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Progress Report on Work of the Interagency Task Force on Finance Statistics

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Progress Report on Work of the Interagency Task Force on Finance Statistics¹

This report provides an update of the main activities of the Inter-Agency Task Force on Finance Statistics (TFFS) since the October 2015 meeting of the IMF Committee on Balance of Payment Statistics (Committee). The 2016 TFFS² meeting was held at the International Monetary Fund (IMF) Headquarters in Washington D.C. on March 17–18. With the completion of methodological work and the establishment of debt databases, the TFFS work has mainly focused on debt data availability issues. In this regard, medium-term strategies to address data gaps and improve economy coverage for both external Quarterly External Debt Statistics (QEDS) and public sector debt Quarterly Public Sector Debt Statistics (QPSD) databases were presented and discussed at the TFFS meeting, which would be implemented by the external debt statistics and the public sector debt statistics working groups (EDS WG and PSDS WG), respectively. The implementation of the matrix presentation of public sector debt data and the work on the QEDS metadata questionnaire, to improve the transparency of disseminated data, have also been part of the work of the EDS WG and the PSDS WG. This report is provided to the Committee members for information.

I. AVAILABILITY OF DEBT DATA

A. Joint External Debt Hub

1. The update of the Joint External Debt Hub (JEDH) Service Level Agreement (SLA) table was completed by the four JEDH agencies (BIS, IMF, OECD, and World Bank). During the 2016 TFFS meeting, the World Bank presented a proposal for revamping the JEDH website, with the view of making it more user friendly. The World Bank shared for comments the proposed new JEDH website, which included the suggestions from the TFFS meeting, in June 2016; it is expected that the new website will be launched in November 2016.

B. World Bank Quarterly External Debt Statistics (QEDS) Database

Medium-Term EDS Strategy

2. The External Debt Statistics Working Group (EDS WG), which was established in mid-2015, held videoconferences in December 2015 and June 2016. The EDS WG addressed the World Bank Quarterly External Debt Statistics (QEDS) metadata questionnaire and the presentation of external debt tables according to the valuation basis of debt securities in the

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² The Bank for International Settlements (BIS), Commonwealth Secretariat (ComSec), European Central Bank (ECB), Statistical Office of the European Communities (EUROSTAT), International Monetary Fund (IMF), Organization for Economic Co-operation and Development Organization (OECD), United Nations Conference on Trade and Development (UNCTAD), and World Bank, attended the meeting. The Paris Club Secretariat was unable to attend. The meeting is chaired by the Statistics Department of the IMF. The minutes of the 2016 TFFS meeting are available at <http://www.tffs.org/meetings.htm>

December 2015 meeting while the June 2016 meeting focused on the implementation of the medium-term external debt strategy.

3. During the 2016 TFFS meeting, the IMF, in consultation with the World Bank, proposed for discussion a medium-term strategy to further improve country participation, data availability, and consistency of external debt statistics. The proposed medium-term external debt strategy includes four main objectives: (a) increase number of reporting economies (mainly, Enhanced General Data Dissemination System (e-GDDS) economies); (b) increase data granularity (mainly for the Special Data Dissemination Standards (SDDS) subscribers and SDDS Plus adherents); (c) opening up the range of data sources, while ensuring that data ownership remains with countries; and (d) raise awareness of QEDS for end-users and data compilers. The meeting decided that the main vehicle to implement the medium-term strategy would be the EDS WG.

4. With a view to increasing e-GDDS economies' participation in the QEDS, the IMF informed at the June 2016 EDS WG videoconference, of a new capacity development project targeting 17 francophone economies in West and Central Africa, most of which are not currently reporting to the QEDS database. The World Bank WB offered to put together information from the Debt Reporting System (DRS) and QEDS data collection regarding those 17 countries; and UNCTAD and ComSec will also send out information on their debt recording systems in these countries. After the opening workshop of the project (August 29 to September 2, 2016), the IMF will identify selected countries in which participation in QEDS could be promoted.

