

Main Takeaways and Concluding Comments

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

December 8-9, 2021

The Financial Stability Board (FSB) and the International Monetary Fund (IMF) organized the (virtual) Closing Global Conference on the G20 Data Gaps Initiative (DGI) on December 8-9, 2021, to discuss: (i) the overview of the final year of the DGI-2 implementation; (ii) the participating economies' progress in implementing DGI and lessons learned; (iii) the closing out of the current DGI; and (iv) a workplan for the new DGI.

I. An Overview of the Final Year of the DGI-2 Implementation

Highlights of progress since mid-2021

1. Good progress in taking forward the DGI-2 recommendations has been made since the previous Global Conference in June 2021¹. The IMF and FSB reported the following highlights of such progress:

- i. Recommendation II.7 (securities statistics): Fifteen economies implemented most or all of their self-commitments related to the reporting of core data on debt securities issuance statistics.
- ii. Recommendation II.8 (sectoral accounts): One additional economy now disseminates quarterly financial accounts and balance sheets, and another economy fully met the targets for the dissemination of annual and quarterly financial accounts and balance sheets.
- iii. Recommendation II.10 (international investment position, IIP): Two additional economies submitted currency composition of IIP and several additional economies are working with the IMF to submit by end-2021.
- iv. Recommendation II.13 (coordinated direct investment survey, CDIS): One additional economy now reports inward and outward data for the CDIS.
- v. Recommendation II.15 (government finance statistics, GFS): Two additional economies now report quarterly government data based on the *Government Finance Statistics Manual 2014*, or meet the agreed fallback solution.

¹ <https://www.imf.org/en/News/Seminars/Conferences/DGI/global-conferences-on-dgi>.

- vi. Recommendation II.17 (residential property prices): At least one Residential Property Price Index (RPPI) is now available for all G20 economies.

Current status of implementation

2. The IMF and FSB summarized the progress of the DGI-2 recommendations based on the “traffic light” implementation status assessment by the lead agencies. All G20 economies were assessed as “green” (fully met) for Recommendations II.3 and II.17, while most economies are “green” or “amber” (partially met) for Recommendations II.2, II.4, II.6, II.12, II.13, and II.15. Several economies are still expected to meet certain targets by the end of 2021. In addition, economies will have an opportunity to provide input on their final status, which will be included in the Closing Report.

3. Among the DGI-2 recommendations identified as “green” or “amber”, the lead agencies identified four where some challenges remain: Recommendation II.7, II.8, II.9 (household distributional information), and II.18 (commercial property prices). In addition, for some targets for other recommendations, “amber” reflects differing degrees of progress by participating economies. For the remaining recommendations (Recommendations II.5, 10, 11, 14, and 16), the lead agencies will assist bilaterally the economies in completing them (see Section III below).

4. Participants generally agreed with the assessment of the current implementation status, and looked forward to the opportunity to review the assessment by lead agencies. International organizations appreciated the good progress made, while acknowledging that progress remains uneven, and work for some recommendations will need to continue even after DGI-2 concludes.

Updates on thematic workshops

5. The Bank of Italy and the FSB reported on the final two thematic workshops that were held since June 2021.
 - i. On Recommendation II.9, a virtual workshop on household distributional accounts was organized jointly by the Bank of Italy, the Italian National Institute of Statistics, Eurostat, the European Central Bank (ECB), and the Organisation for Economic Cooperation and Development (OECD) on November 8-9. The workshop focused on: (a) a stock-take of the work by international organizations and national jurisdictions as well as main challenges in the compilation of distributional accounts; and (b) the value of distributional accounts and users’ view.
 - ii. On Recommendation II.5 (non-bank financial intermediation), the FSB and Bank for International Settlements (BIS) have held a virtual workshop on securities financing data collection and aggregation on December 9. The objective of the workshop was to: deepen the understanding on the FSB global securities financing data collection exercise; learn use cases of collected data; and share experiences and challenges faced, so as to facilitate the implementation of this recommendation.

II. Progress in Implementing DGI and Lessons Learned

6. Three participating economies — Indonesia, Brazil, and the Netherlands — presented their views on implementing DGI-2 and lessons learned that can be carried into the new DGI. They noted common challenges at the start of DGI-2, such as the need to build integrated data management systems, collect more granular data, and enhance interagency coordination. From their experiences, they also highlighted the importance of effective and intensive multilateral coordination, thematic workshops and technical assistance, and the availability of handbooks and reporting templates, for ensuring successful implementation of the recommendations.

