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Statistics Department At-A-Glance

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STATISTICS DEPARTMENT AT A GLANCE



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List of Acronyms

<i>1993 SNA</i>	<i>System of National Accounts 1993</i>
<i>2008 SNA</i>	<i>System of National Accounts 2008</i>
<i>2010 MSITS</i>	<i>Manual on Statistics of International Trade in Services 2010</i>
ADB	African Development Bank
BIS	Bank for International Settlements
BOP	Balance of Payments Statistics
<i>BOPIPCG</i>	<i>Balance of Payments and International Investment Position Compilation Guide 2014</i>
BOPCOM	IMF Committee on Balance of Payments Statistics
<i>BOPSY</i>	<i>Balance of Payments Statistics Yearbook</i>
<i>BPM5</i>	<i>Balance of Payments Manual, fifth edition</i>
<i>BPM6</i>	<i>Balance of Payments and International Investment Position Manual, sixth edition</i>
CD	Capacity Development
CDIS	Coordinated Direct Investment Survey
COFER	Currency Composition of Official Foreign Exchange Reserves
CPIS	Coordinated Portfolio Investment Survey
DGI	G-20 Data Gaps Initiative
DOTS	Direction of Trade Statistics
<i>DOTSY</i>	<i>Direction of Trade Statistics Yearbook</i>
DQAF	Data Quality Assessment Framework
ECB	European Central Bank
EDSG	External Debt Statistics Guide
Eurostat	Statistical Office of the European Communities
FAS	Financial Access Survey
FSIRG	Financial Soundness Indicators Reference Group
FSB	Financial Stability Board
FSIs	Financial Soundness Indicators
G-20	Group of 20 Economies
G-SIGFIs	Global Systemically Important Financial Institutions
GCC-Stat	Statistical Centre for the Cooperation Council for the Arab Countries of the Gulf
GDDS	General Data Dissemination System
GFS	Government Finance Statistics
<i>GFSM 2001</i>	<i>Government Finance Statistics Manual 2001</i>
<i>GFSM 2014</i>	<i>Government Finance Statistics Manual 2014</i>
GFSR	IMF's Global Financial Stability Report

<i>GFSY</i>	<i>Government Finance Statistics Yearbook</i>
GPA	Global Policy Agenda
<i>HSS</i>	<i>Handbook on Securities Statistics</i>
IAG	Inter-Agency Group on Economic and Financial Statistics
IBS	International Banking Statistics
<i>IFS</i>	<i>International Financial Statistics</i>
IIP	International Investment Position
IMF	International Monetary Fund
ISWGNA	Inter-Secretariat Working Group on National Accounts
IWGPS	Inter-Secretariat Working Group on Price Statistics
LICs	Low-income Countries
MFS	Monetary and Financial Statistics
<i>MFSCG</i>	<i>Monetary and Financial Statistics Compilation Guide</i>
<i>MFSM</i>	<i>Monetary and Financial Statistics Manual</i>
OECD	Organization for Economic Cooperation and Development
OFCs	Other Financial Corporations
PGI	Principal Global Indicators
PPIs	Producer Price Indices
<i>PSDSG</i>	<i>Public Sector Debt Statistics Guide</i>
<i>QGFS</i>	<i>Quarterly Government Finance Statistics</i>
RBM	Results-Based Monitoring Framework
ROSC	Report on the Observance of Standards and Codes
RPPIs	Residential Property Price Indexes
SDDS	Special Data Dissemination Standard
SDDS Plus	Special Data Dissemination Standard Plus
SDMX	Statistical Data and Metadata Exchange
SIAP-ESCAP	Statistical Institute for Asia and the Pacific
SNA	System of National Accounts
SRFs	Standardized Report Forms
STA	IMF's Statistics Department
SWFs	Sovereign Wealth Funds
RTACs	Regional Technical Assistance Centers
TA	Technical Assistance
TFFS	Task Force on Financial Statistics
TFSITS	Task Force on Statistics of International Trade in Services
UN	United Nations
UNCTAD	United Nations Conference on Trade and Development
UNSC	United Nations Statistical Commission
WAIFEM	West African Institute for Financial and Economic Management
WB	World Bank
WEO	World Economic Outlook
WGSD	Working Group on Securities Databases



A MESSAGE FROM THE DIRECTOR

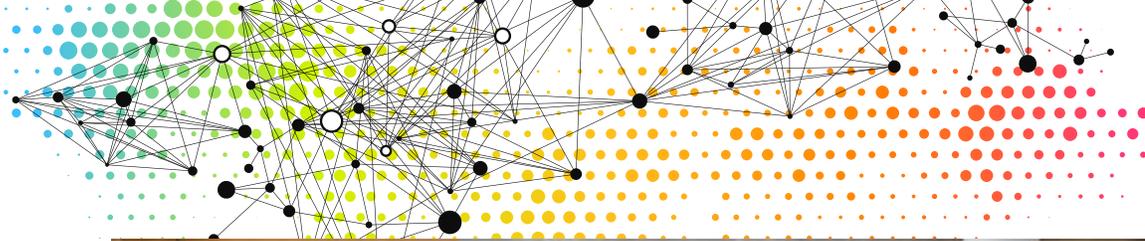


It is with great pleasure that I present to you the overview of the IMF Statistics Department's activities: *Statistics Department at a Glance*. As in the past, the Department has continued to meet the needs of the IMF, its member countries, as well as the international community by providing methodological leadership, technical assistance and training, as well as comprehensive and comparable data for the purposes of surveillance and analysis.

This year, the Department embarked on a critical review of its mandate and priorities to ensure that it can best meet the needs of member countries and our management's Key Goals. The revised mandate reaffirms the leadership of the Department in macroeconomic and financial statistics, articulated around three core functions: (i) the gathering and dissemination of macroeconomic and financial statistics to support multilateral and bilateral surveillance and the use of Fund resources; (ii) the policy advice and development of methodologies and standards; and (iii) the provision of capacity building activities to our membership. Further, each core function is now under the supervision of a Deputy Director to strengthen management's oversight of outputs and outcomes. The position of Lead Statistical Methodologist was also created.

The Department is also reviewing its product mix. Although still underway, there is a sense that more emphasis should be put on measuring the outcome of our three core functions and in particular our capacity development, which represents a large share of our activities. In addition, a greater effort must be made to improve the accessibility and timeliness of our data, our data analysis, and our outreach and collaboration with internal and external users. In this context, a three-year initiative to revamp our data processes and tools is now underway. Also, as one can see from this report, a larger number of policy and analytical papers have been produced during the year, putting our data to test and reflecting our collaboration with other IMF departments.

On the *methodology front*, the Department has been very active in developing our statistical methodologies to ensure that they meet the needs of users, in cooperation with other international agencies and member countries. During the past year we have released the pre-publication draft of the *Government Finance Statistics Manual, 2014*, the *External Debt Statistics Guide for Compilers and Users*, and the *Balance of Payments Compilation Guide*.



STA Staff



STA senior staff (from left to right): He Qi, Rainer Koehler, Johannes Mueller, Andreas Hake, Louis Marc Ducharme, Carol Baker, Robert Heath, Ralph Kozlow, Roberto Rosales, Kim Zieschang, Claudia Dziobek, Robert York. Missing: Luca Errico and Manik Shrestha.

In addition, substantial progress was made on the *Monetary and Financial Statistics Manual*.

On *data and surveillance*, the Department is actively steering the G-20 Data Gaps Initiative and produced the fifth progress report on the implementation of the initiative, with most of the recommendations to be completed by end-2015. In the same vein, we are assisting countries in the preparation for the launch of the new data dissemination standard—the Special Data Dissemination Standard Plus—with the result that now half a dozen countries are almost ready to adhere. The Financial Soundness Indicators initiative is moving forward, with improved periodicity (monthly and quarterly) and country participation (over 95 countries). In addition, the number of jurisdictions participating in the Financial Access Survey has increased to 189, providing evidence on the reach and use of financial inclusion.

On *capacity development*, the Department has increased its activities significantly over the years, covering all statistical domains across all regions. The number of technical assistance missions has risen sharply, benefiting also from the generous support of our donors, yet demand for our services continues to rise. A number of new training courses have also been developed in response to new demands, cementing the Department's role as the second largest provider of training in the Fund. Special attention has been devoted to partnering with Arab countries in transition, building capacity in fragile states and low-income countries—especially in Africa—assisting Eastern and South-Eastern European countries, and stepping up our support to countries in Asia and the Pacific in various statistical domains. We have seen many success stories over the year, and some are highlighted in this report, yet we know that much more needs to be done.

Over the last 12 months, the Department has continued to be innovative. STA organized the first IMF Statistical Forum, creating a space for users and producers of statistics to develop a

stronger understanding of statistical information, its interpretation, usability and availability. Building on this success, a Second Statistical Forum will be held in November 2014. As part of the review of data standards, the Department is proposing to add data dissemination to the General Data Dissemination System for a select list of indicators that are essential for surveillance, particularly for countries with access to financial markets. Also a new series of e-learning videos has been produced that explains concepts and definitions of the *Government Finance Statistics Manual*, complementing STA's training and technical assistance programs.

In addition, shop-floor innovation has been percolating from our staff. In the spring of 2014, *STAy Tuned*, our electronic newsletter, was launched with great success, improving communication and increasing visibility. Before the 2014 soccer World Cup, a group of ingenious colleagues created *The STA World Cup Predictor* encouraging hundreds across the IMF to compete in predicting the outcome of games and associating fun forecasting with statistics.

The success of all this year's accomplishments, innovations, and changes are the result of the dedication and work of more than 180 diverse colleagues and over 100 statistical experts. I would like to take the opportunity to thank Ms. Armida San Jose, who announced her intention to retire before the end of this year, for her strong involvement in managing our capacity development over the years.



Louis Marc Ducharme
Director
Statistics Department
International Monetary Fund

The New Statistics Department

This report summarizes the work of the IMF's Statistics Department (STA) and provides an overview of its statistical products and services that respond to the analytical and policy needs of the IMF, its member countries, and the international community. In recognition of the continually evolving global environment, and the role of the IMF in ensuring global financial stability, STA was reorganized during FY2014 (from May 1, 2013 to April 30, 2014) to align our operational and strategic oversight with the key roles STA plays in addressing these challenges. The evolving environment also prompted us to update our mandate.

STA's Role in Support of the Global Policy Agenda

The IMF Managing Director's April 2014 Global Policy Agenda (GPA) notes that global activity is strengthening, but the recovery is uneven and remains too weak for comfort, with geopolitical tensions injecting new concerns. Key challenges include risks from a lasting rise in capital flow volatility for emerging and frontier economies and very low inflation in advanced economies, especially the euro area. The IMF will work to ensure robust, sustainable growth, reduce vulnerabilities, achieve external rebalancing, and maintain policy coherence. As lending is expected to decline, the IMF's focus will shift toward more surveillance and capacity development.

The GPA highlights the need for STA to (i) help address data gaps in statistical areas of relevance to the work of the IMF in multilateral and bilateral surveillance, and (ii) improve communication of official statistics. Specifically:

- On financial policies, the IMF—including STA—will support the membership by continuing to address data gaps through the *G-20*

Data Gaps Initiative (DGI) and implementation of the *Special Data Dissemination Standard Plus (SDDS Plus)*;

- In the area of structural reforms, capacity development (CD) will include a focus on improving the coverage and quality of macroeconomic data in low-income countries (LICs) and facilitating regional integration initiatives;
- Internally, addressing evolving IMF priorities requires tackling long-standing issues surrounding data quality and accessibility, and strengthening STA's support of surveillance through capacity building and support of IMF area departments; and
- In support of IMF governance, STA has been working closely with other departments and provided data and expertise for the reform of the quota formulas and the 15th General Review of Quotas.

Based on the GPA with its overarching emphasis on supporting a global economic recovery in a sustainable way, IMF management has identified Key Goals for the institution for FY2015 that will also provide direction for the work of STA. Among other things, this entails:

- Contributing to cutting-edge policy analysis, with STA's focus lying in the data area;
- Partnering with Arab countries in transition, with STA being committed to helping build capacity through technical assistance (TA) and training;
- Stepping up engagement with fragile states, with a sustained increase in STA CD activity to those members in urgent need;
- Supporting the financial sector reform agenda, with STA spearheading the DGI for G-20 economies, advocating the SDDS Plus, and

Box 1. STA's New Mandate

STA provides global leadership on macroeconomic and financial statistics. Our analytical, policy, and operational work advances the international statistical agenda and contributes to carrying out the IMF's mandate and core functions:

- **Multilateral, bilateral and financial sector surveillance and use of Fund resources:**

STA gathers and analyzes macroeconomic and financial statistics underpinning IMF multilateral, bilateral and financial sector surveillance and use of Fund resources, identifying and addressing data gaps and quality deficiencies, and promoting best practices in the dissemination and communication of macroeconomic and financial statistics;

- **Global economic policy advice:**

STA plays a critical and central role in the analytical development, drafting, and promotion of internationally-accepted statistical standards and methodologies and works with statistical standards bodies to address the data needs of policy makers;

- **Capacity building activities:**

STA provides technical assistance and training to member countries, strengthening their capabilities to produce macroeconomic and financial statistics consistent with international statistical standards and to disseminate internationally comparable macroeconomic and financial statistics.

contributing to the compilation and dissemination of monetary and financial sector statistics and financial soundness indicators;

- Supporting the IMF's focus on risks in country work and multilateral surveillance, with STA focusing on the importance of data compilation and dissemination and promoting transparency;
- Strengthening the prioritization and management of capacity development, with STA refocusing its TA and training program to the Fund's strategic priorities in terms of regions and topics; and
- Creating an enabling environment for staff, with STA supporting sound people management, introducing accountability, advocating cooperation, and streamlining our processes and procedures.

A New Mandate Statement

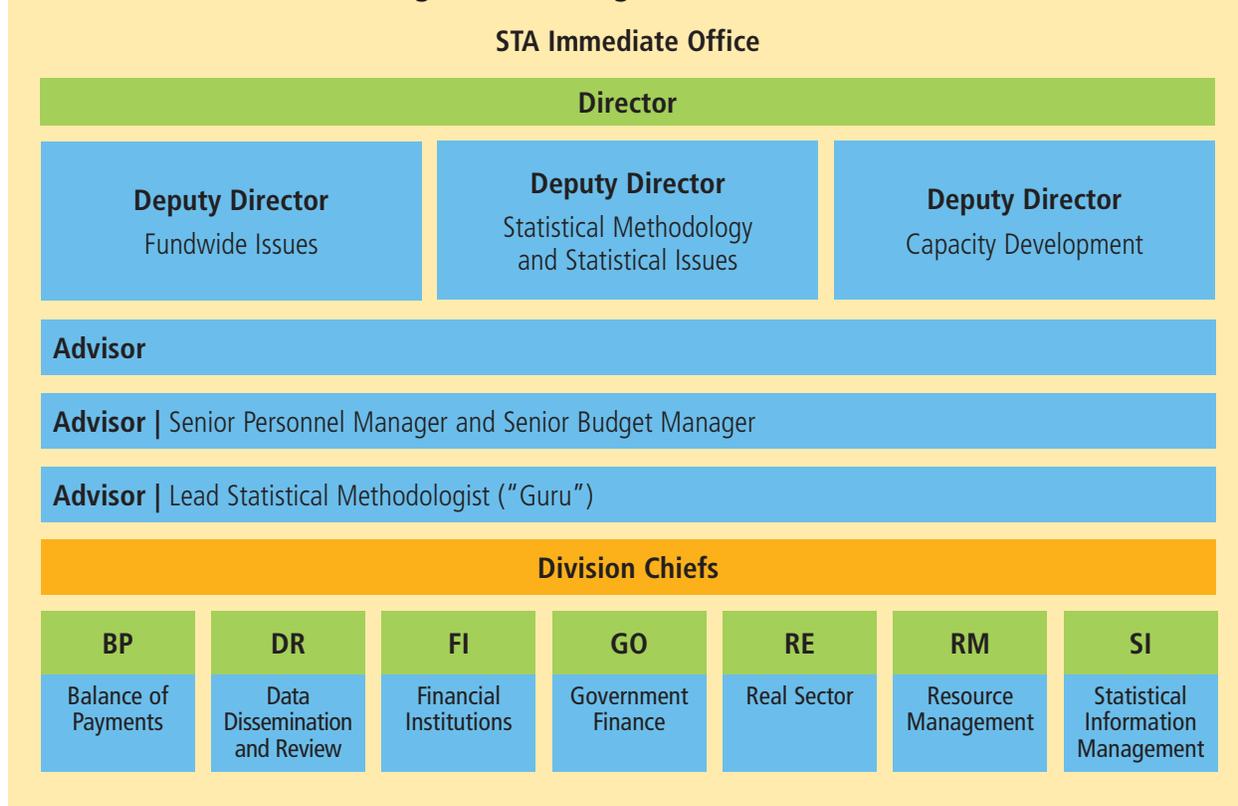
STA's mandate statement was revised in April 2014 to align it with the key roles STA plays in supporting the core work of the Fund (Box 1). The revised mandate reaffirms STA's global leadership in the areas of macroeconomic and financial statistics, recognizing both long-standing core functions as well as areas of increasing activity and importance.

Under this mandate, STA will continue to play a critical role in developing internationally accepted statistical standards and methodologies, as well as providing TA and training to promote best practices in the compilation and dissemination of economic and financial statistics. Over time increasing emphasis will be placed on analytical work to raise the value added of STA data.

Specifically, the mandate highlights STA's fundamental responsibilities in developing and promoting statistical standards and methodologies, and the gathering and dissemination of macroeconomic and financial statistics in support of IMF surveillance and use of IMF lending programs. It also recognizes new and increasing remits, such as STA's work to help address data gaps and improve data quality and accessibility, and the recent surge in CD activity in support of countries' ability to produce and disseminate statistics consistent with international statistical standards for policy making.

The new mandate is forward looking, taking into account up-and-coming areas of focus, such as the additionality of our data operations, which are moving from data gathering to strengthening data provision to clients inside

Figure 1. STA Organizational Chart



and outside the IMF and increasingly offering analysis of the macroeconomic and financial statistics underpinning surveillance.

Reorganization of the Statistics Department

In light of the new mandate, and consistent with IMF management’s Key Goals for FY2015, STA took the decision to reorganize the department in order to strengthen operational and strategic oversight of STA’s key activities and outputs. The reorganization was intended to provide clearer operational guidance to the more than 180 staff at IMF headquarters and numerous experts employed around the world.

Specifically, the department was reorganized along the lines of our three core pillars of activity, namely: (i) Fund-wide issues, covering multilateral, bilateral, and financial sector surveillance and use of Fund resources; (ii) global

economic policy advice, including setting of statistical standards and methodologies; and (iii) capacity development (Figure 1).

The reorganization was accompanied by a strengthening of the management team. Each pillar is now under the direct supervision of a Deputy Director, and the position of Lead Statistical Methodologist was created.

Strategic work regarding our mix of products is underway to ensure it remains aligned with the IMF’s priorities. In the period ahead, we will review the need to strengthen data provision to both our internal and external clients, prioritize our methodological work, and assess and refocus our CD activities, which have risen to over 50 percent of our operations. We have also begun reviewing our decision-making processes, with a view to streamlining the workflow and procedures and generating synergies.