5. On improving the data granularity of the database, the EDS WG may share the views of their respective users on which QEDS tables are most important to highlight and which elements need to be prioritized. In particular, the IMF will try to identify in the coming months the use of QEDS data among Fund economists, including which tables are more demanded. Where relevant, other agencies may consider conducting similar exercises.

Data Availability

6. In October 2014, the World Bank, in collaboration with the IMF, launched the new QEDS database in line with the 2013 *EDS Guide/BPM6* guidelines (<http://datatopics.worldbank.org/debt/home>). As of August 2016, 123 economies reported quarterly external debt position data to the SDDS/QEDS (76 economies) and GDDS/QEDS (47 economies). The number of SDDS subscribers has increased. Currently, all 63 SDDS subscribers, as well as the 11 SDDS Plus adherents, the Euro Area, and New Zealand report Table 1 of the SDDS/QEDS—the prescribed SDDS external debt table. No new economies are participating in the GDDS/QEDS; currently, 47 of 110 GDDS participants (43 percent) report to the GDDS/QEDS. Notably, 31 of them are also reporting the prescribed SDDS external debt (Table 6 of the new GDDS/QEDS). Therefore, over 100 economies report now the prescribed SDDS quarterly external debt to QEDS.

7. On progress in the adoption of the 2013 *EDS Guide/BPM6* basis, 67 economies (compared to 63 one year ago) reported to the SDDS/QEDS database on a 2013 *EDS Guide/BPM6* basis. Regarding the GDDS/QEDS database, 30 economies (compared to 19 one year ago) reported their own data on a 2013 *EDS Guide/BPM6* format.³

8. The number of reporters for the tables of the QEDS database containing additional information (encouraged and supplementary tables) is increasing but there is ample room for further progress. As of August 2016, 37 economies reported the SDDS/QEDS Table 2 on foreign and domestic currency breakdown of the gross external debt position;⁴ 14 reported Table 2.1 on gross external foreign currency debt by main currencies; and 12 economies reported Table 3.1 on short-term remaining maturity (see Appendix 1 for the detailed tables). The reporting of this additional analytical information on the gross external debt position is particularly useful in a context of growing interest in more granular position data.⁵

QEDS Metadata Questionnaire

9. The World Bank prepared the QEDS metadata questionnaire, which was shared for comments and discussed at the December 2015 EDS WG meeting. Separate metadata questionnaires were developed for QEDS/SDDS and QEDS/GDDS and sent to reporters in February 2016. At the June 2016 EDS WG meeting, the World Bank presented the results and the proposed metadata update—including making the revision policy more visible in the database for dissemination.

10. As agreed upon at the TFFS meeting, countries are now being presented in the World Bank's QEDS Debt Portal according to their valuation of debt securities. The sub-tables to Table 1 were created in the Cross Country Tables under QEDS/SDDS and are available at <http://datatopics.worldbank.org/debt/qeds>. The new sub-cross country tables present the gross external debt position for those countries that value debt securities at market prices, nominal value, and a mixture of market/nominal prices or other valuation methods.

C. Quarterly Public Sector Debt Statistics Database

11. The Quarterly Public Sector Debt Statistics (QPSD) database comprises data on gross public sector debt position at nominal value. Specifically, data on Central Government is compulsory with all other areas of Government, e.g., General Government, provided on a

³ To maintain a single comprehensive database covering historical (consistent) data, the World Bank converts data reported on a 2003 *EDS Guide/BPM5* basis to *EDS Guide/BPM6* using generic conversion rules.

⁴ The GDDS/QEDS database also includes a table on foreign and domestic currency breakdown of public and publicly-guaranteed private sector external debt. Currently, the foreign/domestic currency split is reported by 28 economies (60 percent of GDDS reporters), compared to 18 economies one year ago.

