Twenty-Second Meeting of the
IMF Committee on Balance of Payments Statistics
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Remittances: Publication of Final *Remittances Compilation Guide*,
Other Recent Developments, and Future Plans

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Introduction

At its meeting in November 2008, a short review of recent initiatives in remittances was presented to the IMF Committee on Balance of Payments Statistics (Committee) (see BOPCOM-08/09A). In particular, the Committee was informed that, in September 2008, the draft *International Transactions in Remittances: Guide for Compilers and Users (RCG)* was posted for public comment on the IMF web site.

Committee members congratulated the Statistics Department on preparing the draft of the *RCG* and noted that, among the *RCG's* strengths, were its balanced evaluations of different data collection methods, and its conclusion that a combination of different methods should be the primary option for data compilers. Committee members also made some suggestions to improve the *RCG*.

This paper updates the Committee on developments in the area of remittances since the 2008 Committee meeting and on future plans.

Progress in *Remittances Compilation Guide (RCG)*

After the draft of the *RCG* was posted for worldwide comment on the IMF web site in September 2008, public comments were generally highly favorable. Favorable comments were received on the content and the structure of the *RCG*, and no major changes were suggested to the conceptual framework underpinning the *RCG*. (Committee members may recall that the sixth edition of the IMF's *Balance of Payments and International Investment Position Manual* (*BPM6*) provides the conceptual framework for the *RCG*. They may also recall that use of *BPM6* as the conceptual framework for remittances derives from the recommendations of the Committee at its 2005 meeting.)

Some minor clarifications and other editorial improvements were incorporated to the *RCG* based on comments received. For instance, based on comments provided at the 2008 Committee meeting, the *RCG* includes more discussion/explanation of the broadest measure of remittances (total remittances and transfers to NPISHs). Also, the index and two text boxes—Comparison of Measures of Personal Remittances in *BPM5,* and *BPM6* Framework and Personal Remittances and GATS Presence of Natural Persons—were added.

A pre-publication draft of the *RCG* (final except for minor clarifications and inclusion of an index) was posted on the IMF website on December 28, 2008. Users were informed of the release of the *RCG* via several methods, including notices on the IMF web site and publication of articles and presentations, including an article in the *Migrant Remittances Newsletter* (April 2009). The *RCG* was also advertised through the *IMF Bookstore* (August 2009).

The pre-publication draft of the *RCG* was a main topic of discussion at the International Technical Meeting on Remittances, organized by the World Bank in cooperation with IMF in

Washington D.C. on June 11-12, 2009. (See below for more detailed information about this meeting.) The IMF distributed printed copies of the *RCG* at that meeting.

A limited number of printed copies of the final *RCG* (including an index) were published and disseminated in September 2009, well before the target release date of end-2009. The release of the final *RCG* thus preceded the release of *BPM6* on which it is based. A much larger order for printed copies is now being fulfilled, and one hard copy will be sent to the institution in charge of the balance of payments compilation in each IMF member country. The *RCG* will be translated into Arabic, Chinese, French, Russian, and Spanish.

Familiarizing Compilers and Users with the *RCG*

STA has conducted several training seminars on remittances based on the *RCG*. The seminars have been conducted at the IMF's regional training centers and other institutions. They were designed to familiarize participants with concepts and methods relating to the compilation of data on remittances within the balance of payments framework. The seminars also sought to stimulate the exchange of experiences and ideas across the target region, and to encourage all participating countries to share information about their challenges and solutions for improving data on remittances. Seminars have been conducted in Chiangmai, Thailand (October 2008) for SEACEN countries; Tunis, Tunisia (November 2008) for African countries; Beirut, Lebanon with the assistance of METAC (March 2009) for Middle East countries; and Singapore (October 2009) for Asian countries. A seminar is scheduled in November 2009 in Ljubljana, Slovenia for the South, South-Eastern European, Caucasus, and Central Asian countries.

