB in Basel, Switzerland, has been rescheduled to December 14-15, 2020. Thematic workshops, except the workshop on Government Finance Statistics and Public Sector Debt Statistics in Riyadh in March 2020, also had to be postponed.

PROGRESS ACHIEVED SINCE THE 2019 GLOBAL CONFERENCE IN LIGHT OF THE COVID-19 PANDEMIC

3. **Participating economies continued to make progress despite the challenges that the COVID-19 pandemic poses to the compilation of many key statistics and data.**¹ Some participating economies kept advancing to the targets and were not realistic, implemented second-best solutions. Amid the positive developments are the enhancements in compilation processes; the improvements in data-sharing arrangements to compile more granular statistics; the production and dissemination of additional tables; and the inclusion of higher levels of details in both instrument and sector breakdowns, all in line with the DGI-2 recommendations.

CHALLENGES

4. **In many participating economies, progress has been slower than in normal times.** With the temporary closure of some business entities, many data sources have remained inadequate or incomplete due to the difficulties of conducting business and household surveys or collecting additional data. Personnel restrictions, social distancing, change in office arrangements or reprioritization of staff have also impacted the 2020 DGI work program in many economies. In addition, the COVID-19 pandemic has brought about the emergence of new data needs, which resulted in resource reprioritization and the postponement of planned actions.
5. **Participating economies highlighted challenges in implementing several DGI-2 recommendations.** Such recommendations include: debt securities (Rec II.7); institutional sector accounts (Rec. II.8); distribution of household income, consumption and wealth (Rec. II.9); government finance statistics (Rec. II.15); public sector debt statistics (Rec. II.16); commercial property prices (Rec. II.18); and promotion of data sharing (Rec. II.20).

¹ This report does not include an update to the monitoring tables, as in previous reports. Instead achievements will be presented at a high level with no specific mention of individual economies' completion.

EXTENSION OF THE DGI CONCLUSION

6. **The disruptions to the 2020 DGI work program and challenges faced in many participating economies have prompted to extend the conclusion of the DGI by six months from June to December 2021.** The COVID-19 pandemic has resulted in the emergence of new priorities in economies, including resource reprioritization. Various challenges across economies have also hampered the workflow. In that regard, participating economies considered that the DGI conclusion should be extended to December 2021, to complete the DGI work program.

7. **To facilitate full implementation of the agreed DGI-2 recommendations, the IMF staff and the FSB Secretariat, in close cooperation with the IAG and participating economies, will continue to monitor progress on the DGI.** Guidance, support, or consultation on the relevant recommendations will also be provided by the relevant international agencies as appropriate.

BEYOND DGI-2 — CONTINUATION OF INTERNATIONAL STATISTICAL COOPERATION

8. **Participating economies discussed whether to maintain an organized international collaboration process to address policy-related data needs beyond the DGI conclusion in 2021.** Such continued international collaboration could leverage on the success of the DGI and would allow closing key data gaps, which are needed for policymaking, including consolidating the implementation of the DGI-2 recommendations. As the DGI has shown, such organized collaboration would also help to sustain dialogue among data-producing institutions at the national level, including for the participating non-G20 FSB member economies.²

9. **In addition, an organized international collaboration could address new emerging data needs.** Some participating economies underscored that the COVID-19 pandemic has increased demands on reporting entities to provide more granular data. Authorities are also facing a fast-changing data landscape that brings challenges in producing relevant and reliable data to address new emerging policy questions. Emerging data needs may include statistics to assess the economic impact of (i) the COVID-19 pandemic; (ii) climate change and sustainable economic development and finance; (iii) globalization; (iv) the role of multinational enterprises and global value chains; (v) fintech and financial stability data issues, amongst others. Alternative data sources, including private data sources, administrative records, and big data may also be considered. A new possible organized international collaboration could help address such new data needs.

10. **Potentially a new international collaboration could be inspired by the DGI and its key achievements towards strong, regular, and peer-pressure based international coordination and reporting on statistical issues of interest to the users of economic and financial information.** The close collaboration among the participating economies and the international

² The DGI recommendations, in some economies, are considered as a benchmark for developing economic statistics at countries' national levels.

organizations, together with the explicit support from the G20 leaders, has been essential in closing policy-relevant data gaps.

11. **Participating economies will also carefully consider the objectives of such continuation of statistical cooperation.** In that respect, the topics suggested by participating economies will be carefully chosen to avoid overlaps with other existing international statistical workstreams. Of particular importance will be to synchronize with the scope that will be covered by the updates of the *2008 System of National Accounts (2008 SNA)* and the *Balance of Payments and International Investment Position Manual, sixth edition (BPM6)*, both launched in 2020.

12. **The general framework of a possible new mandate should be considered and defined in the course of 2021.** This would allow for a presentation of the transition toward a new framework in the sixth progress report of the DGI-2. The discussion will also try to balance available resources with the benefits of maintaining an organized internationally coordinated framework.

13. **The IMF staff and the FSB Secretariat will report back to the G20 FMCBG through the sixth Progress Report in the second half of 2021.** The 2021 DGI-2 work program will continue to include bilateral technical assistance, technical workshops, and the annual DGI Global Conference.