⁵ In this regard, to support the analysis of currency mismatches and liquidity risks, the second phase of the G-20 Data Gaps Initiative (DGI-2) includes a recommendation on IIP (Recommendation II.10), which underscores the reporting of additional analytical international investment position (IIP) information on the currency composition of external assets and liabilities and remaining maturity data.

voluntary basis. The minimal requirement is reporting central government debt position data by type of instrument. The database is a collaborative effort by the World Bank, Eurostat, OECD, and the IMF.

12. As of August 2016, 82 economies provided position data for the QPSD database, out of which 70 economies reported data between 2015Q1 and 2016Q1 for central government, 62 economies for general government, and 32 economies for the nonfinancial public sector. Only 27 economies reported data for the public sector as a whole. The PSDS WG (with representatives from ComSec, ECB, Eurostat, IMF, OECD, UNCTAD, and World Bank) is contributing to the ongoing development of the joint database. The group fosters consistency across international organizations and facilitates discussion and consensus building on key issues related to PSDS. One of the major undertakings of the group relates to further improving the transparency of gross public sector debt data disseminated through the World Bank/IMF/OECD PSDS database by introducing the matrix presentation. This debt data presentation using the Matrix Approach (which is debt coverage classified according to the aggregates D1-D4, and sector coverage classified according to the aggregates GL1-GL5) has been implemented in the QPSD database. A note explaining the various concepts has also been included for users. The World Bank is also working on the metadata to further improve the transparency of the database.

13. The PSDS WG has met once (June 2016) since the last meeting of the TFFS and agreed on the work program leading up to March 2017 (the next TFFS meeting). Following on from a recommendation made at the last meeting of the TFFS, ComSec, UNCTAD, the World Bank and the IMF have set up a Country Engagement Group (CEG) and have met twice (by August 2016). Although the basic operations have been agreed upon for the CEG, no work program has been set up due to uncertainty about funding. The fallback scenario is to only coordinate current work programs. Arising from the last PSDS WG meeting, discussions are also ongoing between OECD and Eurostat to explore options to move to a complete reporting of QPSD through the Eurostat option. A number of QPSD dissemination improvements relating to counterpart information was also agreed. Further progress is anticipated in providing online publications for users explaining the various definitions of debt and net debt at the next meeting of the PSDS WG.

14. In order to strengthen the transparency and cross-national consistency of PSDS, the TFFS continues to endorse the reporting of all debt instruments for general government as a benchmark for achieving greater fiscal transparency in PSDS. This is consistent with other initiatives including the standard template for Recommendation # 16 in the DGI-2 (previously Recommendation # 18 in the DGI-1) and the SDDS Plus category on general government gross debt.

II. CAPACITY BUILDING

15. The Fund continued providing technical assistance (TA) for improving the capacity to compile and disseminate the external debt statistics and continued promoting the 2013 *EDS*

Guide through training courses. In February 2016, the two-week course on external debt statistics was conducted in Washington DC with participation of officials from 39 Fund member countries.⁶ The IMF also conducted the new course on cross-border position statistics—which includes work on external debt statistics and the linkages of different datasets within the international accounts—in Washington DC in May 2016 with the participation of officials of 39 economies. This new two-week course was also delivered at the IMF Regional Training Centers in Singapore (November 2015), and a one-week version of this course was conducted in Mexico (Centro de Estudios Monetarios Latinoamericanos—CEMLA) and Slovenia (Center of Excellence in Finance—CEF) in December 2015.

16. As part of its ongoing work, the IMF also delivers technical assistance and training in the public sector debt area. TA activities are undertaken in the context of the 18-month regional project to improve government finance and PSDS in targeted Southeastern European countries (Albania, Bosnia and Herzegovina, Kosovo, Macedonia and Serbia).⁷ Additionally, the IMF conducts PSDS training and workshops on a regular basis; an in-country workshop was held in Laos in November 2015, a similar workshop for West African Community countries was held in conjunction with the West African Institute for Financial and Economic Management (WAIFEM) in Accra, Ghana in July 2016.⁸

17. ComSec and UNCTAD also provided support to countries in the production and dissemination of debt statistics, through conferences, regional workshops, and country-specific activities.