Box 2. Published Research Papers by STA Staff

Definitions of Government in IMF Supported Programs

Claudia H. Dziobek, Alberto F. Jimenez de Lucio, and James Chan; Technical Notes and Manuals 13/01 (May 2013)

Another Look at Government's Balance Sheets: The Role of Nonfinancial Assets

Iva Bova, Robert Dippelsman, Kara Rideout, and Andrea Schaechter; IMF Working Paper, No. 13/95 (May 2013)

Boom, Bust, or Prosperity? Managing Sub-Saharan Africa's Natural Resource Wealth

Charlotte J. Lundgren, Alun H. Thomas, Robert C. York; Departmental Paper No. 13/2 (August 2013)

Financial Soundness Indicators and Banking Crises

Matias Costa Navajas and Aaron Thegeya; IMF Working Paper, No. 13/263 (December 2013)

Global Liquidity through the Lens of Monetary Aggregates

Kyuil Chung, Jong-Eun Lee, Elena Loukoianova, Hail Park, and Hyun Song Shin; IMF Working Paper, No. 14/9 (January 2014)

Mapping the Shadow Banking System Through a Global Flow of Funds Analysis

Luca Errico, Artak Harutyunyan, Elena Loukoianova, Richard Walton, Yevgeniya Korniyenko, Goran Amidzic, Hanan AbuShanab, Hyun Song Shin; IMF Working Paper, No. 14/10 (January 2014)

Financial Soundness Indicators and the Characteristics of Financial Cycles

Natasha Xingyuan Che and Yoko Shinagawa; IMF Working Paper WP/14/14 (January 2014)

Assessing Countries' Financial Inclusion Standing – A New Composite Index

Goran Amidzic, Alexander Massara, and Andre Mialou; IMF Working Paper, No. 14/36 (February 2014)

Direct Reporting of Private Sector Cross-Border Financial Flows and Stocks in Selected African Countries

Simon Quin, Kenneth Egesa, Howard Murad ; Technical Notes and Manuals No. 14/1 (February 2014)

Income Inequality, Fiscal Decentralization and Transfer Dependency

Caroline-Antonia Goerl and Mike Seiferling; IMF Working Paper, No. 14/64 (April 2014)

The International Transmission of Bank Capital Requirements: Evidence from the UK

Shekhar Aiyar, Charles W. Calomiris, John Hooley, Yevgeniya Korniyenko, Tomasz Wieladek; Journal of Financial Economics (May 2014)

Commercial Property Price Indexes: Problems of Sparse Data, Spatial Spillovers, and Weighting

Mick Silver, Brian Graf; IMF Working Paper, No. 14/72 (May 2014)

The Role of Country Concentration in the International Portfolio Investment Positions for the European Union Members

Iuliia Brushko and Yuko Hashimoto; IMF Working Paper No. 14/74 (May 2014)

Foreign Direct Investment and the External Wealth of Nations: How Important Is Valuation?

Jannick Damgaard, Thomas Elkjaer; The Review of Income and Wealth (June 2014)

Taming the Herd? Foreign Banks, the Vienna Initiative and Crisis Transmission

Ralph De Haas, Yevgeniya Korniyenko, Alexander Pivovarsky, Teodora Tsankova; Journal of Financial Intermediation (November 2014)

Policy and Analytical Work

Consistent with the objectives of carrying out the IMF's mandate and core functions and advancing the international statistical agenda, STA has drafted, or contributed to, a wide range of IMF Board papers, as well as research papers (Box 2), and continued to play an active

role in international statistical fora (Box 3). The large number of IMF Board papers—more than a dozen during the 12-month period ending in July 2014—has touched upon the full breadth of STA's work and illustrates the many dimensions of how the department interacts with the rest of the IMF. The completed Board

Box 3. STA's Collaboration with Multilateral and Regional Organizations

STA continues to play an active role in conjunction with a number of multilateral and regional organizations in promoting sound statistical practices. It

- Chairs the Inter-Agency Group on Economic and Financial Statistics, the IMF Committee on Balance of Payments Statistics, the Task Force on Finance Statistics and—forthcoming—the Government Finance Statistics Advisory Committee.
- Collaborates with the FSB on the G-20 Data Gaps Initiative and participates in FSB working groups on G-SIFIs, Legal Entity Identifiers, long-term finance, and securities financing transactions.
- Participates in the Committee for the Coordination of Statistical Activities, a group comprising representatives of all multinational, supranational, and regional organizations undertaking significant statistical work.
- Collaborates with the World Bank on the International Comparisons Program.
- Participates in meetings of the United Nations Statistical Commission, UN regional statistical commissions, and statistical committees organized by the OECD, Eurostat, and the ECB.
- Cooperates with the World Bank and with PARIS21, notably in promoting the GDDS.
- Participates in inter-agency task forces—statistics of international trade in services, international (merchandise) trade statistics, and public sector accounting—two intersecretariat working groups—national accounts and prices—and the working group on securities databases.
- Continues to work with the BIS, the Commonwealth Secretariat, OECD, and UNCTAD, in various areas, including external debt statistics, government finance, foreign direct investment, and financial accounts statistics.
- Collaborates with the International Public Sector Accounting Standards (IPSAS) Board.
- Contributes to the SDMX Sponsors Committee, which is participated in by the BIS, the ECB, Eurostat, the OECD, the UN, and the World Bank.
- Collaborates with international bodies such as the Irving Fisher Committee on Central Bank Statistics and the International Research for Income and Wealth.
- Collaborates with regional bodies in building capacity for official statistics, such as the Statistical Institute for Asia and the Pacific (SIAP-ESCAP), the Macroeconomic and Financial Management Institute of Eastern and Southern Africa (MEFMI), the West African Institute for Financial and Economic Management (WAIFEM), Arab-Stat, and GCC-Stat.

papers which were authored or co-authored by STA, included:

- The fifth Progress Report on the Implementation of the G-20 Data Gaps Initiative;
- Improving Cross-Sector Data Consistency;
- IMF Committee on Balance of Payments Statistics Annual Report 2013;
- Modifications to the Special Data Dissemination Standards Plus;
- Modifications to the Current List of Financial Soundness Indicators—Background Paper;
- IMF Participation in the Regulatory Oversight Committee of the Global Legal Entity Identifier System;
- Key Aspects of Macroprudential Policy;
- Template to Collect Data on Government Revenues from Natural Resources;
- Guidance Note on Data Provision to the Fund for Surveillance Purposes;
- Review of the Implementation of Government Finance Statistics to Strengthen Fiscal Analysis; and
- Quota Formulas—Data Update and Further Considerations.

In addition, the department organized the first IMF Statistical Forum in November 2013 that highlighted the role of statistics for global economic and financial stability (Box 4).

Box 4. The First IMF Statistical Forum

During November 12–13, 2013, STA organized the first IMF Statistical Forum in Washington, D.C. The event was a unique opportunity for a broad range of stakeholders to develop a stronger understanding of different statistical perspectives and to share information on data interpretation, usability, and availability. The Forum served as a platform where both data users and producers could meet to exchange ideas and issues related to the role of economic and financial statistics. It also aimed to showcase several recent IMF data initiatives and databases, including the G-20 Data Gaps Initiatives and the SDDS Plus. About 80 invitees from central banks, ministries of finance, other international organizations, academia, and the private sector from about 30 countries from across the globe took part in the Forum.

In his welcoming remarks, David Lipton, First Deputy Managing Director of the IMF, noted that the recent global crisis reaffirmed the relevance of traditional residence-based economic and financial statistics but stressed that the “crisis also revealed a need for more and better data, data that go beyond traditional statistics.” He added that new data sets are needed, “especially as the focus of policy has shifted to the stability of global and domestic financial systems and to

questions about interconnectedness, global risks, and vulnerabilities.” The Forum consisted of five sessions covering domestic risks as seen through sectoral balance sheets, interconnectedness and spillovers, shadow banking, fault-lines in the public sector, and capital flows (for details, see <http://www.imf.org/external/np/seminars/eng/2013/sta/forum/index.htm>).

During the Forum, participants suggested the need for more granular data for concrete and detailed risk analysis, while recognizing the costs and benefits of disseminating new data. They discussed the ongoing international initiative to collect micro-level data and highlighted the need for further cooperation between data-compiling agencies and source data-providing firms, including legal and regulatory aspects involved in collecting data. The Forum also recognized the need to balance the best use of existing data and application of model-based analysis to new data. During the discussions, participants repeatedly stressed the importance to keep communications open between analysts, policy-makers, and statisticians, and to enhance collaboration between the public and private sectors for better data.

The second IMF Statistical Forum is planned for November 18–19, 2014.



IMF's Deputy Managing Director Min Zhu with participants in a round table discussion on “Economic Statistics: The Next Wave” during the first IMF Statistical Forum

Methodology

STA plays a leadership role in the international statistical community by developing and promoting internationally accepted statistical methodologies. Our work on methodologies aims to foster the availability of high-quality, consistent, and comparable macroeconomic data that facilitate and enhance the quality of cross-country analysis. The IMF's expertise rests primarily in the areas of national accounts, prices, government finance statistics (GFS), monetary and financial statistics (MFS), financial soundness indicators (FSIs), securities statistics, and balance of payments (BOP) and other external statistics. The IMF's statistical methodologies are harmonized with the principles of the *System of National Accounts 2008 (2008 SNA)*¹ and the *Balance of Payments and International Investment Position Manual (BPM6)*.² They underpin the IMF's data standards.

National Accounts

Jointly with other international organizations (Eurostat, the OECD, the UN, and the World Bank) in the Intersecretariat Working Group on National Accounts (ISWGNA) under the mandate of the *United Nations Statistical Commission (UNSC)*, STA has been committed to providing guidance on, and monitoring implementation of, the *2008 SNA*. The guidance developed provides milestones to assess the scope of accounts that are compiled by countries, ranging from a minimum set of accounts to recommended and desired sets of accounts. The ISWGNA has also formed an advisory expert group to take the *2008 SNA* research agenda forward. Issues considered during the last twelve months have included the classification of factoryless production; a compilation

guide for land and non-financial assets; and valuation of financial intermediation services.

The IMF's *Quarterly National Accounts Manual*³ is being updated to incorporate both the *2008 SNA* updates and recent methodological developments in benchmarking and other quarterly national accounts topics. Three of twelve chapters are available for public comment as of June 2014 (<http://www.imf.org/external/pubs/ft/qna/index.htm>) prior to their finalization.

STA is assisting countries to implement the *2008 SNA* through its CD program. Many countries still rely on earlier versions of the SNA, thereby impairing economic decision-making of policymakers and complicating cross-country comparison. Often, these CD efforts are paying off after multi-year engagement with country authorities, such as in the case of Zambia that migrated from the *1968 SNA* and issued its first *2008 SNA*-compliant national accounts in March 2014.

STA is also working with other international organizations in the *Inter-Agency Group on Economic and Financial Statistics (IAG)* and its working groups to follow up on the recommendations of the *DGI* (see below). Among these is Recommendation 15 on promoting the compilation and dissemination of the sectoral national accounts, balance sheets, and flow of funds statistics. The IMF is leading the working group on developing and implementing a strategy to improve data compilation and dissemination of these important datasets.

The development of sectoral accounts, balance sheets, and flow of funds within the framework of the *2008 SNA* also provides an overarching frame-

¹ See <http://unstats.un.org/unsd/nationalaccount/sna2008.asp>.

² See www.imf.org/external/pubs/ft/bop/2007/bopman6.htm.

³ See <http://www.imf.org/external/pubs/ft/qna/2000/Textbook/index.htm>.

Zambia's Move to 2008 SNA-compliant National Accounts

Zambia's GDP was first compiled for calendar year 1994 using the 1968 SNA and some aspects of the 1993 SNA. An annual time series ending in 2013 was constructed by the Central Statistics Office (CSO) by applying the movement of economic performance indicators to extrapolate the original 1994 estimates. GDP for 2010 compiled using this method was estimated to be 77.7 billion kwacha. The quality of this estimate was reduced by the compound impact of errors and imperfections in quality of the selected economic performance indicators over the sixteen years since the original 1994 estimate was produced.

In a multi-year project comprising a mix of missions, training and workshops, STA assisted the CSO in implementing the 2008 SNA and improving the quality of the GDP time series by compiling an estimate for 2010. Zambia's national accounts released in March 2014 indicated that GDP in 2010 was 97.2 billion kwacha. This revised estimate was compiled using the 2008 SNA and contemporary economic data, including the Economic Census, the 2009/2010 Post-Harvest Survey and the 2010 Living Conditions Monitoring Survey. It also incorporated improved coverage of informal activity and better reflected the current structure of Zambia's economy.

work for data on the balance of payments (BOP) and international investment position (IIP), securities statistics, GFS, and MFS. The development of full-fledged sectoral accounts and flow of funds will help better understand financial connections within the economy and with the rest of the world, real and financial sector linkages, and the role played by nonbank financial institutions in the financial sector and in the economy. The IAG has agreement from the G-20 statistical systems on the compilation of sectoral accounts and sectoral financial positions and flows on a quarterly frequency with a timeliness of one quarter. Development of sectoral accounts is integrated with the implementation of the 2008 SNA in many economies.

Prices Statistics

The *Inter-Secretariat Working Group on Price Statistics (IWGPS)*, of which STA is a member, oversees authorship of manuals on international best practices in concepts and the compilation of prices

statistics (consumer prices, producer prices, and export and import prices).⁴

More recently, the *IWGPS* has developed a *Handbook on Residential Property Prices Indices*⁵ and is developing guidance on commercial property price indices. The harmonization, setting of standards and wider dissemination of real estate price indices is one of the 20 *DGI* recommendations, as outlined below. This is an emerging and complex area for statistical standards, and STA's role in the process was to undertake rigorous, practically-oriented research to better ground methodology in this field. STA has also begun to provide TA on the compilation of such indices to major G-20 economies. A similar interagency initiative on commercial property price indices is underway, including the development of "experimental" indices and the drafting of a related handbook. Methodological issues of irregular transactions on heterogeneous commercial properties, especially during recessions, make such price change measurement problematic. STA is undertaking a program of research into improving the methodology for measurement in this difficult area.

STA has continued its contribution to the Technical Advisory Group of the *International Comparisons Program (ICP)* based at the World Bank. The ICP produces international price indices called purchasing power parities that allow comparison of GDP volume levels among countries for a benchmark year. Estimates for 2011 were released in April 2014 and will enable comparisons of GDP volume data for IMF member countries at purchasing power parity, one of the elements in the quota formula for determining the voice each member country has on the IMF Executive Board.⁶

STA is implementing various successful intertwined TA programs focusing on the implementation of price statistics and national accounts in Asia, Africa, and Europe.

⁴ Such manuals are available in several languages at <http://www.imf.org/external/data.htm#sc> under "Real Sector Statistics."

⁵ See http://epp.eurostat.ec.europa.eu/portal/page/portal/hicp/methodology/hps/rppi_handbook.

⁶ See www.imf.org/external/np/exr/facts/quotas.htm.

Government Finance Statistics

STA promotes GFS in several ways. It develops and updates standard concepts and definitions of the *Government Finance Statistics Manual (GFSM)*, the *Public Sector Debt Statistics Guide (PSDSG)*, and the *Quarterly Government Finance Statistics (QGFS)*. It provides TA and training and maintains standardized databases, with data covering both transactions and stocks (including financial and nonfinancial assets and public debt). The new *Government Finance Statistics Manual 2014 (GFSM 2014)* is available as a pre-publication draft, offering important enhancements (Box 5).⁷

STA continues to work toward the adoption of the *GFSM* as the standard for IMF staff reports, debt sustainability analyses, the *World Economic Outlook (WEO)* and *Fiscal Monitor* databases, as well as the *Principal Global Indicators (PGI)* website. It engages with country authorities to achieve gradual, but consistent progress toward high-quality fiscal data, reduce data gaps, and improve international comparability of the data. It actively seeks a dialogue with data users and analysts, and views IMF mission chiefs and economists as key partners in achieving high-quality fiscal data. The new *Fiscal Transparency Code*, prepared by the IMF's Fiscal Affairs Department (FAD)—with input from STA—and to be published soon, now includes a fiscal reporting pillar aligned with the *GFSM* methodology. These efforts reflect the impact of the recent global financial crisis, which brought to the fore unexpectedly large fiscal deficits and rising debt levels in many countries and highlighted the need for internationally comparable data that allow both detecting sources of vulnerability early on and taking timely corrective measures.

GFS reported by member countries to STA are published in the *Government Finance Statistics Yearbook (GFSY)* and the *International Financial Statistics (IFS)*. The *GFSY* provides comprehensive annual GFS presented at the level of the consolidated general government, along with relevant subsectors (e.g., central, state, and local

Building Capacity in Eastern and South-Eastern Europe

A Japan-funded four-year program launched in 2011 has aimed to build statistical capacity for the compilation of sustainable real sector statistics in Eastern and South-Eastern Europe. Nine countries have participated in this program, benefitting from on-the-ground advice provided by three long-term resident advisors and short-term expert missions. All countries have made excellent progress under the project; some highlights:

- **Belarus:** The National Statistical Committee successfully implemented the *2008 SNA* for the new issues related to GDP compilation.
- **Moldova:** The National Bureau of Statistics has made outstanding progress improving annual national accounts and developing quarterly national accounts estimates. The first discrete quarterly GDP estimates for Moldova were disseminated in 2013. Major improvements to the consumer price index (CPI) compilation methods have been implemented. Beginning in January 2015, four regional indices will be compiled and disseminated, in addition to the national index. Further improvements to the CPI will include expanding coverage to include owner-occupied housing.
- **Bosnia and Herzegovina:** The authorities compiled and disseminated the first quarterly national accounts estimates in 2014. Improvements to producer price index (PPI) compilation methods are on-going.
- **Montenegro:** The Statistical Office of Montenegro will release the first quarterly national accounts estimates in early 2015. More robust annual national accounts compilation methods have been adopted. An improved and expanded PPI will be disseminated in January 2015, with a planned expansion of PPI coverage to include services by end-2015.
- **Serbia:** The Statistical Office of Serbia has compiled the first Supply-Use Tables, representing a major milestone in improving national accounts statistics.

governments). These data are supplemented by metadata, including description of the institutional structure of government and the main characteristics (basis of recording, valuation, data coverage, methodological breaks) of the time series. The 2013 edition includes data for more than 140 countries, with expanded coverage

⁷ See <http://www.imf.org/external/np/sta/gfsm>.

Box 5. The New GFSM 2014

In March 2014, STA released the pre-publication draft of the *GFSM 2014*, which updates the specialized macroeconomic statistical framework designed to support fiscal analysis. The release of this manual



concludes the three-year project to revise, expand and update the predecessor manual (*GFSM 2001*) and bring it in line with the *SNA 2008* and the sixth edition of the *Balance of Payments and International Investment Position Manual*.

The *GFSM 2014* takes its place alongside the other government finance statistics manuals prepared by STA, including the *Public Sector Debt Statistics: Guide for Compilers and Users*, and the *Government Finance Statistics: Compilation Guide for Developing Countries* and the *Quarterly Government Finance Statistics: Guide for Compilers and Users*. It clarifies the standards for compiling and presenting fiscal statistics and strengthens the global effort to improve public sector reporting and transparency.