The seminars that have thus far been conducted were very well received by the participants. Participants have strongly welcomed the *RCG*, and, in particular, they appreciate that it has clarified the treatment of remittances and provided guidance on compilation issues.

Compilation guidance on remittances statistics is also provided through IMF technical assistance missions and seminars on *BPM6*. The promotion of the *RCG* through these technical assistance and training initiatives will result in the uniform application of remittances concepts and compilation techniques across countries. At the same time, it allows the Statistics Department to efficiently utilize its resources by piggy-backing much of its assistance to countries seeking to improve their remittances data on other, related initiatives that carry high priorities.

Global Remittances Working Group

In recognition of the importance of remittances to the global development agenda, the G8 Heads of State announced the formation of the Global Remittances Working Group (GRWG) at their summit in Hokkaido, Japan, on July 7–9, 2008. The G8 invited the World Bank to coordinate an international effort to follow-up on seven detailed recommendations, all geared to facilitating the flow of remittances worldwide.

The World Bank accepted the invitation and approved the terms of reference of the GRWG (see attachment), including its structure. The GRWG is chaired by Mr. Michael Klein, a World Bank Vice President. It has a two-tier structure with four thematic working areas, organized around the seven G8 recommendations:

1. Data (Recommendation 1)
2. Interconnections with migration and development, and policy (Recommendation 2)
3. Payment and Market Infrastructure (Recommendations 3 & 6)
4. Remittance-linked financial products and Access to Finance (Recommendation 5).

As noted during the discussion at the Committee's 2008 meeting (BOPCOM-08/09A), there was an outstanding question regarding the potential future role of the Luxembourg Group in light of the first G8 recommendation. The recommendation was as follows:

> **Recommendation No. 1:** The participants welcomed the work done to improve remittance data following the G8 Summit at Sea Island. National statistical offices and central banks are encouraged to continue their efforts to improve the quality of data used to compile estimates of remittance flows within the Balance of Payments framework. In this regard, the conference recommends that they make use of the forthcoming compilation guide drafted by the Luxembourg Group. The conference also recommends that the Luxembourg Group continues to play an active role in helping countries improve their estimates of remittance flows.

In regard to the potential future role of the Luxembourg Group, in 2008 the Committee saw some scope for individual members of the Group to work on asymmetries in bilateral and global remittances data, and in addressing methodological issues, and did not see provision of technical assistance as likely to be a primary role. These views were represented at the International Technical Meeting on Remittances (see below).

International Technical Meeting on Remittances

The second international technical meeting on measuring remittances[1] was organized by the World Bank within Thematic Area 1 of the GRWG (June 11-12, 2009), in cooperation with the IMF. The main objectives of the meeting were to assess the current strengths and weaknesses in estimates produced by countries, to formally launch the new *RCG*, and to agree on a work program for improving remittances data in the context of the GRWG. With the launch of the *RCG* at the meeting, the International Technical Meeting on Remittances concluded that the work of the Luxembourg Group on Remittances was officially completed.

The main recommendations of the meeting were:

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[1] The first meeting, also organized by the World Bank, took place in January 2005.

(i) a new technical working group focusing on improving remittances data will be established; and

(ii) a website will be created. It will be hosted by a major international agency, and will serve as a global depository for detailed metadata on remittances compilation methodologies. A primary purpose is to facilitate the exchange of bilateral flow data on remittances-related items in the balance of payments accounts of interest.

The World Bank was noted as the international organization that would lead these activities within the umbrella of Thematic Area 1 of the GRWG. Members of the Luxembourg Group may be invited to join the new technical working group, although other countries and institutions may also be invited.

Questions for members of the Committee:

1. Do Committee members have any comments on the work that has been completed since the prior Committee meeting, in November 2008?

2. Do Committee members have views concerning the establishment of a new technical working group on improving remittances data? Are Committee members interested in being involved in this work?

3. In regard to the website that will serve as a global depository for detailed metadata on remittances compilation methodologies: Do Committee members have suggestions about what information should be posted, and, in particular, do they have documents or other material that they would like to see posted?