18. Over the past year, ComSec organized two training workshops on compilation and dissemination of debt statistics through use of the Commonwealth Secretariat Debt Recording and Management System (CS-DRMS). One workshop was held in conjunction with the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI) and attended by 29 debt managers from 10 Eastern and Southern Africa countries, while the another workshop was organized jointly with the Eastern Caribbean Central Bank and attended by 37 debt managers from 15 Caribbean countries. A presentation on its CS-DRMS software was also made by ComSec at the IMF course on debt statistics organized jointly with MEFMI in Lesotho in October 2015.

19. ComSec also assisted Zanzibar (Tanzania) through a country mission on improving debt data quality. The assistance covered installation of the latest version of CS-DRMS, training and building of a public debt database at the Zanzibar Ministry of Finance.

⁶ HQ external debt statistics courses have been conducted every other year since 2005.

⁷ The project started in November 2014 and is financed by the Swiss Government Funding/ State Secretariat for Economic Affairs (SECO).

⁸ Further workshops are planned for the remainder of Fiscal Year 17, for example in Jordan—for Iraqi officials—and Bahrain.

Myanmar, Cyprus, and the Crown Agent Bank, UK adopted the CSDRMS during the year. On the application side, ComSec released CS-DRMS version 2 service pack 2 (V2SP2) in response to user requirements. Important enhancements in the new version include:

(i) addition of liability management option covering prepayment and accelerated payment; (ii) enhanced sensitivity analysis; (iii) improved dashboard facility; (iv) revised template of the GDDS/QEDS; (v) support for the new World Bank DRS SDMX purpose codes; and (vi) improvement to the reporting functionality.

20. UNCTAD has organized one regional workshop in collaboration with MEFMI and 10 in-country (Albania, Chad, Côte d'Ivoire (2), Gabon, Indonesia, Iran, Nicaragua, Philippines, and Zambia) training events related to strengthening capacities in the compilation and dissemination of debt statistics from August 2015 to July 2016. These workshops used the Debt Management and Financial Analysis System (DMFAS) Programme's debt validation, debt statistics and debt portfolio analysis capacity-building courses, which contribute to the dissemination of the latest standards relating to the 2013 *EDS Guide* and the *PSDS Guide*.

21. UNCTAD installed the latest DMFAS 6 version—which incorporates methodological standards promoted by the 2013 *EDS Guide* and *PSDS Guide*—at the Ministries of Finance of Albania and Moldova and in Bank Indonesia and equally provided regular updates and new releases of the DMFAS 6 to the 41 DMFAS user institutions worldwide. This latest version greatly facilitates the reporting, in particular to the QEDS and PSDS databases as well as the reporting in nominal and market value. During the DMFAS installations, the DMFAS Programme continues to actively promote the use of unified databases including public and private guaranteed and nonguaranteed external debt data, thereby facilitating the reporting.

III. FORWARD WORK PROGRAM OF THE TFSS

22. With the completion of methodological work and the establishment of debt databases, the main activities in the 12-month work program agreed at the March 2016 TFSS meeting focused on the discussion and implementation of the medium-term strategies to address data gaps and improve country coverage for both external (QEDS) and public sector debt (QPSD) databases. The main vehicles to implement the medium-term strategies are the EDS WG and the PSDS WG with strong reliance on enhanced inter-agency collaboration to attain the objectives while reducing reporters' burden.

23. The EDS WG is already working on the tasks and appropriate timelines to attain the four objectives of the medium-term debt strategy for QEDS. The work program also includes the dissemination of the QEDS metadata and the revamping of the JEDH website.

24. The medium-term strategy for QPSD database will focus on a limited number of countries (in addition to existing TA programs) to report and to improve data quality. A country engagement group has already been established (ComSec, IMF, UNCTAD, and World Bank) to work together on increasing country coverage of the QPSD database. The

PSDS WG will continue working on common QPSD templates to align data collection of public sector debt data. Eurostat and OECD will continue focusing on data quality improvement efforts among their constituencies.