7. One of the presentations also highlighted benefits of DGI-2 from the user's perspective, in terms of the new information that is available for supporting financial stability analysis and assessment of risks in the financial system, for monitoring exposure and interconnectedness, and for supporting fiscal policy formulation.

8. Participants agreed with the views of the three presentations. A common theme across the comments was the importance of collaboration — both within and between institutions within the same jurisdiction and also with the international statistical community. They also emphasized the importance of the DGI for promoting statistical initiatives within the relevant national authorities and for encouraging the development of medium-term plans. Participants agreed on the importance to explore the lessons learned during the first phase of DGI (DGI-1) and DGI-2 as input for the Closing Report as well as to the development of the new DGI.

III. Closing out the Current Data Gaps Initiative

DGI results and main achievements

9. The FSB and the IMF presented an overview of the DGI results, which can be highlighted in the Closing Report. The success of the DGI was due in part to its focused and interconnected recommendations. DGI-1 included twenty recommendations grouped under four themes: (i) build-up of risk in the financial sector; (ii) cross-border financial linkages; (iii) vulnerability of domestic economies to shocks; and (iv) improving communication of official statistics. The twenty DGI-2 recommendations are grouped under three main themes: (i) monitoring risk in the financial sector; (ii) vulnerabilities, interconnections, and spillovers; and (iii) data sharing and communication of official statistics. DGI-2 maintained the continuity with DGI-1 recommendations, while including new recommendations to address evolving users' needs.

10. The Closing Report will include an overview of progress achieved during the implementation of DGI. Some of the main achievements to be highlighted are:

- During the DGI, comprehensive efforts were made by participating economies in collaboration with the Inter-Agency Group on Economic and Financial Statistics (IAG) member agencies and the FSB, covering a wide range of statistical and data initiatives to address the gaps in availability of key information for policy making. The focused efforts during the DGI contributed to the availability of a comprehensive set of information for policy makers, that allowed a standardised, frequent, and timely assessment of risks and trends to the financial and economic system, as identified in the 2007-08 Global Financial Crisis.

- The DGI-1 and DGI-2 recommendations were developed in consultation with compilers and users, and endorsed by the G20. Progress in implementing the recommendations was monitored annually by the IMF staff and FSB Secretariat, in coordination with the IAG member agencies, and the participating economies, and reported to the G20 Finance Ministers and Central Bank Governors (FMCBG). For this purpose, clear targets and traffic-light monitoring tables were introduced in DGI-2. The work of the DGI included the organization and participation in DGI events, such as workshops and annual Global Conferences.

Remaining challenges and how to take them forward

11. Despite the efforts made by participating economies and international agencies, some challenges remain concerning the implementation of specific targets in some participating economies, not least because the COVID-19 pandemic has slowed down progress since 2020.

12. The Closing Report will include a description of the main challenges and the possible way forward for continued statistical cooperation to complete these challenges. Some DGI-2 recommendations will be addressed through the new DGI, including work on household distributional information (Recommendation II.9) and several topics related to international data cooperation and communication (Recommendation II.19) and promotion of data sharing (Recommendation II.20). For the remaining recommendations with targets not completely implemented by some participating economies, statistical cooperation will continue through the work programs of the lead agencies, with continued bilateral technical support to the participating economies in completing these targets. In addition, annual monitoring can be published on the updated [DGI webpage](#).

13. Participants generally agreed with the proposed way to take forward the remaining DGI-2 recommendations. One participating economy specifically highlighted that a few recommendations could be addressed under the new DGI in light of their importance, while another economy highlighted the difficulty in prioritising the remaining recommendations as priorities may depend on the situation of each economy.

Possible structure of the Closing Report and the proposed next steps

14. The FSB and the IMF also presented the proposed structure of the Closing Report. The proposed structure includes: (i) key messages; (ii) introduction; (iii) overview of progress in addressing data gaps identified during the Global Financial Crisis; (iv) way forward for continued statistical cooperation to address remaining challenges; and (v) the new DGI to address data gaps for emerging policy issues.