The *GFSM 2014* builds on the framework established in the *GFSM 2001*, but incorporates important changes which include:

- Aligning the *GFSM 2014* with the *SNA 2008*, including changes to the treatment of military expenditure on weapons systems, now treated as capital spending; the treatment of payable tax credits; and

changes to the recording of pensions liabilities and the recording of standardized guarantee schemes;

- Additional advice on the delineation of the public sector and within the public sector;
- More detailed guidance throughout the *GFSM 2014* based on the experience of the use of the *GFSM 2001*, resulting in more in-depth explanations of key concepts and the rationale behind their treatment in the *GFSM*;
- Updated guidance on the recording of leases, licenses and concessions, including Public Private Partnerships;
- A renewed emphasis on the balance sheet approach, and a focus on the impact of fiscal policies on the net worth of Government; and
- Information on the linkages between the *GFSM* and other standards—including the linkages with the *2008 SNA* and *IPSAS*.

The changes to the manual were posted on the IMF website for comments from compilers and users. Central to the process was the *Government Finance Statistics Advisory Committee (GFSAC)*, set up to provide expert opinions from a broad range of countries and international organizations.

A new standing *GFSAC* is being established, and will meet for the first time in March 2015. Its role will be to promote the development and dissemination of high-quality GFS based on the new manual and provide advice on methodological issues that arise.

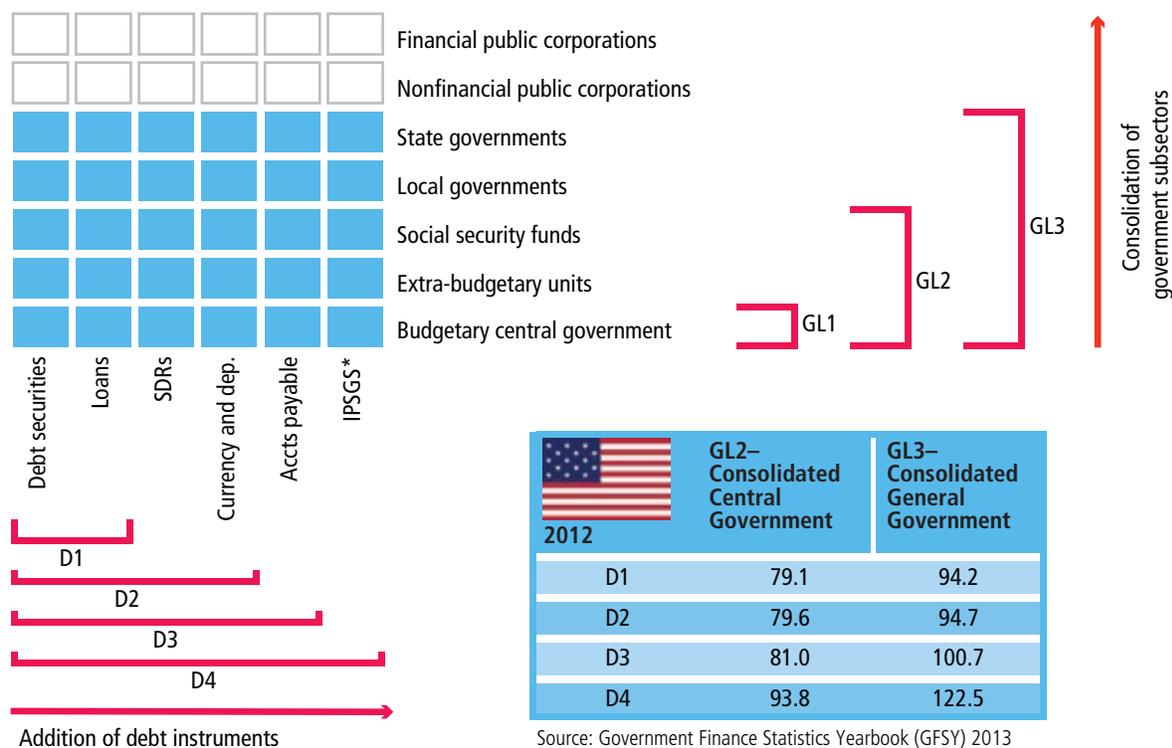
or improved data for more than 30 countries. (Figure 2). The data are supplemented by summary monthly and quarterly statistics in the *IFS*.

Coverage of public sector debt in official statistics continues to expand. The World Bank, IMF, OECD, ECB, and Eurostat have joined efforts to collect and disseminate high-quality and comparable public sector debt statistics in a centralized database, which is designed to complement the existing quarterly external debt statistics database.

The main purpose of the public sector debt statistics database is to facilitate timely dissemination of debt data from IMF members. By presenting public sector debt data (and related metadata) by maturity structures broken down by instrument, currency composition, and creditor residence, the database supports macroeconomic analysis and meaningful cross-country comparisons.

As of July 2014, more than 70 countries are reporting debt data for at least budgetary central government, with a significant number of

Figure 4. Government Debt 2012 – the Importance of Institutional and Instrument Coverage



* Insurance, pensions and standardised guarantee schemes

 2012	GL2– Consolidated Central Government	GL3– Consolidated General Government
D1	79.1	94.2
D2	79.6	94.7
D3	81.0	100.7
D4	93.8	122.5

Source: Government Finance Statistics Yearbook (GFSY) 2013
International Financial Statistics (IFS) July 2014
Figures shown in % of GDP

 2012	GL2– Consolidated Central Government	GL3– Consolidated General Government
D1	18.9	26.0
D2	19.4	26.9
D3	24.2	36.1
D4	40.6	62.6

Source: Government Finance Statistics Yearbook (GFSY) 2013
International Financial Statistics (IFS) July 2014
Figures shown in % of GDP

 2012	GL1– Budgetary Central Government	GL2– Consolidated Central Government	GL3– Consolidated General Government
D1	88.7	88.7	97.0
D2	88.7	88.7	97.0
D3	93.8	93.8	105.2
D4	117.5	117.5	131.9

Source: Government Finance Statistics Yearbook (GFSY) 2013
International Financial Statistics (IFS) July 2014
Figures shown in % of GDP

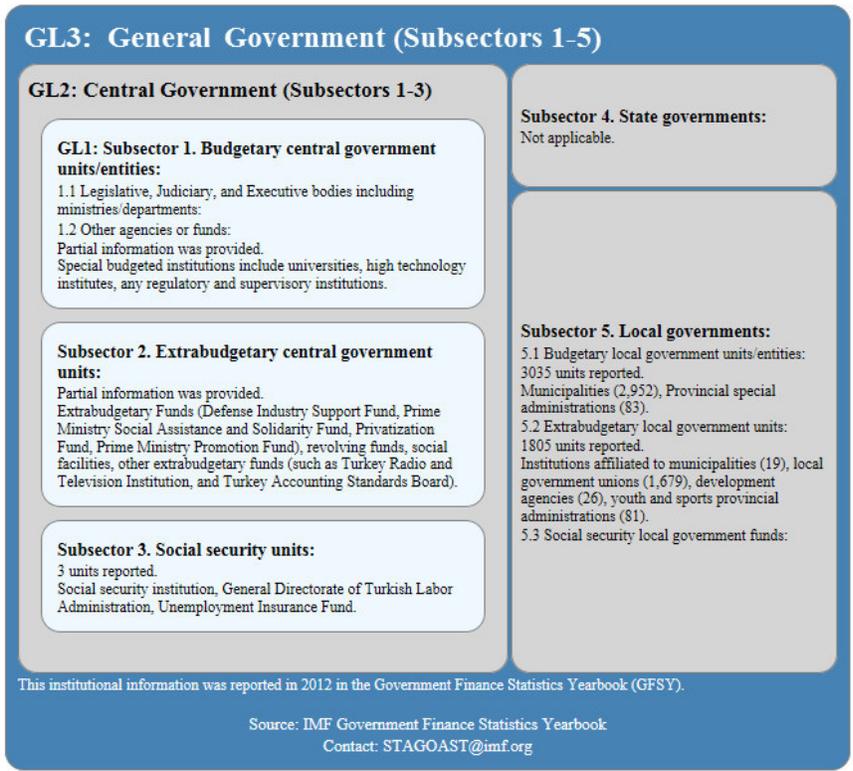
 2012	GL2– Consolidated Central Government	GL3– Consolidated General Government
D1	0.0	4.0
D2	0.0	4.0
D3	0.0	6.7
D4	0.0	41.4

Source: Government Finance Statistics Yearbook (GFSY) 2013
International Financial Statistics (IFS) July 2014
Figures shown in % of GDP

 2012	GL1– Budgetary Central Government	GL2– Consolidated Central Government	GL3– Consolidated General Government
D1	32.6	31.7	39.0
D2	34.5	33.7	41.0
D3	37.5	36.4	46.3
D4	37.5	36.4	48.7

Source: Government Finance Statistics Yearbook (GFSY) 2013
International Financial Statistics (IFS) July 2014
Figures shown in % of GDP

Figure 5. Institutional Structure of Government



Example of the Significance of the Institutional Coverage of Fiscal Data

Turkey														
In percent of Unconsolidated General Government														
	Budgetary Central Government			Extra Budgetary Central Government			Social Security Funds			State Government		Local Government		
	2010	2011	2012	2010	2011	2012	2010	2011	2012	2011	2012	2011	2012	
Statement of Government Operation														
Revenue	56.88%	56.20%	55.34%	7.86%	7.10%	7.10%	26.17%	26.36%	27.41%	...	...	9.94%	10.21%	10.14%
Taxes	36.91%	36.01%	34.74%	8.43%	8.30%	8.47%	...	...	...	...	...	2.64%	2.08%	2.78%
Social Contributions	2.24%	2.45%	2.57%	0.01%	0.01%	0.02%	99.77%	96.58%	99.46%	...	...	0.37%	0.95%	0.93%
Expense	59.10%	59.94%	58.96%	7.96%	7.43%	6.74%	29.28%	29.98%	29.22%	...	...	6.99%	7.56%	6.08%
Compensation of Employees	78.30%	77.58%	78.10%	11.44%	11.00%	10.92%	1.36%	0.92%	0.81%	...	...	10.96%	10.39%	9.92%
Balance Sheet														
Financial Assets	56.90%	55.01%	45.89%	12.21%	12.82%	12.47%	22.40%	22.77%	30.35%	...	...	3.25%	10.18%	11.19%
Liabilities	55.62%	53.01%	56.24%	2.96%	2.22%	1.91%	6.90%	7.56%	5.77%	...	...	0.21%	0.48%	0.48%
Gross Debt at Market Value	55.62%	53.01%	56.24%	2.96%	2.22%	1.91%	6.90%	7.56%	5.77%	...	...	0.21%	0.48%	0.48%
Gross Debt at Nominal Value	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Gross Debt at Face Value	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Statement of Source and Uses of Cash														
Revenue, Cash	56.88%	56.20%	55.34%	7.86%	7.10%	7.10%	26.17%	26.36%	27.41%	...	...	9.94%	10.21%	10.14%
Taxes, Cash	36.91%	36.01%	34.74%	8.43%	8.30%	8.47%	...	...	...	...	...	2.64%	2.08%	2.78%
Social Contributions, Cash	2.24%	2.45%	2.57%	0.01%	0.01%	0.02%	99.77%	96.58%	99.46%	...	...	0.37%	0.95%	0.93%
Expense, Cash	59.20%	57.97%	56.90%	7.10%	7.20%	6.74%	29.88%	27.33%	29.96%	...	...	6.76%	7.46%	7.78%
Compensation of Employees, Cash	78.30%	77.58%	78.10%	11.44%	11.00%	10.92%	1.36%	0.92%	0.81%	...	...	10.96%	10.39%	9.92%
Balance Sheet, Cash														
Financial Assets, Cash	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Liabilities, Cash	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Gross Debt at Market Value, Cash	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Gross Debt at Nominal Value, Cash	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Gross Debt at Face Value, Cash	...	...	...	...	...	...	...	...	...	...	...	...	...	...

countries providing more comprehensive general government or public sector debt data (Figure 3). The data are accessible free online at <http://www.worldbank.org/qpsd>.

STA's data presentation of government debt has put the spotlight on institutional and instru-

ment coverage. The extent to which only some or all government units report data, and the extent to which only some or all debt instruments are included in the data, are two hugely important factors that contribute to the comparability of government or public sector data across countries. Australia, Canada, Hong Kong

South Sudan Joins the *IFS* Club

South Sudan became an independent country on July 9, 2011, and joined the IMF on April 18, 2012. Before July 2011, the Bank of South Sudan (BSS) operated as a branch of the Central Bank of Sudan, and was not involved in statistics compilation activities. Accordingly, the statistical capacity of the BSS as a new central bank was weak. STA fielded several TA missions on MFS and appointed an MFS resident advisor to assist the BSS in building statistical capacity for the production and dissemination of monetary statistics and financial soundness indicators, in line with internationally-accepted methodologies. An important component of the TA was to provide training in methodology and compilation practices to the staff of both the BSS and commercial banks.

A framework was quickly developed for collecting and compiling MFS based on the IMF's *MSFM*. The framework provided a tool to automatically generate monetary data from the central bank's and other depository corporations' source data. The BSS uses this framework to report monetary data to the IMF's African Department (AFR) for surveillance purposes and to STA for publication in the *IFS*. A country page for South Sudan, which also includes data on interest rates, exchange rates, and consumer prices, was introduced in the November 2013 issue of *IFS*. The FSI data are also compiled and reported to AFR for surveillance purposes. With this TA, the BSS also started publishing its own *Monthly Statistical Bulletin*.

SAR, Iceland, Sweden and the United States all provide this information for the central (GL2) and general governments (GL3) and for the various groups of debt instruments (D1-D4). Figure 4 shows the difference that institutional and instrument coverage can have on reported debt figures. The majority of Fund member countries, however, currently only publish data for the budgetary central government (GL1) and D1 or D2. The IMF is actively working with countries to expand the coverage of debt data so as to promote global comparability.

Improving metadata remains an important goal for STA. Analysis of fiscal statistics requires an understanding of the government institutions included in the data. Fiscal statistics can cover just the budgetary central government, or it may also

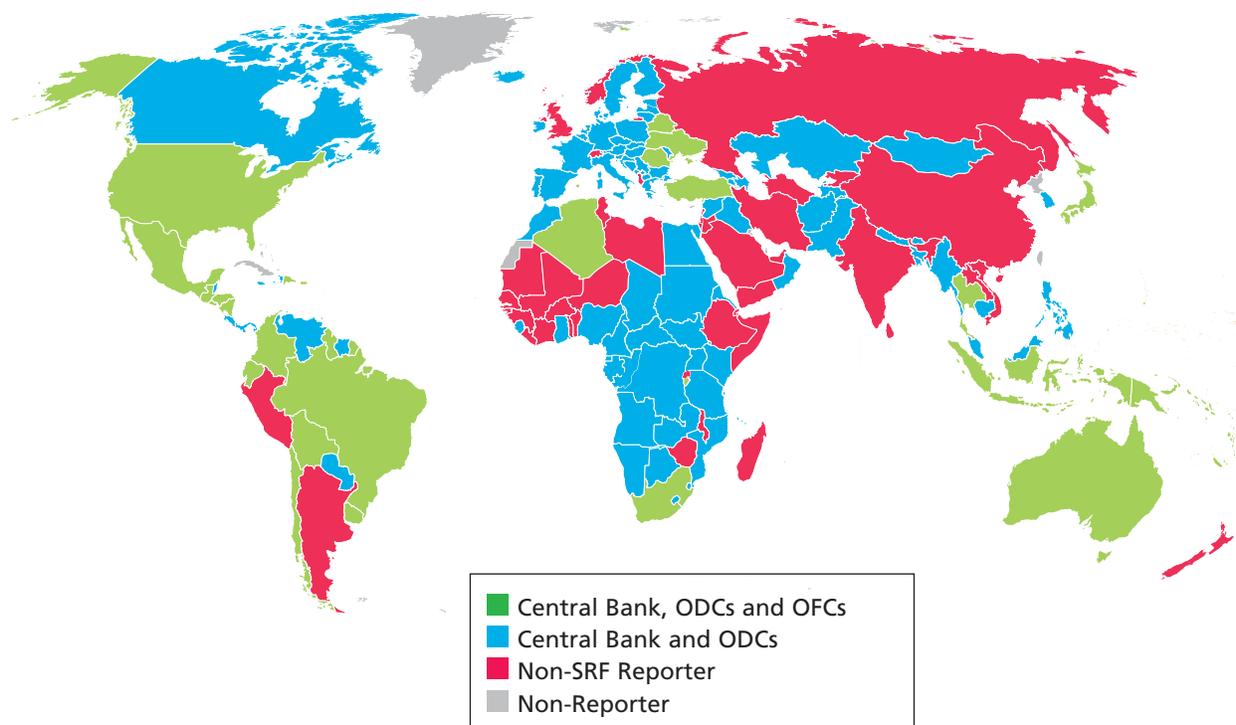
include other government units at the state, provincial and local level. The structure of government varies considerably from country to country. To help generate understanding of the fiscal data it publishes, STA has launched a searchable database (<http://www.imf.org/external/PrmsMetadataMaps/homepage.aspx>) of the *Institutional Structure of Government* based on annually updated information from the *GFSY*. The database provides easily accessible and user-friendly guidance on the composition and institutional coverage of the fiscal sector. The database links to GFS data disaggregated into the same sectors and sub-sectors (Figure 5).

Monetary and Financial Statistics

Currently, 142 countries report MFS to the IMF based on the standardized report forms (SRFs), which follow the methodology of the *Monetary and Financial Statistics Manual (MFSM)* and its accompanying *Monetary and Financial Statistics: Compilation Guide*. Monetary statistics based on the SRFs are published monthly in the *IFS*. The SRFs also serve as a primary source for the development of integrated monetary databases and represent the common data source for STA and IMF area departments; they also provide a substantial portion of the information needed for the IMF's balance sheet approach, which itself supports vulnerability analysis. In addition, the SRFs reduce reporting burdens for member countries and enhance cross-country comparability. Figure 6 provides an overview of current SRF reporters.

Over the past few years, STA has continuously increased the number of SRF reporters and the coverage of existing reporters. Seven countries began reporting SRFs for the first time over the past year alone: Angola, Australia, Democratic Republic of Congo, South Sudan, Tajikistan, Trinidad and Tobago, and Venezuela. In addition, three countries (Guatemala, Ukraine, and Turkey) began reporting data on other financial corporations (OFCs), bringing the total number of OFC reporters to 36. Several other countries expanded the institutional coverage of existing SRFs. For example, Maldives and Chile improved the coverage of OFC data reporting; Israel,

Figure 6. Monetary and Financial Statistics Reporters using Standardized Report Forms
(As of July 2014: 142 SRF reporters)



Paraguay, and Mauritius improved interest rate series reporting practices, while Croatia and Latvia introduced a new Euro presentation.

A major undertaking to update the MFS methodology is well advanced. It aims to incorporate revisions consistent with the methodologies of the *2008 SNA*, *BPM6*, and *GFSM 2014*, and to integrate into a single volume by early-2015 the *MFSM* and *MFS Compilation Guide* (Box 6).