IV. NEXT TFFS MEETING

25. The TFFS member agencies will next meet at the European Central Bank in Frankfurt am Main, Germany during March 21–22, 2017.

Appendix 1

SDDS/QEDS tables on currency breakdown and short-term remaining maturity

Table 2 (SDDS Encouraged component 1/ 2/)

Gross External Debt Position: Foreign Currency and Domestic Currency Denominated Debt 3/ 4/
in

	2014Q3	2014Q4	2015Q1	2015Q2
Foreign currency 5/	0.0	0.0	0.0	0.0
Short-term				
Long-term 6/				
Domestic currency 7/	0.0	0.0	0.0	0.0
Short-term				
Long-term				
Unallocated				
Gross External Debt Position	0.0	0.0	0.0	0.0

Footnotes

1/ The SDDS encourages the dissemination of supplementary information on the foreign currency/domestic currency split of quarterly external debt quarterly with a one-quarter lag.

2/ Table 2 is in line with the SDDS encouraged foreign currency/domestic currency split of the total gross external debt position. See the *Guide*, paragraphs 7.23-7.25.

3/ Specify whether debt securities are valued at nominal or market value.

4/ Unless detailed information is available to make the appropriate maturity attribution, it is recommended that all Direct Investment: Intercompany Lending be included in long-term. See the *Guide*, paragraph 7.5.

5/ Foreign currency debt is defined as debt in which the value of flows and positions is fixed in a currency other than the domestic currency. Includes foreign-currency-linked debt. See the *Guide*, paragraph 6.13.

6/ Includes SDR allocations reported in Table 1.

7/ Domestic currency debt is debt that is payable in the domestic currency, and not linked to a foreign currency. See the *Guide*, paragraph 6.13.

Supplementary Table 2.1

Gross External Foreign Currency and Foreign-Currency-Linked Debt Position 1/ 2/ 3/

in

	2014Q3 End-Period					2014Q4 End-Period				
	Total	U.S. dollar	Euro	Yen	Other	Total	U.S. dollar	Euro	Yen	Other
General Government	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term 4/	0.0					0.0				
Long-term 5/	0.0					0.0				
Central Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term	0.0					0.0				
Long-term 5/	0.0					0.0				
Deposit-Taking Corporations, except the Central Bank	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term 4/	0.0					0.0				
Long-term	0.0					0.0				
Other Sectors	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Short-term 4/	0.0					0.0				
Long-term	0.0					0.0				
Direct Investment: Intercompany Lending	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Debt liabilities of direct investment enterprises to direct investors	0.0					0.0				
Debt liabilities of direct investors to direct investment enterprises	0.0					0.0				
Debt liabilities between fellow enterprises	0.0					0.0				
Gross External Foreign Currency and Foreign-Currency-Linked Debt Position	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Footnotes

1/ Supplementary table to Table 2 that provides an attribution of foreign currency and foreign-currency-linked external debt by major foreign currency. See the *Guide*, paragraphs 7.26-7.33. Dissemination of quarterly data with one-quarter lag is recommended.

2/ Specify whether debt securities are valued at nominal or market value.

3/ Foreign currency debt includes debt payable in domestic currency but with the amount to be paid linked to a foreign-currency. See the *Guide*, paragraphs 6.13-6.14.

4/ It is recommended that all currency and deposits be included in the short-term category unless detailed information is available to make the short-term/long-term attribution.

5/ Includes SDR allocations reported in Tables 1 and 2.