15. As in the annual DGI-2 progress reports, the monitoring tables will be published with the Closing Report. In this case, the monitoring tables may be adjusted, or new tables may be included, to better address the status of implementation of the DGI-2 recommendations at the closing of this initiative (e.g., including an overall assessment by recommendation for the participant economies). A consultation of the participating economies will take place after the Closing Global Conference, to collect updates on the status of implementation. 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. To better communicate the DGI achievements and further refine the lessons learned identified during the Closing Global Conference, additional consultation with some DGI participating economies may be conducted in early 2022 by the FSB Secretariat and IMF staff.

16. The participating economies generally agreed with the structure proposed for the Closing Report, noting the need to clearly communicate the significant progress made on the DGI-2 recommendations and targets established in 2015, as well as the challenges faced and lessons learned. Participants raised the need to underline the user perspective in the Closing Report possibly through adding a separate section, highlighting the policy questions that can be better answered given the implementation of DGI recommendations. In this regard, inputs from users in each economy are asked to be transmitted to the DGI Secretariat (FSB Secretariat and IMF staff), including potential use cases of data developed under DGI.

17. Participants noted the need to specify in the Closing Report the way forward for the DGI-2 recommendations that are likely to remain unfinished for some participating economies, and the usefulness to prioritize the work to be further developed to fully implement these recommendations, noting that the priorities may be different across economies.

IV. Workplan for a New Data Gaps Initiative

18. In its July 2021 Communiqué, the G20 FMCBG, took note of the concept note on a possible new Data Gaps Initiative prepared by the IMF, in close cooperation with the FSB and the IAG, and looked forward to appraising the development of a detailed work plan. During the Global Conference, the IMF presented the draft workplan for a New DGI, prepared by the IMF in close collaboration with the FSB and the IAG and including input from the Italian 2021 and Indonesian 2022 G20 Presidencies. A set of guiding principles was considered when drafting the workplan, to ensure that the resulting recommendations were (i) policy-oriented and focused on addressing relevant data gaps for economic decision making, (ii) feasible to deliver in a short time frame, (iii) within the scope of the IAG and FSB mandate, and (iv) not overlapping with other workstreams or initiatives at international level. The recommendations include specific targets and second-best targets to take into consideration the different statistical capacity of the participant economies.

19. The draft workplan includes 14 recommendations grouped under the four priorities initially identified by the Italian 2021 G20 Presidency and previously included in the Concept Note submitted to the July 2021 G20 FMCBG meeting: (i) climate change; (ii) household distributional information; (iii) Fintech and financial inclusion; and (iv) access to private and administrative data and data sharing. The draft workplan also includes for each recommendation a short description of the objectives and policy drivers, the proposed lead and contributing agencies, and targets (and second-best targets) and timelines for the development of the required work by international agencies and participating economies.

20. On the next steps, a revised version of the draft workplan for the new DGI, reflecting the comments received from participating economies, will be sent for consultation of key users. After reaching a consensus following the adequate consultation process with participating economies, the workplan will be finalized and sent to the Indonesian 2022 G20 Presidency for

submission to the G20 FMCBG. Sufficient time for developing a consensual view was requested by many participating economies.

21. Participating economies appreciated the presentation and generally supported the development of a draft workplan for a new DGI covering the four priority areas. Concerning the workplan, they noted the need for additional time to provide feedback on the draft, given the large number of stakeholders involved in each economy. Some participating economies also emphasized the indispensability of consensus building as a prerequisite for the submission of the workplan to the G20 FMCBG. Participants asked to carefully balance the urgent need of data for policy making with the resources and time needed to develop the work underlying the 14 recommendations. In some cases, the timeline was considered to be too ambitious by participants, given that some adjustments in data collection and institutional arrangements, as well as additional funding or further cooperation with other stakeholders may be required given the broad scope of the workplan.

22. On the recommendations included in the draft workplan, participating economies highlighted the need to further clarify the specifics of some recommendations, regarding classifications, taxonomies, and definitions, noting that for some recommendations additional methodological work may be needed. For example, a number of participating economies raised strong concerns about using specific approaches, especially about existing taxonomies, as a statistical basis for sustainable finance. Some participants also highlighted the important links and need for coordination with the ongoing updates of the international statistical standards (Balance of Payments Manual and System of National Accounts) and international classifications (e.g., International Standard Industrial Classification of All Economic Activities (ISIC)). Furthermore, some participants stressed the need to take into account the specific circumstances of each economy with regard to the implementation capacities.