Financial Soundness Indicators

As part of the IMF’s ongoing efforts to strengthen the international monetary system, STA makes available, and continues to upgrade, the publicly available FSI website (<http://fsi.imf.org>). The site includes data and metadata provided by countries on national practices that govern the compilation of FSIs. The publicly disseminated FSIs, ranging from regulatory capital adequacy ratios to real estate prices, complement other assessments of soundness of countries’ financial systems,

such as early warning indicators and macro-economic vulnerability exercises, and support macroprudential analysis and financial sector surveillance. STA has also been utilizing the FSI database to produce the FSI tables associated with the *Global Financial Stability Report (GFSR)*, one of the IMF’s flagship publications.

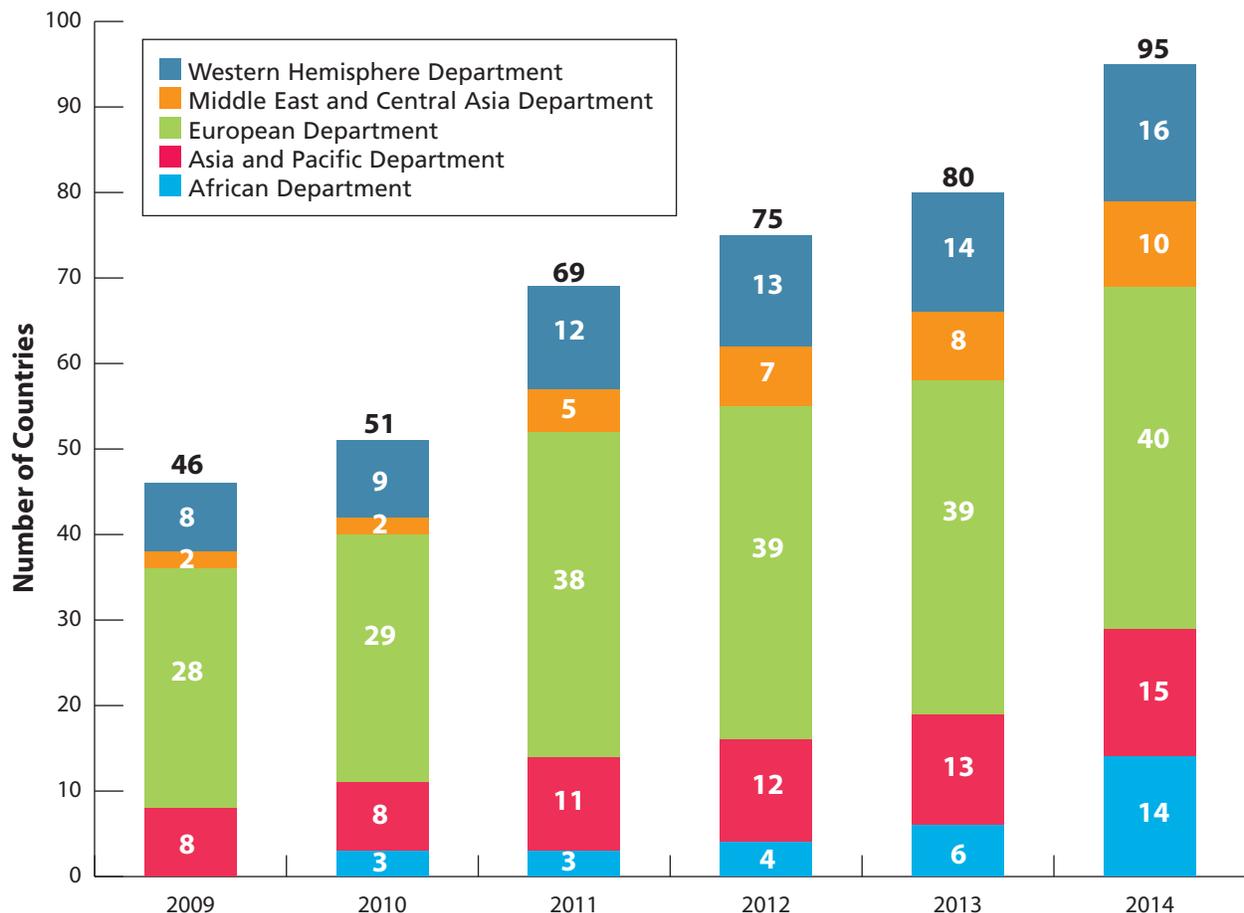
At present, the website contains FSI data for 95 countries (Figure 7). Since the beginning of 2013, the number of FSI reporters increased by more than 25 percent. With the addition of Saudi Arabia in February 2014, all G-20 economies now report and disseminate most FSI data to the IMF. Another important improvement has been data periodicity. As of June 2014, 85 percent of FSI reporters submit data on monthly or quarterly frequency, which improves the usefulness of the data for surveillance purposes. Much of the success regarding new and improved reporting is owed to a more regional approach to delivery of CD, whereby adding new reporters is supported by regional hands-on workshops.

Box 6: Update of the MFSM and MFS Compilation Guide

The *MFSM* and *MFS Compilation Guide*, published by the IMF in 2000 and 2008, respectively, are being updated to (i) align their contents with the *2008 SNA*, *BPM6*, and *GFSM2014*; and (ii) incorporate a number of methodological and operational enhancements. STA is leading this work, with a view to completing the pre-publication draft by end-April 2015. As part of this process, STA will merge the current *MFSM* and *MFS Compilation Guide* into a single document, i.e., a joint manual and compilation guide. Central bank officials responsible for MFS have been invited to contribute to this effort by reviewing and providing comments throughout the envisaged process.

The draft of the new *Monetary and Financial Statistics Manual and Compilation Guide (MFSMCG)* was posted on the IMF's external website (<http://www.imf.org/external/data.htm#guide>) in June 2014 for worldwide review and comments. Comments were requested by mid-September 2014. The draft *MFSMCG* reflects (i) the conclusions of the *MFS Experts Group (MFSEG)* meeting at IMF headquarters in February 2012; and (ii) the comments of the MFSEG members on the earlier draft. The public consultation will feed into the preparation of the *MFSMCG*'s pre-publication draft.

Figure 7. FSI Reporters by Year and Region
(Based on IMF area department structure)



Source: IMF's Statistics Department

STA is working on a revised *FSI Compilation Guide* which is expected to be completed by end-2015. This is in response to the global financial crisis and the adoption of the Basel III Accord as a new regulatory framework. The revision is based on guidance from the *Financial Soundness Indicators Reference Group (FSIRG)* meeting held at IMF headquarters in November 2011 (see <http://www.imf.org/external/data.htm>) and three Position Notes which have been completed since then. In the same vein, in November 2013 STA presented to the IMF Executive Board an IMF Board paper on *Modifications to the Current List of Financial Soundness Indicators*. The revised FSI list includes new indicators to expand the coverage of the financial sector, including money market funds, insurance corporations, pension funds, other nonbank financial institutions, as well as non-financial corporations and households. Also, a number of FSIs were decided to be dropped due mainly to very limited reporting and comparability. Overall, 19 new FSIs were added to the list and five were dropped.

Financial Access Survey

The *Financial Access Survey (FAS)* database, available free of charge at <http://fas.imf.org>, provides financial access indicators and accompanying metadata developed through the Access to Finance Project. The current FAS website contains annual data for 189 jurisdictions covering a nine-year period (2004–12) for key indicators of geographic outreach and use of financial services, as well as the underlying data. The outreach and use dimensions of financial inclusion are measured by bank branch network, availability of automated teller machines, and by three key financial instruments: deposits, loans, and insurance. Figure 8 provides an overview of current FAS reporters, which has increased each year since its initiation in 2010. In addition to providing policy makers and researchers with valuable data, the FAS is also the data source for the G-20 *Basic Set of Financial Inclusion Indicators* endorsed by the G-20 Leaders at the Los Cabos Summit in 2012. Recognizing the need for better data to support the financial inclusion agenda, the

Promoting FSIs in Africa

Recent advances in the number of FSI reporters and the coverage of the reported data stem, among other things, from a more regional approach to delivery of CD whereby efforts of prospective reporters are supported via hands-on workshops, such as those organized in Ghana (February 2014) and Tanzania (March 2014). Those workshops were supported under external financing by the U.K. and Japan.

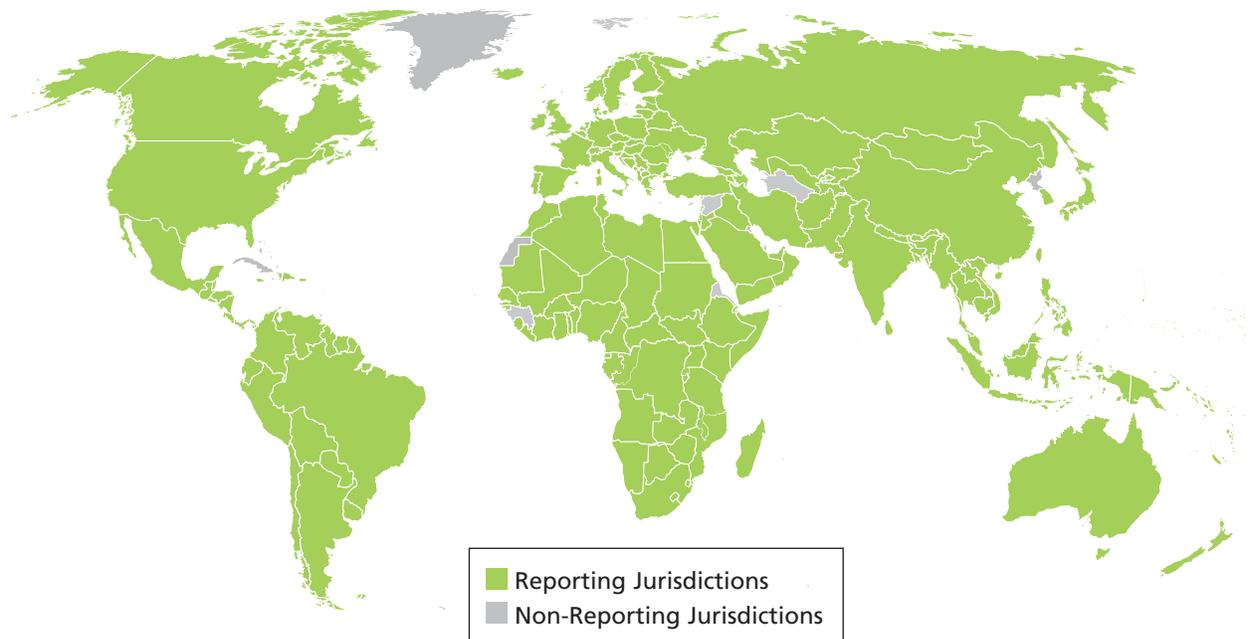
The main objectives of the FSI workshop in Ghana were to (i) familiarize participants with the FSI methodology; (ii) assist participants in completing the FSI templates for reporting FSI data and metadata to the IMF; and (iii) discuss with participants work plans for their countries for improving FSI data compilation and reporting. Nineteen participants from nine African countries (Botswana, Burundi, the Gambia, Ghana, Namibia, Nigeria, Rwanda, Tanzania, and Zambia) attended the workshop. As a result of the bilateral discussions and hands-on data work during the workshop, FSI templates for Namibia, Nigeria, and Zambia were submitted to STA by the end of the workshop and posted on the IMF's FSI website. In addition, participants from Botswana, Burundi, Rwanda, and Tanzania committed to continue their work to address remaining issues identified during the workshop.

The FSI workshop in Tanzania was attended by officials from Burundi, Kenya, Rwanda, Tanzania, Uganda, and the East African Community Secretariat. During bilateral discussions, staff assisted the officials from Burundi, Rwanda, and Tanzania to finalize the FSI data and metadata templates. Rwanda and Tanzania have since become FSI reporters, and FSI templates for Burundi are being reviewed before posting on the FSI website.

Netherlands' Ministry of Foreign Affairs will provide funding for the project through 2017. In addition to the generous support by the Dutch government, the Bill and Melinda Gates Foundation also provided a portion of the funding for the 2013 and 2014 rounds.

The 2013 round was the most successful in the project's four-year history, as data coverage was substantially expanded. First, the number of reporting countries increased to 186 from 182 the previous year, improving the participation rate from 93 percent to 96 percent. In addi-

Figure 8. Financial Access Survey by Reporting Country
(As of July 2014: 189 FAS reporters)



tion, two countries began reporting data for the first time: Ecuador and Trinidad and Tobago. And finally, overall data coverage improved significantly, with more than 95 percent of the 157 indicators increasing in their reporting compared to the previous round. The 2014 round introduced new series on mobile money (Box 7), the results of which are forthcoming.

Securities Statistics

Over the last five years, the BIS, ECB, and the IMF have jointly published the *Handbook on Securities Statistics*—the first in its kind dealing exclusively with the conceptual framework for the compilation and presentation of securities statistics. It directly addresses DGI Recommendation 7 on the need to fill data gaps and strengthen data collection on debt securities (see below). The *Handbook* is published in three parts (<http://www.imf.org/external/np/sta/wgsd/index.htm>): (i) Part 1 of the *Handbook* (2009) deals with statistics on debt securities issues; (ii) Part 2 (2010) provides a conceptual framework for the position and flow statistics on debt securities holdings based on the 2008 SNA and *BPM6* while going beyond these stan-

dards by elaborating on holdings by issuer and country, currency, maturity, type of interest rate, and reverse transactions, short-selling, depository receipts, stripped securities, and nominee accounts; and (iii) Part 3 (2012) focuses on equity securities issues and holdings. A consolidated version of the *Handbook* (merging Parts 1–3 in a single document) is under preparation and planned to be released in late 2014.

Balance of Payments and Other External Sector Statistics

Balance of Payments

International guidance for compiling balance of payments statistics must be updated on a regular basis to keep abreast of the changing nature of international transactions and the increasing data needs of users. In this regard, the *Balance of Payments and International Investment Position Manual, the sixth edition (BPM6, released in hard copy in 2009)* was produced as an update to the *BPM5* (released in 1993).⁸ The *BPM6* retains the basic frame-

⁸ The *BPM6* is available in six languages (Arabic, Chinese, English, French, Russian, and Spanish) on the IMF website at

Box 7: Expansion of the Financial Access Survey

Over the past decade, the ability to send, receive, and store money using mobile phones demonstrated the potential to improve the lives of the poor by providing access to financial services to previously 'unbanked' populations while leapfrogging more conventional banking models. Frequently referred to as 'mobile money', these services reduce the risk and cost of financial transactions, encourage savings, and increase access to credit. Countries such as Kenya and the Philippines have launched mobile money innovations that have succeeded in increasing access to financial services. Nevertheless, there is a lack of initiatives to measure the use of mobile money at a global level. Thus, with the financial support of the Bill and Melinda Gates Foundation, the 2014 FAS questionnaire was enhanced to include seven indicators on mobile money. STA also

updated the accompanying FAS methodology to cover the expansion of the survey.

The enhanced FAS provides a strong quantitative underpinning to assess the transformational role of mobile money on financial inclusion. Based on preliminary results of the 2014 FAS round for Kenya, a dramatic increase is recorded in the number of active mobile money accounts since 2007 (Figure [9]). Although in 2007 deposit accounts were more than three times the number of mobile money accounts, starting in 2009 mobile money accounts began to outnumber commercial bank deposit accounts. At the same time, the number of mobile money transactions has increased by more than 130 times from close to 5.5 million transactions in 2007 to 732.6 million transactions in 2013.

Figure 9. Growth of Mobile Money Services in Kenya

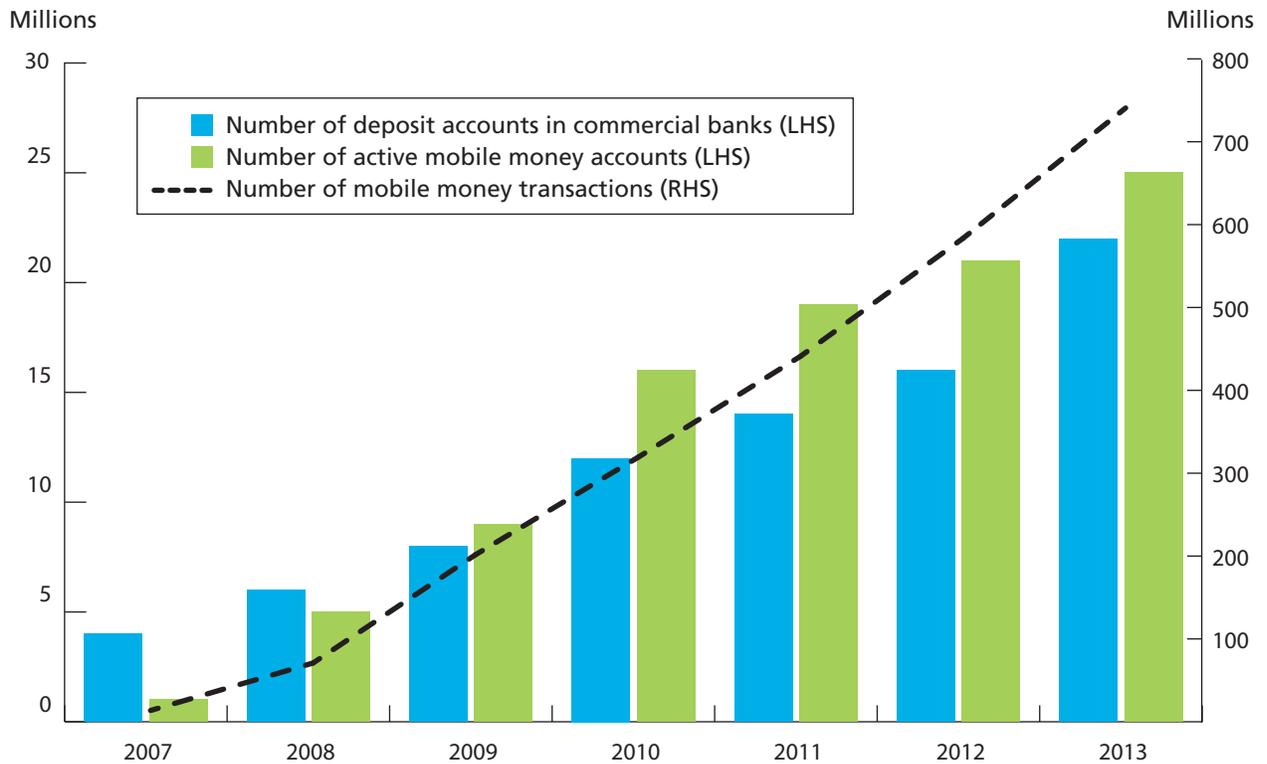
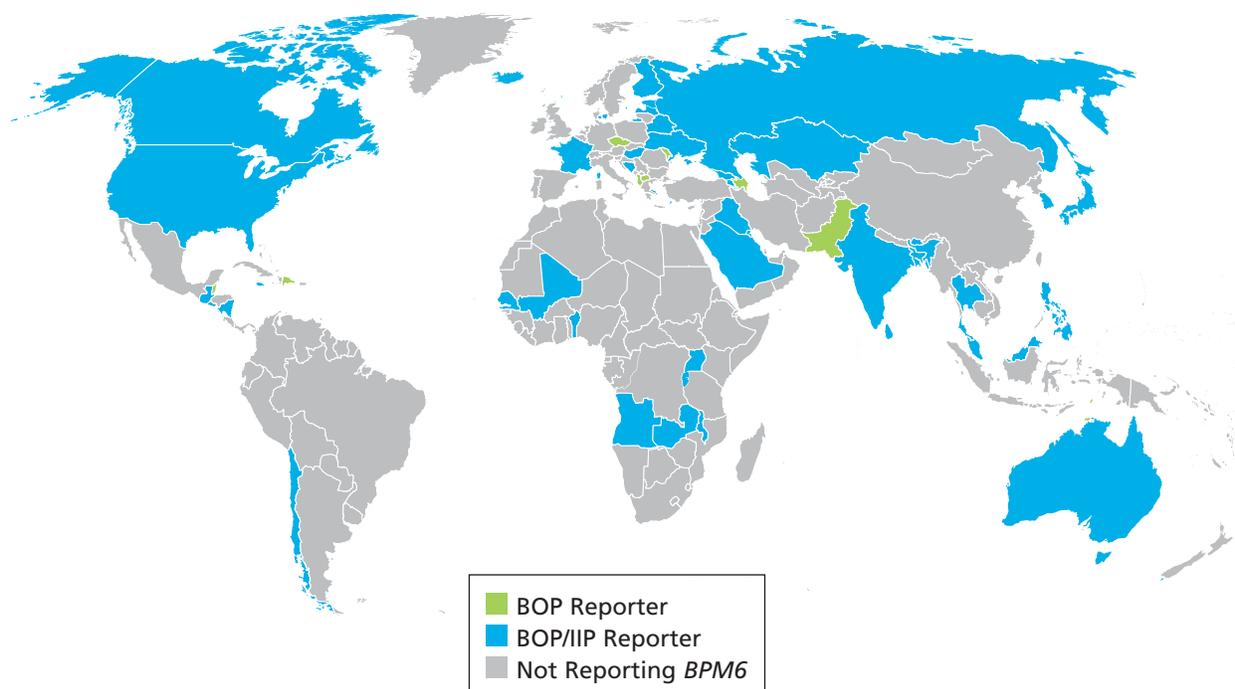


Figure 10. *BPM6* Implementation by Country
(Reporters as of September 2014)



work of the *BPM5*, and the revision was undertaken in parallel with the update of the *SNA*, thereby enhancing the harmonization of macroeconomic statistics.