Supplementary Table 3.1

Gross External Debt Position: Short-Term Remaining Maturity--By Sector 1/ 2/ 3/

<i>in</i>	2014Q3	2014Q4	2015Q1	2015Q2
General Government	0.0	0.0	0.0	0.0
Short-term debt on an original maturity basis	0.0	0.0	0.0	0.0
Currency and deposits 4/				
Debt securities				
Loans				
Trade credit and advances				
Other debt liabilities 5/ 6/				
Long-term debt obligations due for payment within one year or less	0.0	0.0	0.0	0.0
Currency and deposits 4/				
Debt securities				
Loans				
Trade credit and advances				
Other debt liabilities 5/				
Central Bank	0.0	0.0	0.0	0.0
Short-term debt on an original maturity basis	0.0	0.0	0.0	0.0
Currency and deposits 4/				
Debt securities				
Loans				
Trade credit and advances				
Other debt liabilities 5/ 6/				
Long-term debt obligations due for payment within one year or less	0.0	0.0	0.0	0.0
Currency and deposits 4/				
Debt securities				
Loans				
Trade credit and advances				
Other debt liabilities 5/				
Deposit-taking Corporations, except the Central Bank	0.0	0.0	0.0	0.0
Short-term debt on an original maturity basis	0.0	0.0	0.0	0.0
Currency and deposits 4/				
Debt securities				
Loans				
Trade credit and advances				
Other debt liabilities 5/ 6/				
Long-term debt obligations due for payment within one year or less	0.0	0.0	0.0	0.0
Currency and deposits 4/				
Debt securities				
Loans				
Trade credit and advances				
Other debt liabilities 5/				
Other Sectors	0.0	0.0	0.0	0.0
Short-term debt on an original maturity basis	0.0	0.0	0.0	0.0
Currency and deposits 4/				
Debt securities				
Loans				
Trade credit and advances				
Other debt liabilities 5/ 6/				
Long-term debt obligations due for payment within one year or less	0.0	0.0	0.0	0.0
Currency and deposits 4/				
Debt securities				
Loans				
Trade credit and advances				
Other debt liabilities 5/				
Direct Investment: Intercompany Lending 7/	0.0	0.0	0.0	0.0
Short-term on an original maturity basis	0.0	0.0	0.0	0.0
Debt liabilities of direct investment enterprises to direct investors				
Debt liabilities of direct investors to direct investment enterprises				
Debt liabilities between fellow enterprises				
Long-term debt obligations due for payment within one year or less	0.0	0.0	0.0	0.0
Debt liabilities of direct investment enterprises to direct investors				
Debt liabilities of direct investors to direct investment enterprises				
Debt liabilities between fellow enterprises				
Total Short-Term External Debt (remaining maturity basis)	0.0	0.0	0.0	0.0

Footnotes

1/ Supplementary table to Table 3 that presents gross external debt position data by short-term remaining maturity, broken down by institutional sector and debt instrument. See the *Guide*, paragraphs 7.5-7.9. Dissemination of quarterly data with one-quarter lag is recommended.

2/ It is recommended that remaining maturity be measured by adding the value of outstanding short-term external debt (original maturity) to the value of outstanding long-term external debt (original maturity) due to be paid in one year or less. See the *Guide*, paragraphs 6.7-6.8.

3/ Specify whether debt securities are valued at nominal or market value. Debt securities in memorandum items are valued at market value if they are presented at nominal value in the table, or at nominal value if they are presented at market value in the table. Debt securities in the memorandum items do not include those that may be included in Direct Investment: Intercompany Lending.

4/ It is recommended that all currency and deposits be included in the short-term category unless detailed information is available to make the short-term/long-term attribution.

5/ Other debt liabilities comprise insurance, pension, and standardized guarantees schemes, and other accounts-other payable in the IIP statement. In the absence of information to make the short-term/long-term attribution, it is recommended that insurance, pension, and standardized guaranteed schemes be classified as long term.

6/ Arrears are recorded in the original debt instrument, rather than in other debt liabilities, short-term, and separately identified by sector in memorandum items. See recording of arrears in paragraph 3.43.

7/ If data on Direct Investment: Intercompany Lending on a short-term remaining maturity basis are available.