23. Comprehensiveness of the recommendations was also discussed. With regard to climate change, discussions during the Conference covered a greater need for micro and for macro data. Concerning Fintech, a few members suggested to broaden the scope to include, for example, payment services beyond digital money, asset management services and financing beyond debt. In order to address urgent policy needs in these areas without creating additional burden, a better use of existing data and better monitoring of dynamic data developments could be beneficial. A stocktaking exercise would be helpful in identifying useful information.

24. To the comments of participating economies on the scope of the draft workplan, the IMF noted the need to respect the mandate by the G20 FMCBG in their July 2021 Communiqué, based on the four priority areas previously included on the Concept Note. The IMF agreed that the requests made by participating economies to avoid overlaps with other international initiatives should continue to be a guiding principle when further developing the draft workplan. As requested by the participating economies, the IMF agreed to extend the period for comments on the draft workplan until the end of 2021. Comments are encouraged especially on the definition of targets and second-best targets, including their scope and timeline. The objective of the new DGI is to cover data gaps related to urgent policy needs, and therefore, the targets included in the draft workplan are ambitious. In a first instance, the recommendations can be derivable as “experimental” indicators, not necessarily as official statistics. To balance the urgent requests for data by users and policy makers, and the resources and institutional

coordination required to meet those requests, the workplan includes second-best targets. The participating economies are encouraged to provide inputs to better define the second-best targets and also to consider the feasibility to compile data in the time frame of three to five years as well as the need to further work on taxonomies, classifications, and definitions for some recommendations (e.g., the second-best targets may require less granularity or lower frequency of data), including a review of whether taxonomies, classifications and definitions are appropriate as a statistical basis.

25. Regarding the user consultation, a first decentralized consultation of domestic users can be made by participating economies and transmitted to the DGI Secretariat. A second centralized consultation will be conducted by the DGI Secretariat (IMF staff), including the technical groups supporting the G20 FMCBG on the relevant areas.

V. Concluding Statements

26. Significant progress has been achieved in addressing policy-relevant data gaps during the implementation of DGI recommendations. 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. Lessons learned identified by some participating economies point to the relevance of several success factors in the implementation of DGI recommendations, including (i) close alignment with user needs; (ii) improved collaboration within and between different agencies at the economy level; (iii) technical support by international agencies; (iv) discussion and sharing of experience in thematic workshops and annual global conferences; (v) enhanced data collection and IT systems; (vi) better planning due to a multi-year workplan, including intermediate targets; and (vii) an annual monitoring of progress as part of an effective peer-pressure mechanism. The implementation of DGI recommendations contributed to a better understanding and a more comprehensive view of the financial system in each economy. Building on the collective effort of the participating economies, internationally comparable data became available in many relevant areas, contributing to a more complete view on the trends and risks in the global financial system.

27. Despite the efforts made by participating economies, some challenges remain in the implementation of specific targets by some participating economies. In this regard, the FSB and the IMF, along with other IAG members, are committed to continue providing technical support to the participating economies to advance further in those targets, in particular for the DGI-2 recommendations that will not be covered under the new DGI. In addition, an annual monitoring may be published on the updated [DGI webpage](#).

28. The discussions during the Global Conference indicated a general support for the four priority areas covered on the draft workplan for the new DGI. While the 14 recommendations included in the draft workplan address urgent data needs, their feasibility and appropriateness as a statistical initiative should be considered carefully as a first step to elaborate each recommendation. In addition, the available resources and institutional arrangements needed to produce the requested data should be considered, and reflected in the draft workplan, in particular through the refinement of the second-best targets. The different statistical capacity of participating economies to produce data for the specific recommendations should be considered when defining the targets and second-best targets and related timelines. Other international

initiatives that may have an impact on the resources available to implement the recommendations included in the draft workplan should also be considered. It was noted that further clarifications are needed for some recommendations regarding classifications, taxonomies, and definitions, including a review of whether they are appropriate as a statistical basis. The participating economies are encouraged to transmit comments to the DGI Secretariat which in turn will be shared with the IAG members, the FSB, and participating economies, and addressed, as much as possible, in a revised version of the draft workplan.