The implementation of the *BPM6* encompasses several major steps, including:

- **Conversion of the balance of payments and international investment position data to a *BPM6* basis.** Beginning with the August 2012 releases of the *IFS* and the online *Balance of Payments Statistics* database, and the 2012 *Balance of Payments Statistics Yearbook (BOPSY)*, STA disseminates external accounts from 2005 forward on a *BPM6* basis. In 2012, most economies that reported data on a *BPM5* basis accepted STA's offer to convert their data to a *BPM6* basis using standard conversion rules that are broadly applicable to countries in various stages of development. As of mid-2014, 62 countries have implemented the

BPM6 framework for the balance of payments and 46 countries for the IIP statistics and reported their own *BPM6* estimates to STA (Figure 10).

- **Preparation of the *BPM6* Compilation Guide.** The *BPM6* *Compilation Guide* is a companion document to *BPM6*. It is an update to the *BPM5* *Compilation Guide*. The *BPM6* *Compilation Guide* is aimed at reflecting the methodological changes introduced in *BPM6*. It identifies data sources and methodologies that are useful in compiling data on a *BPM6* basis. The *BPM6* *Compilation Guide* was posted in August 2014 on the IMF website at <http://www.imf.org/external/pubs/ft/bop/2007/bop6comp.htm>.⁹
- **Update of countries' metadata.** STA has developed new, web-based balance of payments and international investment position metadata questionnaires. These electronic questionnaires facilitate the reporting and processing

www.imf.org/external/pubs/ft/bop/2007/bopman6.htm.

⁹ The publication in book form will be released soon; it will be translated into five additional languages (Arabic, Chinese, French, Russian, and Spanish).

of the metadata. Starting with *BOPSY* 2012, metadata that had been published in *BOPSY* Part 3 covering more than 110 economies are available only online and in CD-ROM; *BOPSY* World and Regional Tables and Country Tables covering more than 180 economies continue to be available in hardcopy, online, and CD-ROM.

- **Promotion of *BPM6*.** To assist data compilers and users inside and outside the IMF, STA has been heavily engaged in TA, training, and discussions to promote and explain the impact of *BPM6* on time series and methodology. To facilitate user understanding of the changes brought by *BPM6* and from data conversion, STA has also prepared a set of Frequently Asked Questions that are available on the IMF website at <http://www.imf.org/external/pubs/ft/bop/2007/bpm6faq.pdf>.
- **Migration of the *World Economic Outlook (WEO)* data to a *BPM6* basis.** Work is underway to migrate the *WEO* data to a *BPM6* basis. STA is closely collaborating with the IMF Research Department (RES) in this endeavor. STA assisted in preparing the bridging matrix for conversion of the *WEO* template from the *BPM5* to *BPM6* framework and in conducting a number of presentations on the conversion process to the country teams from the IMF's area departments and the Strategy, Policy, and Review Department (SPR). Methodological support was also provided to *WEO* and country teams in converting the time series. The release of *WEO* balance of payments data on a *BPM6* basis will be in the October 2014 issue, and the release of *WEO* IIP data on a *BPM6* basis will begin in the April 2015 issue.

International Investment Position Statistics

The total number of economies reporting annual IIP data increased from 40 in 1998 to 139 in July 2014, with all G-20 countries reporting IIP data to STA. The efforts to increase quarterly IIP reporting continue, in line with Recommendation 12 of the G-20 *DGI* (see below) and the March 2010 IMF Executive Board decision which prescribed for SDDS subscribers the quarterly reporting of IIP data

by end-September 2014.¹⁰ As of July 2014, the number of economies reporting quarterly IIP data to STA increased to 83, of which 55 are SDDS subscribers.¹¹

STA has continued its efforts to increase the number of economies reporting IIP statistics.¹² In particular, STA has turned increasing attention on those economies that have, or are expected to have, significant external assets and liabilities, such as oil and gas exporters and offshore centers. At the same time, efforts will continue with the smaller economies that are close to reporting IIP statistics.

External Debt Statistics (EDS)

In May 2014, STA released the 2013 *External Debt Statistics: Guide for Compilers and Users (2013 EDS Guide)*, which contains updated global standards for the compilation, reporting, and analytical use of external debt statistics.¹³ The 2013 *EDS Guide* was prepared under the responsibility of the nine organizations in the *Inter-Agency Task Force on Finance Statistics (TFFS)*, in close consultation with national compilers of external debt, balance of payments, and international investment position statistics.¹⁴

The 2013 *EDS Guide* reflects the significant developments in international finance since the issuance of the 2003 *EDS Guide*. The 2013 *EDS Guide* provides guidance on (i) the concepts, definitions, and classifications pertaining to EDS; (ii) the sources and techniques for compiling these data; and (iii) the analytical uses of

¹⁰ SDDS subscribers are to disseminate IIP data for the first and second quarters of 2014 by September 30, 2014.

¹¹ As of July 2014, there were 71 SDDS subscribers.

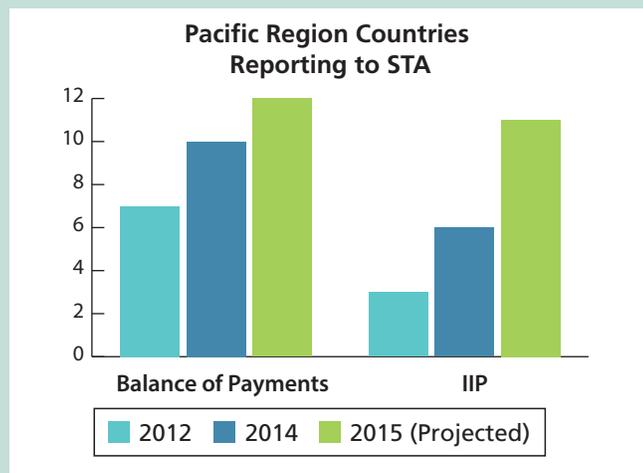
¹² The publication *Quarterly International Investment Position Statistics: Data Sources and Compilation Techniques*, published in March 2011 to assist data compilers in preparing and disseminating quarterly IIP data, is now available in six languages on the IMF website at <http://www.imf.org/external/np/sta/iip/2011/030111.htm>.

¹³ It is available in hardcopy in English, with publication in Arabic, Chinese, French, Russian, and Spanish forthcoming. The PDF format is available free of charge and may be downloaded at <http://www.tffs.org/edsguide.htm>.

¹⁴ The TFFS is chaired by the IMF, and its other member agencies are the BIS, the Commonwealth Secretariat, the European Central Bank, Eurostat, the OECD, the Paris Club Secretariat, the United Nations Conference on Trade and Development, and the World Bank.

Improved External Sector Statistics in the Pacific Island Countries

Only twenty months after the November 2012 launch of the Pacific region module of the Japan-funded Project on the Improvement of External Sector Statistics (ESS) in the Asia and Pacific Region, several of the Pacific Island economies have achieved important milestones in enhancing the quality of their ESS. Of the twelve beneficiary countries in the region, only seven reported balance of payments data to STA prior to the project's launch. During the first half of 2014, three additional beneficiary countries (Kiribati, Marshall Islands, and Tuvalu) reported balance of payments data to STA for the first time. Others are expected to start reporting soon. The number of countries reporting IIP has also doubled, to six.



Seven of the countries currently report ESS on the basis of *BPM6*, six of which began doing so only after the launch of the Project. Apart from assisting in the compilation and dissemination of ESS on a *BPM6* basis, the more than 30 TA missions have identified shortcomings and provided guidance on enhancing the coverage and statistical treatment of external transactions and positions of high relevance. Important improvements have been achieved in the coverage and classification in ESS of fishing, international cooperation, compensation of employees, workers' remittances, and external debt flows and positions.

To bridge the TA delivery and enhance capacity of country officials in charge of ESS compilation, three regional workshops designed specifically to address the main gaps identified in the region were conducted, covering practical and methodological aspects of the compilation of statistics on external debt; international investment positions; current and capital transfers; and foreign direct investment.

external debt statistics. The concepts set out in the 2013 *EDS Guide* are fully harmonized with those of the 2008 *SNA* and *BPM6*.

Compilers of EDS are now encouraged to adopt the 2013 *EDS Guide* as the basis for compiling and disseminating EDS. Starting October 2014, the World Bank will publish the *Quarterly External Debt Statistics (QEDS)* on a 2013 *EDS Guide/BPM6* basis. To ensure consistency, the World Bank, in collaboration with STA and reporting economies, is converting all data reported on a 2003 *EDS Guide* basis to a 2013 *EDS Guide* basis using generic conversion rules.

International Reserves and Foreign Currency Liquidity

STA advises on a continuous basis IMF staff and external users on the methodology of official reserve assets and the analytical framework of international reserves and foreign currency liquidity. The methodological background in *BPM6* and in the *International Reserves and Foreign Currency Liquidity: Guidelines for a Data Template (Guidelines)* allows for the provision of guidance on countries' reporting of data on international reserves and foreign currency liquidity (in the form of a Reserves Data Template).¹⁵ The 2013 update of the *Guidelines* ensured consistency with the *BPM6*, and took account of staff experience in monitoring submission of the Reserves Data Template by SDDS subscribers. The updated *Guidelines* also take account of new developments in the areas of reserve assets and international liquidity, such as in the sections on "Reserve Assets and Currency Unions," "Frequently Asked Questions on the Characteristics of Reserve Assets" and "Statistical Treatment of Lending to the IMF, Lending to IMF Managed Trusts, and Special Drawing Rights." Further, it provides guidance on the recording of sovereign wealth funds (SWFs) in the Reserves Data Template, in particular when assets in a SWF are of material significance and not included in official reserves. STA emphasizes the importance of including SWFs in macroeconomic statistics in its TA and training missions to member countries.

¹⁵ They are available free of charge online at <http://www.imf.org/external/np/sta/ir/IRProcessWeb/dataguide.htm>.

Currency Composition of Official Foreign Exchange Reserves (COFER)

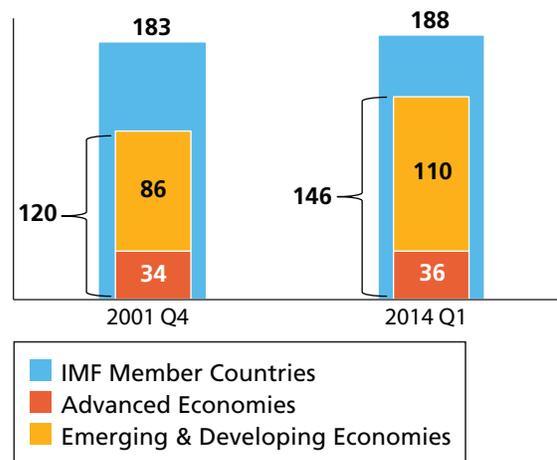
The IMF has been collecting quarterly data on the currency composition of official foreign exchange reserves since the 1960s from individual countries on a strictly confidential basis. In response to heightened policy and public interest, aggregate COFER data are posted quarterly on the IMF website (<http://www-stg-ext/external/np/sta/cofer/eng/index.htm>). The currencies identified in COFER are the U.S. dollar, euro, pound sterling, Japanese yen, Swiss franc, Canadian dollar, and Australian dollar. All other currencies are indistinguishably included in the category of “other currencies.” STA’s COFER initiative launched in late 2011 has led to the publication in June 2013 of COFER data with expanded currency range, separately identifying the Canadian dollar and Australian dollar for the first time. Work is also advancing to release names of countries/jurisdictions as COFER reporter (with their consent) after the launch of the SDDS Plus.

The 146 COFER reporters consist of member countries of the IMF, non-member countries/economies, and other foreign exchange reserves holding entities (36 advanced economies, including one international organization, and 110 emerging and developing economies). Continued efforts are being made to increase country coverage of COFER data (Figure 11).

Coordinated Portfolio Investment Survey (CPIS)

The CPIS collects information on individual economy holdings of portfolio investment securities—equity and debt securities—valued at market prices and cross-classified by the economy of the issuer of the securities. The coverage of the CPIS is augmented with information on the geographic breakdown of securities held as economies’ foreign exchange reserve assets and security holdings of selected international organizations (these data are not disclosed at a detailed level, as they are reported on a confidential basis). The results of the CPIS are posted on the IMF’s external website at <http://cpis.imf.org>.

Figure 11. Quarterly COFER Reporters: 2001 vs. 2014



Following consultations with reporting economies and other stakeholders, and endorsement of the *IMF Committee on Balance of Payments Statistics (BOPCOM)*, STA implemented a number of important CPIS data enhancements beginning with the June 2013 measurement date. The enhancements include increasing the frequency (from annual to semiannual) and timeliness (a dissemination lag of less than nine months) of the data. In addition, data are now collected on the institutional sector of the foreign debtor, and on short or negative positions, on an encouraged basis. Further, with the aim of aligning the outputs with user demands for more granular data on a “from-whom-to-whom” basis, the revised CPIS reporting form includes an additional disaggregation on the institutional sector of resident holders cross-classified by the institutional sector of the nonresident issuers of securities, for securities issued by 25 economies with systemically-important financial sectors. 56 economies submitted end-June 2013 data, compared to 78 economies that reported data for end-December 2012.

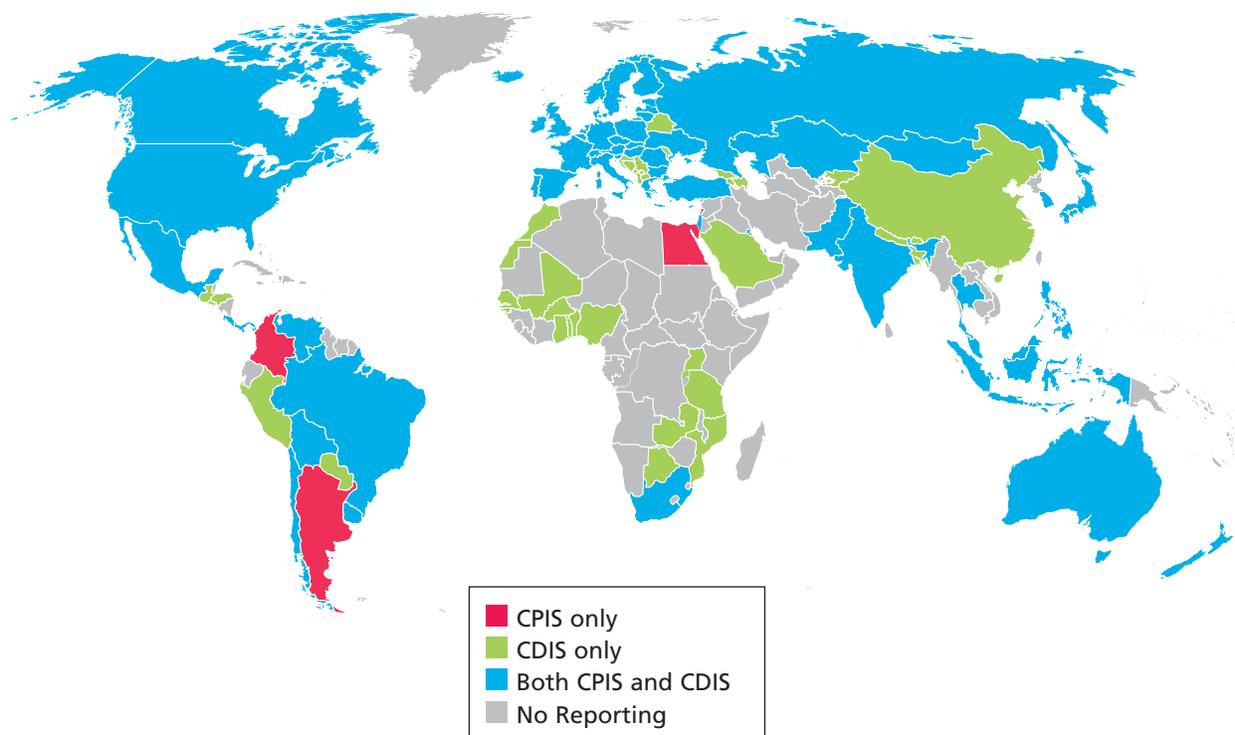
Coordinated Direct Investment Survey (CDIS)

In June 2014, STA released revised results from the CDIS, a worldwide survey¹⁶ of bilateral direct investment positions.¹⁷ The results, published

¹⁶ The survey is conducted annually since 2009, with revised data released semi-annually.

¹⁷ Direct investment is a category of cross-border investment

Figure 12. Reporting to the IMF’s Coordinated Direct and Portfolio Investment Surveys
(Reporters as of end-2012)



as an online database,¹⁸ comprise direct investment positions data for participating economies from end-2009 through 2012. The revised results include data for 101 economies in 2012. All participants in the CDIS provided data on their inward direct investment, and many participants (70 economies for 2012) also provided data on their outward direct investment. The preliminary results of the CDIS for end-2013 are expected to be released in December 2014.

The CDIS database presents detailed position data on inward direct investment cross-classified by economy of investor, and data on outward direct investment cross-classified by economy of investment (Figure 12). It contains breakdowns of direct investment positions including,

in most instances, separate data on net equity and net debt positions, as well as tables that present “mirror” data, in which data from the reporting economy are shown side-by-side with the data obtained from all other counterpart reporting economies. Mirror data may be compared to a country’s own estimates vis-à-vis the counterpart and are thus useful in highlighting data gaps or errors and identifying areas where follow up efforts may prove beneficial. In July 2014, a paper on the CDIS Project on Bilateral Asymmetries was published on the CDIS webpage.¹⁹ The CDIS website also allows users access to metadata reports (which provide information on the characteristics of the data reported by a given country, including its data coverage and compilation methodology).

where a resident in one economy has control or a significant degree of influence on the management of an enterprise resident in another economy.

¹⁸ Available publicly at <http://cdis.imf.org> and via the IMF eLibrary.

¹⁹ Coordinated Direct Investment Survey (CDIS): Project on Bilateral Asymmetries; June 2014.

Box 8. The IMF Committee on Balance of Payments Statistics (BOPCOM)

BOPCOM was established by the IMF Executive Board in 1992 to improve the availability, consistency, and reliability of balance of payments and IIP statistics worldwide and foster greater coordination of data collection among countries. Its terms of reference were updated in 2011 to clarify its mandate, indicating that *BOPCOM* also advises the IMF on how to respond to

data gaps in external sector accounts. The committee includes members from all regions of the world and income levels, as well as participants from other regional and international organizations. The papers, summary of discussions, and Annual Reports are posted on the IMF website at <http://www.imf.org/external/bopage/bopindex.htm>.



BOPCOM Meeting in Muscat, Oman in October 2013

Remittances

The *International Transactions in Remittances: Guide for Compilers and Users (RCG)* presents concepts, definitions, and classifications relating to the coverage and estimation of remittances.²⁰ The *RCG* identifies the main remittances compilation methods currently being used by compilers, and seeks to address the need for practical compilation guidance to improve the quality of estimates. It is the first manual providing compilation guidance for remittances.

²⁰ The *RCG* is available in Arabic, Chinese, English, French, Russian, and Spanish in hardcopy and available on the IMF website at <http://www.imf.org/external/np/sta/bop/remitt.htm>.

Statistics on International Trade in Services

STA continues to participate in the inter-agency *Task Force on Statistics of International Trade in Services (TFSITS)*. The *TFSITS* is nearing the finalization of a *Compilers Guide for the Manual on Statistics of International Trade in Services (2010 MSITS)*²¹ to help countries develop a high-quality and effective data collection, processing, and dissemination system in compliance with the *2010 MSITS*. The preparation of the *Compilers Guide* has been supported by an Expert Group, in which STA is represented to ensure consistency with the *BPM6 Compilation*

²¹ It is available in hardcopy and in electronic format at <http://unstats.un.org/unsd/tradeserv/TFSITS/manual.htm>.

Box 9. Towards a Better Understanding of Reasons for Cross-Sector Data Inconsistencies

STA's research into data inconsistencies found that some inconsistencies across macroeconomic datasets exist in most countries, regardless of their size and level of development. Such inconsistencies may arise for various reasons, including methodological differences (e.g., regarding classification, sectorization, valuation) and different data vintages.

STA has recognized the importance of building and maintaining a list of methodological differences among

the various statistical manuals. To this end, an external expert was tasked to review the main statistical manuals (the *2008 SNA*, the *BPM6*, the *GFSM 2014*, the draft *MFSCG*, and the pre-publication draft of the *Handbook on Securities Statistics*) to identify differences in valuation methods, institutional sectors, types of financial instruments, level of consolidation, and timing. The outcomes of the review have been documented in an internal report that will be developed into a public document to benefit the wider statistical community.

Guide. The release of the *Compilers Guide* is expected before the end of 2014.

Cross-Sector Data Consistency Initiative

In recent years, STA has stepped up its efforts to minimize inconsistencies across macroeconomic datasets in its disseminated data and to understand reasons for inconsistencies that remain outstanding (Box 9). Better and more consistent data are essential pre-requisites for the formulation of appropriate macroeconomic and financial policies. In recognition of the importance of cross-sector consistency among the different mac-

roeconomic data sets (real, external, fiscal, and monetary and financial sectors) for sound analysis and surveillance, in early 2012 STA established the *Cross-Sector Consistency Group (CSCG)*. It aims to provide a forum for identifying and discussing data inconsistencies, and for developing plans and taking actions to address them, in collaboration with reporting countries. Cross-sector consistency work supports STA's data quality improvement goals, as articulated in several Board papers, including *Data Provision to the Fund for Surveillance Purposes*, the *G-20 Data Gaps Initiative*, and the *Fund's Data Standards Initiatives*.

Data and Surveillance

Data Gaps Initiative

Background

In response to the 2008–09 global financial crisis, STA has been working closely with countries and other international organizations to fill the major data gaps revealed by the crisis. Among various global data initiatives, the primary focus continues to be the IMF/Financial Stability Board (FSB)'s *G-20 Data Gaps Initiative* launched in 2009 and endorsed by the *G-20 Finance Ministers and Central Bank Governors (FMCBG)* and the IMF's *International Monetary and Financial Committee (IMFC)*. The DGI is a comprehensive multi-year project that includes 20 recommendations to address data gaps in four main areas: (i) build-up of risks in the financial sector, (ii) cross-border financial linkages, (iii) vulnerability of domestic economies to shocks, and (iv) improving communication of official statistics, as identified in the report on *The Financial Crisis and Information Gaps* presented to the *FMCBG* in November 2009.²² By enhancing the existing statistical framework and fostering the development of new ones, the DGI aims to create a global reporting system that will comprehensively monitor global financial and nonfinancial flows and stocks to facilitate better policy analysis and decision making.

Addressing the Data Gaps—Progress to Date

Five years after the launch of the DGI, significant progress has been made in implementing the 20 DGI recommendations (Figure 13). Most of the recommendations on the development of conceptual/statistical frameworks are completed or close to completion. Enhancements of datasets are being made by all G-20 economies, with the majority of the recommendations expected to be completed by end-2015 or early 2016. The

successful implementation of the DGI reflects strong commitment and ownership by the G-20 economies, the intensified collaboration among international agencies, and the high-level support from the *FMCBG*; their Communiqué issued in July 2013 called for the closing of the data gaps identified under the DGI as a prerequisite for enhancing policy analysis.

At the international level, work on the DGI has been coordinated by the *Inter-Agency Group on Economic and Financial Statistics*, which was established in late-2008. IAG is chaired by the IMF, and encompasses the BIS, the ECB, Eurostat, the OECD, the United Nations (UN), and the World Bank. Through its regular consultations and meetings, the IAG has been very successful in coordinating efforts among its member agencies to address data gaps and accelerate progress in filling these gaps. In particular, the strengthened coordination across IAG member agencies is helping to improve data cooperation, raise efficiency by avoiding duplication of efforts, and reduce the reporting burden on countries.

At the national level, progress on the DGI is underpinned by a broad consultation process with the G-20 economies. In the first half of 2014, STA undertook bilateral consultative missions to individual G-20 economies to discuss progress in implementing the DGI recommendations, propose the definition of implementation targets for DGI recommendations and the possible time-frame for completion, and solicit views on the future of the DGI. In May 2014, STA, the ECB, and Eurostat jointly organized a regional conference for the European economies in Frankfurt to address specific issues facing these economies.

The consultation process culminated in a global conference on the DGI, jointly hosted by

²² See <http://www.imf.org/external/np/g20/pdf/102909.pdf>.

Figure 13. Progress Made under the G-20 Data Gaps Initiative
(As of August 2014)

	Conceptual/statistical framework needs development	Conceptual/statistical frameworks exist and ongoing collection needs enhancement
Build-up of risk in the financial sector	<ul style="list-style-type: none"> ● # 3 (Tail risk) ● # 4 (Aggregate Leverage and Maturity Mismatches) ● # 6 (Structured products) 	<ul style="list-style-type: none"> ● # 2 (FSIs) ● # 5 (CDS) ● # 7 (Securities data)*
Cross-border financial linkages	<ul style="list-style-type: none"> ● # 8 and # 9 (G-SIBs Data) ● # 13 (Financial and Nonfinancial Corporations cross-border exposures) ● # 14 (Financial and Nonfinancial Corporations cross-border exposures) 	<ul style="list-style-type: none"> ● # 10 (IBS&CPIS-Participation) ● # 11 (IBS&CPIS-Enhancement) ● # 12 (IIP)
Vulnerability of domestic economies to shocks	<ul style="list-style-type: none"> ● # 16 (Distributional Information) 	<ul style="list-style-type: none"> ● # 15 (Sectoral Accounts)* ● # 17 (GFS) ● # 18 (Public Sector Debt) ● # 19 (Real Estate Prices)
Improving communication of official statistics		<ul style="list-style-type: none"> ● # 20 (PGI)

● Completed.

● Significant progress made and close to completion.

● Relatively slow progress.

* These recommendations are considered complete based on the DGI recommendations, however more work is needed to ensure full implementation of the frameworks post 2015.

the FSB and the IMF in Basel in June 2014. The global conference gathered around 60 senior users and statisticians from the G-20 economies, IAG members, and non-G-20 member economies of the FSB. Participants reviewed the progress and challenges in implementing the DGI, as well as the use of the DGI and its importance for policy work. They also agreed on the implementation targets for completing the recommendations and the future work plan. In particular, participants stressed the importance of keeping the momentum to complete all the recommendations, including for all G-20 economies to participate in the key datasets such as the IMF's *CPIS*, the BIS' *International Banking Statistics*, public sector debt statis-

tics, and real estate price statistics, as well as continuing the work on the *Global Systemically Important Financial Institutions (G-SIFIs)*, sectoral accounts and balance sheets, and GFS. On the way forward with the DGI, participants were of the view that the current phase of the DGI could be completed in 2015 and its second phase could start in 2016 to strengthen and consolidate the progress to date. The main goal for the second phase would be to promote the comparability of national datasets presently covered by the DGI across the G-20 economies, as well as improve the quality, completeness, timeliness, frequency, and general robustness of the data. The outcomes of the consultation were reflected in the fifth annual IMF/FSB progress

Table 1. Number of Reporters Providing Data for Publication by STA

	Number of Reporters	Dataset Website
Balance of Payments Statistics (BOP)	201	http://elibrary-data.imf.org
Coordinated Direct Investment Survey (CDIS)	108	http://cdis.imf.org http://elibrary-data.imf.org
Coordinated Portfolio Investment Survey (CPIS)	78	http://cpis.imf.org http://elibrary-data.imf.org
Currency Composition of Official Foreign Exchange Reserves (COFER)	146	http://www.imf.org/external/np/sta/cofer/eng/index.htm
Direction of Trade Statistics (DOTS)	197	http://elibrary-data.imf.org
Monetary Statistics Using Standardized Report Forms (SRFs)	142	http://elibrary-data.imf.org
Financial Access Survey (FAS)	189	http://fas.imf.org http://elibrary-data.imf.org
Financial Soundness Indicators (FSIs)	95	http://fsi.imf.org http://elibrary-data.imf.org
Government Finance Statistics (GFS)	174	http://elibrary-data.imf.org
International Financial Statistics (IFS) ¹	196	http://elibrary-data.imf.org
Reserves Template	80	http://elibrary-data.imf.org http://www.imf.org/external/np/sta/ir/IRProcessWeb/dataguide.htm

¹Includes monetary and financial statistics, exchange rates, interest rates, and other economic indicators.

report on the DGI to the *FMCBG* completed in September 2014.²³

Data Availability

A key objective of the IAG is to improve data availability in financial and related statistics, by mobilizing existing resources, building on the comparative advantages of each agency, and supporting data cooperation in a coordinated manner. In this regard, the IAG launched the *Principal Global Indicators* website in April 2009.²⁴ It provides selected statistical tables to facilitate the monitoring of economic and financial devel-

²³ Following the endorsement by the G-20 of the recommendations in November 2009, four progress reports (May 2010, June 2011, September 2012, and September 2013) have been submitted. These reports are available on the IMF's website under "IMF and the Group of Twenty"; the fifth progress report will be posted later in the year.

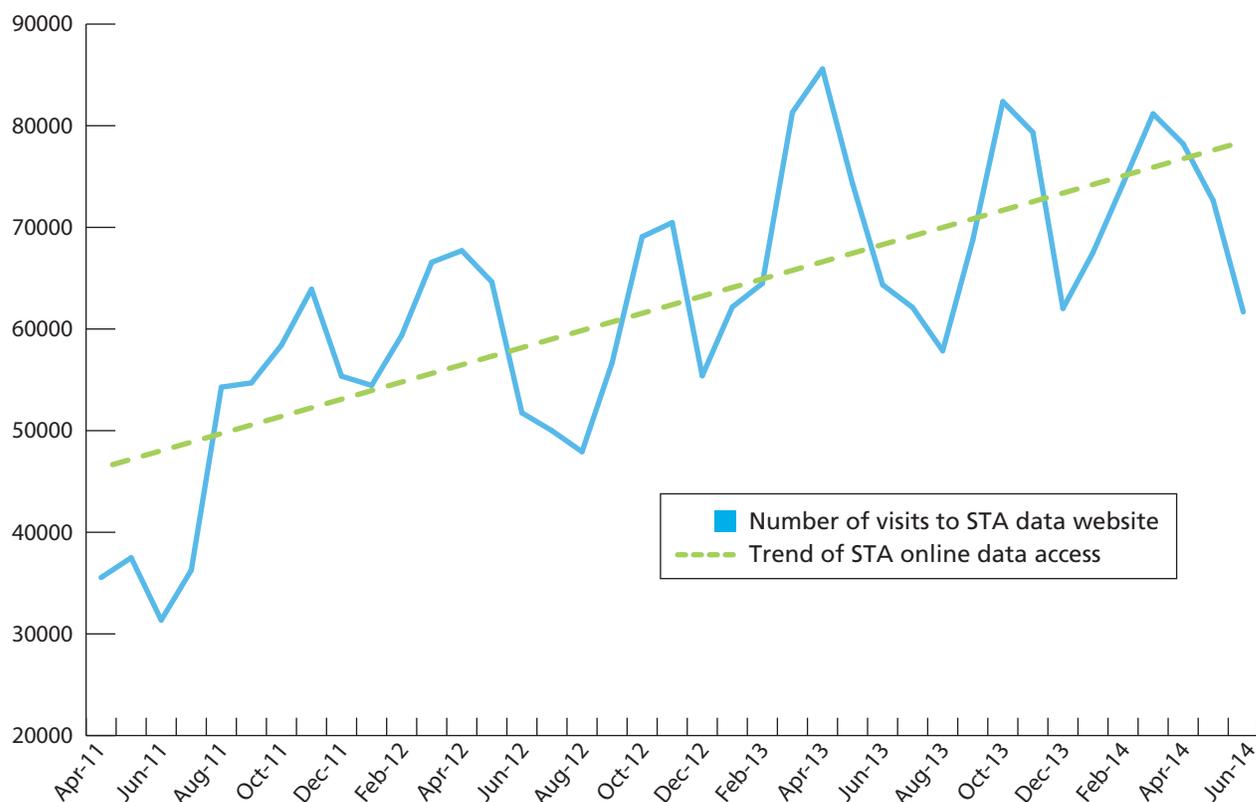
²⁴ See <http://www.principalglobalindicators.org>.

opments for the G-20 economies and the other economies with systemically-important financial sectors that are not members of the G-20.²⁵ It includes a cross-country table of key indicators in comparable units of measure, long series of historical data through real-time access to the underlying PGI database, and a visual display of key indicators.

Technical enhancements to the PGI have been made through the years. This included the release of a downloadable iPad/iPhone application and a *Statistical Data and Metadata Exchange (SDMX)* web service. In addition, the statistical contents of the PGI website are

²⁵ In December 2013, the IMF expanded the list of economies with systemically-important financial sectors to include Denmark, Finland, Norway, and Poland. Data for these economies are not presently on the PGI.

Figure 14. Number of Website Visits to all STA Datasets by External Users
(April 2011–June 2014)



Includes International Financial Statistics, Direction of Trade Statistics, Balance of Payments Statistics, Government Finance Statistics, Financial Soundness Indicators, Coordinated Portfolio Investment Survey, Coordinated Direct Investment Survey, Financial Access Survey, Currency Composition of Official Foreign Exchange Reserves.

being continuously enhanced. In the past year, the PGI provided a new navigation table for “Cross-Border Positions”, facilitating the identification of, and access to, the latest available data on such positions. In addition, a CPI aggregate for the G-20 was introduced, as well as a standard GFS template that expanded the content of these data.

Data Management and Publications

Transforming Users’ Experience of STA Data

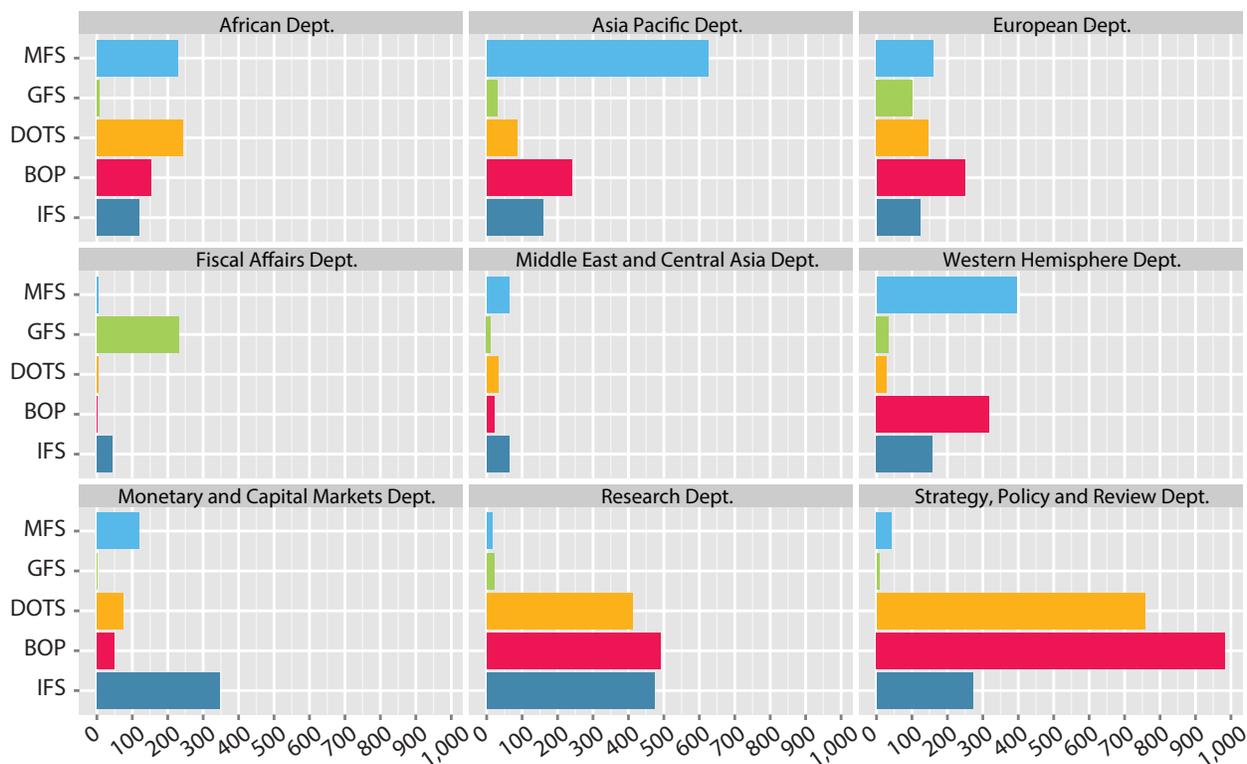
Working with IT colleagues and vendors, STA has developed new tools to help users visualize, download, interrogate, and share data from the IMF’s data warehouse. The new tools, available to users in the fall of 2014, will also improve STA’s productivity, by tightly integrating data

processing and publishing systems. The new tools will help STA respond to changing needs by simplifying access to new datasets.

STA’s increasing emphasis on internet-based data access reflects the change in users’ preferences (Figure 14). Research shows that most users access STA data online, and moving publications from print to electronic formats would impact very few users. STA is considering plans to cut the volume of printed material by reducing the frequency of printed publications, while increasing the frequency of online data updates.

To help print users move to online access of data, STA has expanded its outreach activities aimed at making users aware of the features of the eLibrary data website. In addition to month-

Figure 15. Users of STA Data in the Fund
 (Number of time series (thousands) downloaded during 2013Q3–2014Q1)



Notes:
 MFS: Monetary and Financial Statistics, GFS: Government Finance Statistics, DOTS: Direction of Trade Statistics, BOP: Balance of Payments Statistics, IFS: International Financial Statistics.
 Data include downloads from DMX and EDSS.

ly training webinars, STA staff has made presentations about the site at a range of library conferences and in a number of IMF training courses. STA continues to seek new ways of reaching out to users to help them understand and access the broad collection of economic and financial statistics published by STA (Table 1).

STA Data: Serving Fund Surveillance and Policy Work

STA is constantly striving to meet the needs of internal data users, in particular area department country teams. Leveraging the recent area departments' migration effort to structured databases, STA is providing tools that facilitate access to data by country desks. These tools include the Integrated Monetary Database

and the Integrated Government Finance Database, which allow for a seamless integration of STA's data into core Fund activities.

These efforts are showing dividends. On an average quarter, over 2 million time series are downloaded from various STA databases by IMF staff (Figure 15). This number implies that the same time series is downloaded multiple times during a quarter by the same individuals in an effort to access the most recent official figures made available by STA.

Collaborating on Statistical Standards and Making them Work in Practice

STA actively contributes to developing and applying statistical standards aimed at improving how

Box 10. An African Solution to Data Collection

STA is using an African solution to a pressing problem afflicting the Fund and other international organizations. Agencies in African countries receive a deluge of data requests from a wide range of international agencies, donors, researchers, civil society, and citizens. Fulfilling these requests takes a huge amount of time—time that could be better spent collecting and compiling new statistics.

STA has contributed to this problem by requesting large volumes of economic and financial data from central banks, national statistical offices, and ministries of finance. More recently, STA has been working to be part of the solution by taking advantage of a new toolset created by Africa, for Africa.

The *Open Data Platform for Africa* was developed by the African Development Bank (ADB) at the urging of its member countries. Countries use the platform to

upload data to a secure website in “the cloud” and publish data following Open Data principles. STA, in close collaboration with the ADB, has linked its data collection system to the Open Data Platform so that countries can submit data to the Fund with one click, greatly reducing the reporting burden.

STA has invited other international agencies to the Open Data Platform. Once multiple international organizations come on board, countries will only need to upload data once for many agencies to consume.

Fourteen countries have adopted the platform following joint missions from STA and the ADB, making over 100 datasets available for countries to submit to the IMF. Those countries include Botswana, Ghana, Lesotho, Mauritius, Morocco, Namibia, Nigeria, Rwanda, Sierra Leone, Swaziland, Uganda, Tanzania, Tunisia, and Zambia.

statistics offices operate and how they exchange data. IMF is a member of the SDMX Sponsors Committee. The SDMX aims to provide technical standards and content guidelines to streamline data exchange between international organizations and national agencies. STA contributes to setting the standards and guidelines by participating in governing bodies and working groups. It also focuses on making SDMX a major avenue for collecting and disseminating data.

In the past year, STA has been very active in promoting the implementation of SDMX in three areas:

- First, countries adhering to the SDDS Plus must disseminate SDDS Plus data in SDMX formats, in addition to the national presentation formats. STA is actively working with a selected number of countries to assist them in publishing their SDDS Plus data on the prescribed National Summary Data Page (NSDP) in SDMX format.²⁶

²⁶ The SDDS Plus (discussed ahead) is the third and highest tier of the IMF’s Data Standards Initiative to which no country has yet adhered.

The availability of these data in an internationally agreed machine-readable format (SDMX-ML) will greatly enhance access to data disseminated by countries and support complete automation of the IMF monitoring of countries’ undertakings under the SDDS Plus.

- Secondly, STA has partnered with the African Development Bank (ADB) to more easily collect data from African countries by using SDMX tools in their Open Data Platform for Africa (Box 10).
- Finally, STA has led the work in developing a Data Structure Definition (DSD) for global use to exchange external sector statistics.

STA has adapted its data collection processes to automate receiving, validating, and processing data transmitted using the SDMX formats (Box 11). STA believes that this initial investment will have important dividends, providing more timely and accurate data to users. It will also reduce reporting burdens on countries, as data provided once in SDMX formats will serve the needs of many users.

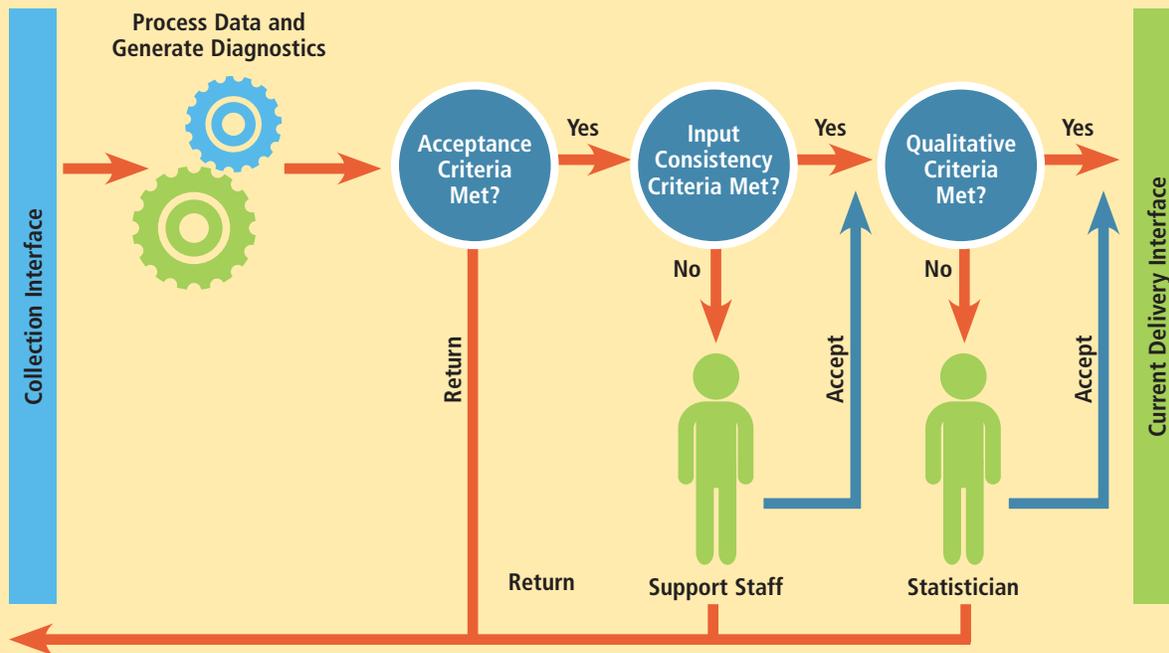
Box 11. “Streamline, Standardize, Automate”: STA’s Approach to Modernizing its Data Production Systems

STA is taking the lead in many initiatives to increase the volume of, and access to, highly relevant data, notably through the G-20 Data Gaps Initiative. This is expected to significantly enhance the volume and timeliness of data disseminated by STA over the next five years.

To this end, STA intends to streamline, standardize and automate its operations to a large extent and leverage the more modern data management environment that has been developed recently. The initiative, a component of STA’s approach to modernizing the IMF’s statistical data and metadata management, is expected to increase efficiency of the statistical data management. The benefits of this standardization will be realized through the implementation of an end-to-end data production process that encompasses the collection, validation, processing, and disseminating of data.

The new end-to-end system, which has already been implemented for a selected number of STA datasets, will thus support a seamless flow of the data through the production process. A single data transformation to the common STA data model will occur at the collection phase. Following the automated validation checks, data will automatically flow to the dissemination stage without any need for human intervention. Data requiring action will be presented to staff together with a validation report that will guide further action, speeding up the entire process.

STA is gradually implementing these new processes and expects to complete the migration to the new environment over the course of the next three years.



STA continues to use SDMX to improve efficiency in disseminating data, including through the IMF Data Warehouse, the IMF Data Mapper, IMF eLibrary mobile app, and PGI Data Explorer mobile app. Use of SDMX

has reduced the time needed to support and maintain these applications.

Finally, STA contributes to global work to build and improve the process and information

models, driving efforts to modernize statistical processes in a wide range of statistics agencies.

Standards for Data Dissemination

The IMF's Data Standards Initiatives are designed to promote the dissemination of timely and comprehensive statistics, thereby contributing to the formulation of sound macroeconomic policies and the efficient functioning of financial markets:

- The SDDS was established in 1996 to guide members that have, or that might seek, access to international capital markets in providing their economic and financial data to the public.
- The GDDS was established in 1997 to guide countries in the provision to the public of comprehensive, timely, accessible, and reliable economic, financial, and socio-demographic data.
- The SDDS Plus was created in 2012 as the third and highest tier of the IMF's Data Standards Initiatives to help address data gaps identified during the global financial crisis, including in the context of the G-20 Data Gaps Initiative.

These data standards play an important role in enhancing data transparency and promoting data quality, with almost universal coverage of the IMF membership. As of July 2014, there are 71 SDDS subscribers and 112 GDDS participants—leaving only a small fraction of the membership outside any standard. Since the establishment of the Data Standards Initiatives, 12 countries have graduated from the GDDS to the SDDS, with the launch of the SDDS Plus planned for late 2014.

As underlined during the First IMF Statistical Forum held in November 2013 (see Box 4), these international standards foster consistent approaches to disseminating data, yielding the advantages of comparability and accuracy in measurement across countries, which are essential for effective policy making and surveillance.

SDDS Plus

The SDDS Plus is open to all SDDS subscribers, especially those with systemically important financial sectors. STA is working with countries to implement this new initiative. As the highest tier of the Data Standards

Initiatives, the SDDS Plus includes rigorous data dissemination practices designed to further improve transparency and strengthen the international financial system.

The SDDS Plus involves standards for nine additional data categories beyond those in the SDDS, which adherents must commit to observe by the end of 2019. A driving principle underlying the SDDS Plus is the encouragement of the use of internationally accepted statistical methodologies for all data categories. In this regard, STA has recently published two clarification notes on the treatment of (i) non-autonomous unfunded government employee pension schemes in the General Government and Sectoral Balance Sheets Data Categories; and (ii) other accounts payable in General Government Total Gross Debt (in nominal values) and Sectoral Balance Sheets Data. These notes supplement the *SDDS Plus: Guide for Adherents and Users 2013*, which was published in late-2013 and is available on the DSBB.

Other recent SDDS Plus developments include extending the prescribed timeliness for three of the additional data categories: sectoral accounts, other financial corporations survey, and debt securities from one-quarter to four months. STA has also advanced work on the infrastructure to facilitate the transfer of data using the SDMX and on a new data platform to support the SDDS Plus. A *National Summary Data Page: Technical Implementation Guide* is being finalized to assist countries in revamping their national summary data pages. In addition, STA has conducted a number of outreach activities to inform, train, and advise country officials on SDDS Plus implementation, including at international meetings and a SDDS Plus Conference hosted by the European Central Bank in May 2014.

SDDS and GDDS Developments

SDDS subscription remains steady. Annual reports on individual subscribers' observance of SDDS undertakings are posted on the DSBB; and observance reports for 2013 were posted on the DSBB in May 2014. With the IMF Executive

Board's 2010 decision to prescribe quarterly international investment position data with quarterly timeliness taking effect in September 2014, STA also continued efforts to increase the number of quarterly IIP reporters, in line with these requirements.

Since August 2013, three countries— Myanmar, Marshall Islands, and Cook Islands— began participating in the GDDS, raising the total to 112 GDDS countries (excluding the economies that have graduated from the GDDS to the SDDS).

With the objective of keeping pace with recent data initiatives that are pushing advanced and emerging market countries' data dissemination even further ahead of GDDS participants, the IMF has initiated broad consultations with member countries on modernizing the GDDS framework. Such modernization will aim at (i) creating incentives for participants to make steady progress toward developing statistical capacity, in particular, through data dissemination; (ii) supporting graduation to the SDDS, especially for those countries already borrowing on international markets; (iii) addressing data shortcomings, especially those that significantly hamper surveillance, in line with the IMF Executive Board's ongoing guidance; and (iv) ensuring that statistics are produced and disseminated for use by policy makers, the private sector, and the public more generally. The outcome of these consultations will inform the design of GDDS modernization proposals to be presented for the IMF Executive Board's consideration at the Ninth Review of the Fund's Data Standards Initiatives.

Support of IMF Surveillance

Data provision is an essential element in the IMF's surveillance, and STA plays a role in policy formulation and implementation. In addition to reviewing policy and country staff reports in the context of Article IV consultation discussions, the department is involved in cases where data have either shortcomings or serious shortcomings that significantly hamper surveillance. In these cases, STA works with country teams to ensure that surveillance adequately covers such data problems,

Donor-Funded GDDS Projects

STA is implementing two data dissemination projects supported by donors: (i) the GDDS Program funded by the Government of Japan; and (ii) Strengthening the Data Framework and Dissemination Module of the Enhanced Data Dissemination Initiative (EDDI) funded by the United Kingdom Department for International Development (DFID).

Under the GDDS Program, STA has been assisting 13 developing countries to participate in the GDDS through technical assistance and workshops. The countries include seven from the Pacific Islands (Marshall Islands, Federated States of Micronesia, Palau, Papua New Guinea, Samoa, Tuvalu, and Cook Islands), three Asian countries (Lao PDR, Myanmar, and Timor-Leste), and three from the Middle East and Central Asia region (Iran, Turkmenistan, and Uzbekistan). As of July 2014, nine of these countries participated in the GDDS. The most recent GDDS workshop was held in Suva, Fiji (April 2014).

Using the GDDS framework, the Strengthening the Data Framework and Dissemination Module of the EDDI project has supported work to develop and disseminate data and metadata, and develop and implement plans for statistical improvement by Anglophone African and neighboring countries. The focus of the module is to (i) assist countries that do not yet participate in the GDDS to join; (ii) identify weaknesses in the statistical systems and put in place developmental plans for each participant consistent with its medium-term budget; (iii) assist countries in preparing NSDPs and advance release calendars to enhance dissemination; and (iv) assist countries that have expressed interest in subscribing to the SDDS to identify shortcomings and commit to an action plan to make the necessary improvements.

On the data dissemination front, the IMF is participating in an African Development Bank-led initiative for an Open Data Platform that will allow countries to submit their data to be automatically translated into the different formats of international agencies and donors (see Box 10 above). This would give a boost to the production and publication of NSDPs. A workshop for EDDI countries was conducted in July 2014 to introduce the coordinated system to the countries and train them in its use.

including strategies for improvement and the authorities' dissemination policies.

Over the past year, together with the IMF's Strategy, Policy, and Review Department, STA revised the staff *Guidance Note on Data Provision*

Box 12. Collaboration with Other IMF Departments

STA is committed to inter-departmental collaboration. In the field of fiscal data, in 2013 the IMF Executive Board reconfirmed its earlier guidance to use the GFS framework as the standard for presenting the Fund's fiscal data. Following the IMF's Board decision, STA has provided guidance and assistance on the *GFSM* framework to area department staff in collaboration with FAD fiscal economists. As a result, staff reports for more than 70 percent of countries have adopted the *GFSM 2001* format, which makes the data more comparable across countries or across regions. It also means that users can switch back and forth more easily between the staff report, WEO and Fiscal Monitor data and data included in the *GFSY*.

STA has also collaborated with FAD on Fiscal Transparency. In the last 12 months, STA staff has participated in FAD's pilot Fiscal Transparency Evaluations (FTE) for the Philippines, Portugal and Russia, with more evaluations scheduled for the next year. The draft *Fiscal Transparency Code* includes a fiscal reporting pillar aligned with *GFSM* methodology and will be published shortly.

Furthermore, STA participated in the FSB working group on the Global Legal Entity Identifier (LEI),¹ jointly with the IMF's Legal Department (LEG). STA and LEG strongly encouraged the development of LEIs given their critical importance in improving the monitoring of systemic risk, while enabling financial institutions to more effectively gauge and manage counterparty exposure. This work culminated in the creation of the Regulatory Oversight Committee (ROC) of the LEI System. Based on an IMF Policy Paper jointly prepared by STA and LEG, the IMF Executive Board approved in September 2013 the Fund's participation in the LEI

¹ A unique ID associated with a single legal entity, LEIs allow for the identification of parties to financial transactions, facilitating a consistent and integrated view of exposures.

ROC as an observer. STA represents the Fund as an observer at the ROC.

STA also participated in preparing a joint Board Paper on *Key Aspects of Macroprudential Policy*, undertaken jointly with FAD, MCM, RES and SPR. This paper was discussed by the IMF Executive Board in July 2013. It proposes a framework to inform the IMF's country-specific advice on macroprudential policy, building on recent advances. As such, the paper (i) recalls the definition and sets out the scope of macroprudential policy; (ii) offers analysis of key issues arising in ensuring the effectiveness of macroprudential policy; (iii) examines interactions between macroprudential and other public policy areas; (iv) describes key steps in operationalizing macroprudential policy; and (v) and discusses issues to be considered when setting up the institutional framework underpinning macroprudential policy. Furthermore, the paper sets out the role of the IMF to help ensure that macroprudential policy can be pursued effectively in support of domestic and global stability.

Finally, STA contributed to the chapter on shadow banking in the forthcoming October 2014 *Global Financial Stability Report*, in collaboration with the IMF's Monetary and Capital Markets Department (MCM). The chapter focuses on global shadow banking developments and related stability issues. STA contributed by developing an alternative approach to measuring shadow banking activities, using monetary data obtained from the standardized report forms, which is based on a forthcoming IMF working paper. The alternative measure focuses on capturing non-traditional (noncore) liabilities of both bank and nonbank financial institutions. As opposed to existing measures, the new measure captures non-traditional financial intermediation that occurs within traditional banks, thus filling a gap in the estimation of the size and interconnectedness of shadow banking.

to the Fund for Surveillance Purposes. The *Guidance Note* draws on the Executive Board's 2012 recommendations to strengthen the coverage of data issues in the Article IV consultations and in staff reports, including through the use of templates to accurately describe such issues, in order to improve transparency and evenhandedness. STA also collaborated with other departments in support of selected surveillance issues (Box 12).

STA also contributed to the IMF's *Pilot External Sector Reports*, which present a multilaterally consistent assessment of the largest economies' external sector positions and policies. In support of bilateral surveillance, STA participates in area department missions, including to crisis countries in Europe and fragile states, where specialized statistical knowledge is required to provide the relevant technical assistance and guidance and help country authorities address data shortcomings.

Moreover, STA, in collaboration with a small group of central banks, the BIS, and SPR, has advocated the establishment of a regular monitoring framework for bilateral cross-border financial flows. The purpose of this project is to map the *Global Flow of Funds (GFF)*. The GFF aims to capture cross-border financial inter-linkages that are reflected in a country's macroeconomic and financial statistics. In particular, this approach can strengthen the analysis of cross-border financial interconnectedness, which has become increasingly important in recent years, as the volume of gross financial flows has increased sharply. The project began with a focus on a few advanced countries: the United States, the United Kingdom, the Euro Area, Japan, Hong Kong SAR, Switzerland, and Singapore.

Data Quality

STA actively supports the compilation and dissemination of high-quality, timely, and com-

prehensive macroeconomic data through the Fund's Data Standards Initiatives—SDDS, SDDS Plus, and GDDS—and the *Data Quality Assessment Framework (DQAF)*. The DQAF helps support high-quality data through transparency and the use of a common structure and language for good practices and internationally accepted concepts and definitions in statistics, including those of the United Nations *Fundamental Principles of Official Statistics*. The DQAF can be used by national producers of official statistics as a tool to document and monitor data quality, by international organizations for their assessment of countries' data quality, and by other data users, including those in the private sector.

The DQAF provides detailed guidance to identify and assess, in a systematic manner, practices in statistical practices, ranging from institutional arrangements to data collection, compilation, and dissemination. The DQAF has recently been updated to reflect methodologies in the *2008 SNA*, *BPM6*, and external debt statistics, as well as to broaden the coverage of the assessment to include the other financial corporations in the monetary and financial statistics sector.

Reports on the Observance of Standards and Codes

The *Report on the Observance of Standards and Codes (ROSC)* initiative was launched as part of efforts to strengthen the international financial architecture. It covers 12 standards, including data. Data module assessments are undertaken using the DQAF. STA has scaled down the number of data module assessments in recent years because of resource constraints, with only one or two such data module ROSCs conducted per year. As of June 2014, 129 data module ROSCs had been completed, including updates and reassessments. Links to the published modules can be found on the IMF website at <http://dsbb.imf.org> (go to DQRS).

Capacity Development

Capacity development (CD)—the transfer of technical knowledge and best practices through TA and training—is one of the IMF’s core activities and is integrated with surveillance and lending operations. High and rising demand for IMF CD has been reinforced by the impact of the global financial crisis. To address rising demand, the IMF has increased delivery of CD in partnership with donors to help member countries better respond to the effects of the global crisis, address identified gaps in their policy and information frameworks, and build institutional capacity.

STA is one of the IMF’s major functional departments that have primary responsibility for CD delivery. Its CD to the IMF’s member countries focuses on strengthening their capabilities to produce, compile and disseminate macroeconomic and financial statistics that are consistent with international statistical standards and methodologies. In the process, STA aims to reap synergies by combining a mix of TA and training to the benefit of recipient countries. The department cooperates closely with regional institutions, as well as other TA providers and development partners in the field.

Statistics CD activities have increased significantly during the last four IMF fiscal years (FY2011–2014), rising by 76 percent in terms of TA delivery and by 68 percent in terms of training events. The mix between statistics TA and training has remained relatively constant during the period, with a ratio of about 85-to-15.

Technical Assistance

The traditional focus of TA in macroeconomics statistics has been on low-income and post-conflict countries. With the recent global

financial crisis, however, TA has expanded to cover emerging and advanced economies as well. Regional Strategy Notes prepared by the IMF area departments—in coordination with other departments, including STA—outline short- and medium-term CD priorities for regions and countries and safeguard a demand-driven approach to prioritization at both levels. Planning and prioritization are further informed by direct interactions with country authorities during the IMF-World Bank Spring and Annual Meetings, diagnostic missions to member countries (e.g., data ROSCs, multi-sector statistics mission), consultations with stakeholders at the Steering Committee meetings of the Regional Technical Assistance Centers (RTACs), and identified data shortcomings in the context of STA’s work on methodologies and international initiatives. STA also attaches priority on providing TA to countries that have serious data shortcomings that hamper the IMF to conduct surveillance or affect the effectiveness of IMF lending operations.

Growing Technical Assistance Demand in Core Statistical Areas

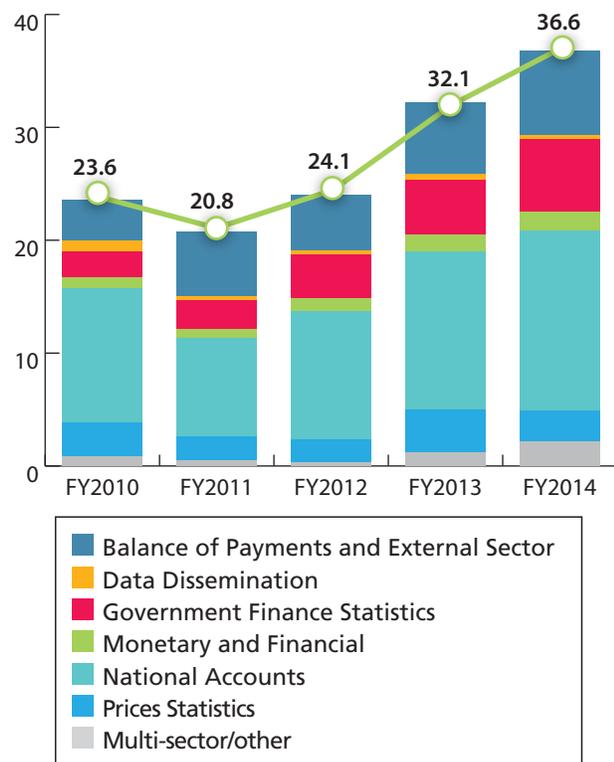
STA’s TA strives to develop new data series and improve the accuracy and reliability of existing series for macroeconomic statistics. Emphasis is also given to various aspects of statistical management and organization, as well as to enhancing accessibility and serviceability of data.

STA offers advice in the following areas of macroeconomic statistics:

- External sector (including balance of payments, international investment position, external debt, remittances, and foreign direct investment statistics)
- Data dissemination

Figure 16. STA TA Delivery by Statistical Area, FY2010–14

(Field time delivery in person-years (FTEs))



- Financial soundness indicators
- Government finance and public sector debt
- Monetary and financial
- National accounts
- Prices

Although the share of TA in national accounts and prices remains the largest, at about half of all STA TA, the increasing availability of external funding over the last few years has allowed a substantial increase in TA on external sector statistics—by one-fourth—and government finance which almost doubled during the observation period (Figure 16). Overall, TA in these three areas accounted for more than four-fifths of STA’s total TA delivery. At the same time, STA was able to sustain TA delivery in monetary and financial statistics and data dissemination.

Increased Donor Funding for Technical Assistance

External funding through the nine RTACs—five in Africa and one each in the Central America, the Caribbean, Pacific, and Middle East regions—multi-donor trust funds, and single-donor bilateral support finances an increasingly large share of STA’s capacity-building efforts (Figure 17). There has been steady growth in the proportion of the CD budget financed by donors over the last several years. As a result, only about 15 percent of STA’s total TA budget was financed by internal resources in FY2014, while the bulk—85 percent, of which 47 percent related to RTACs and 38 percent from other external funds—is financed externally. The major donors of STA’s capacity building projects are the governments of Japan, the United Kingdom, and the Netherlands, but STA is also the only IMF department that benefits from private financing through the Bill and Melinda Gates Foundation for its delivery of CD (Box 13).

Strong Regional Approach in Delivering Technical Assistance

The main vehicle for the delivery of TA continues to be short-term single-topic missions conducted by IMF staff and externally-recruited experts. An important complement to the short-term missions is the placement of currently 20 long-term statistical advisors in the field, including 15 such advisors in the nine RTACs, two in the Technical Assistance Office for Lao PDR and Myanmar in Bangkok, one providing real sector statistics advice in a range of Southeastern and Eastern European countries and the Pacific, and one offering external sector statistics TA in Bangladesh. The strong presence in the field has proven to be an effective instrument for sustained CD, which is why STA has embraced the RTAC TA delivery model. RTACs combine geographical proximity, flexibility, and knowledge of the local context with delivery of high-quality advice under the guidance of functional and area departments. These positive features are being validated regularly by independent evaluations.

STA TA is being provided to more than 130 IMF member countries around the world.

Box 13. STA's External Funding Partners

Japan is STA's largest funding partner, providing generous support across many regions and statistical topics and representing a powerful source of support for IMF member countries. As of May 2014, nine Japanese-funded regional and country-specific programs have been launched and are being implemented:

- Implementation of the System of National Accounts and International Comparison Program in Asia;
- Capacity building for sustainable compilation of real sector statistics in South-Eastern Europe;
- Real sector statistics resident advisors in Bangladesh and Lao PDR;
- Improvement of external sector statistics in the Asia and Pacific region;
- External sector statistics resident advisor in Myanmar covering also Lao PDR;
- Regional government finance statistics in Mainland Asia and the Pacific;
- Enhanced data dissemination program in Asia and Pacific;
- Financial soundness indicators in Africa and Asia and Pacific; and
- Supporting preparations for a Monetary Union for the East African Community, by enhancing the monetary policy and statistical areas in member countries.

The **United Kingdom Department for International Development (DFID)** provides funding for the *Enhanced Data Dissemination Initiative (EDDI)* for Africa. For the last four years, this program has successfully improved the compilation and dissemination of macroeconomic statistics in African countries. Eleven modules are used to provide TA to countries on monetary, balance of payments, government finance, and national accounts statistics.

The **Netherlands** has been funding STA's *Financial Access Survey* since 2011, which is part of the "Access to

Finance Project" launched at the World Bank-IMF Annual Meetings in Istanbul in October 2009. The project aims at collecting internationally-comparable geographic and demographic data on access to basic consumer financial services worldwide through an annual survey. In 2013, The **Bill and Melinda Gates Foundation** also started contributing to the FAS funding.

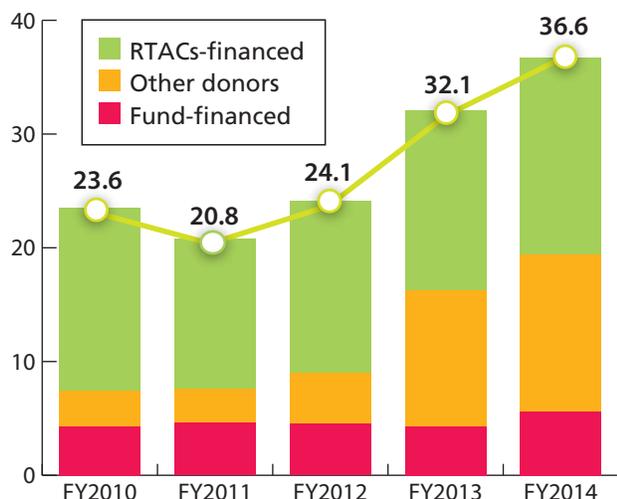
STA's capacity development has benefitted from a number of multi-donor Trust Funds, such as the **South Sudan Trust Fund** (financed by the EU and DFID) and the **Managing Natural Resource Wealth Topical Trust Fund** (financed by Australia, the EU, Kuwait, the Netherlands, Norway, Oman, and Switzerland). The South Sudan Trust Fund program includes TA in monetary, balance of payments, government finance, and national accounts statistics. Prior to the start of the South Sudan Trust Fund implementation, the Government of **Belgium** financed the long-term advisor for monetary and financial statistics in South Sudan. The Managing Natural Resource Wealth Topical Trust Fund includes two modules for STA: (i) CD in national accounts statistics for Mozambique and Sierra Leone; and (ii) a research module for creating a template to collect data on government revenues from natural resources (Box 14).

Under an **EU-financed project**, STA has cooperated with the IMF's Fiscal Affairs Department in enhancing fiscal reporting in Greece. The project resulted in Greece now providing reliable and timely monthly fiscal reports for the general government sector and complying with the EU's directive on fiscal reporting.

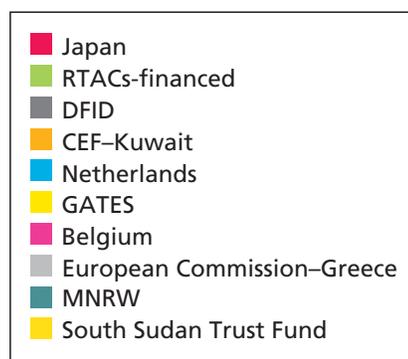
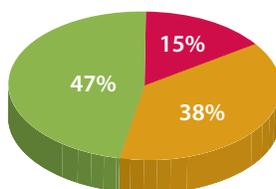
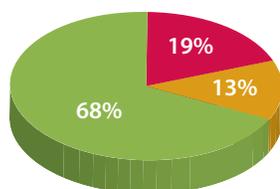
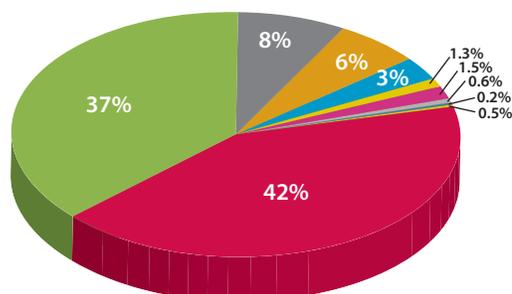
The **Government of Kuwait** fully funds and hosts the *IMF-Middle East Center for Economics and Finance (CEF)* and actively supports the delivery of STA training at the CEF. This facilitates the work of STA staff and experts in improving the ability of officials in the region to compile, disseminate, and analyze macroeconomic statistics.

Figure 17. STA TA Delivery by Funding Sources, FY2010–14

(Field time delivery in person-years (FTEs))



(Percentage share by funding source)



The large number of donor-financed projects and RTACs in Africa has resulted in the region steadily accounting for about one-third of all STA TA over the last few years (Figure 18). TA to other regions has fluctuated in light of several factors, including the launch of new topical projects and the ability to deliver TA in the face of security problems in some regions and countries. In FY2014, TA to Asia-Pacific countries accounted for about one-quarter of all STA TA, while the Western Hemisphere region represented one-fifth, Europe one-eighth, and the Middle East and Central Asia region some 5 percent.

Evaluating the effectiveness of TA remains an integral component of STA's TA program. Evaluations aim to ensure that the resources dedicated to this important member service deliver the expected knowledge transfer and strengthened capacity in a sustainable and cost-effective manner. Based on an already strong track record, STA is redoubling its efforts to enhance accountability, by increasingly gearing TA delivery toward

achieving measurable outcomes. In this context, STA is actively participating in efforts within the IMF to put in place a *Results-Based Monitoring Framework (RBM)* for CD (Box 15). STA also carefully considers all relevant factors before embarking on a new TA or training program, including the demonstrated country demand, the availability of national counterparts and suitable experts, a country's TA ownership track record, and the presence of source data. It is expected that these factors will feed into the new RBM.

Training

STA is the Fund's second-largest provider of training to IMF member countries after the IMF Institute for Capacity Development (ICD). STA's training program continues to be strengthened as a major vehicle for advancing the adoption of internationally accepted statistical methodologies, and an important tool for bolstering the capacity of officials to handle the challenges of compiling and report-

Box 14. Government Revenues from Natural Resources Template

Over the last two years, STA has developed a template to collect data on government revenue from natural resources. For about one-third of the IMF member countries, revenue from oil, gas, coal or other natural resources are macro-critical and form a significant proportion of total government revenue. For these countries, significant fluctuations of these revenues and how these revenues are used have major macro-economic implications. Fiscal policies need to consider these issues, which can be better understood by separating revenues from natural resources from other government revenues.

While fiscal statistics include government revenues that are generated from natural resources, these cannot often be identified separately from other government revenues. Some resource-dependent economies have developed their own classifications of natural

resource revenues. However, in the absence of international standards, these classifications vary considerably from country to country. The template provides a standard tool to collect these data, based on the classifications of the *GFSM 2001*, which will allow cross-country comparability.

The project has benefited from the expertise of the Extractive Industries Transparency Initiative (EITI) Secretariat, Revenue Watch, the World Bank, Statistics Canada, and industry experts. Over the next year, STA will be working with the World Bank and EITI Secretariat to pilot the template with a small group of countries, drawing on funding from the Managing Natural Resource Wealth Topical Trust Fund. The aim will be to produce time series data in the pilot countries and reflect lessons in an updated template which could then be rolled out to a broader range of countries.

Box 15. The Fund's Emerging Results-Based Management Framework

Past reviews of Fund TA have emphasized the need for a more systematic approach to evaluation and better follow-through on implementation. Existing TA evaluations comprise (i) departmental evaluations to self assess the impact of TA advice and extract lessons learned (e.g., through evaluation missions or questionnaires); and (ii) donor-initiated evaluations on specific projects, often outsourced to external evaluators; and (iii) RTAC and Topical Trust Fund evaluations conducted by external evaluators. For Fund training, there have been no reviews that are parallel to TA. Assessments on training are generally conducted using survey techniques that focus on participant satisfaction and training benefits.

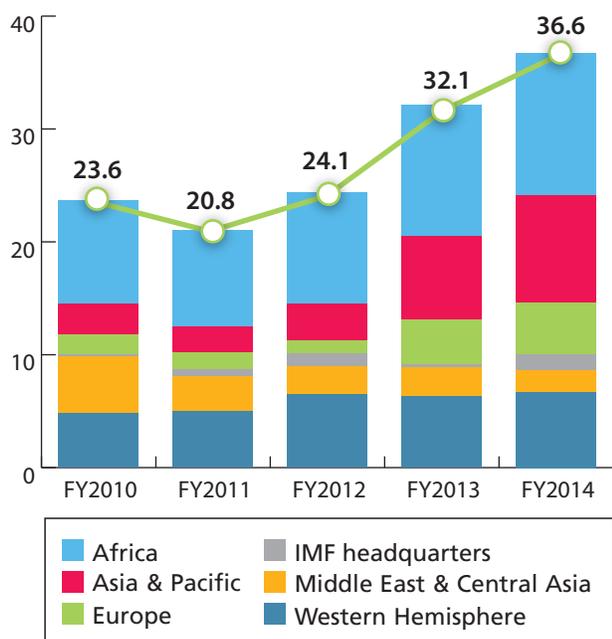
While these evaluations have provided useful insights, they have not systematically measured the impact of TA and training. As a result, the IMF is moving toward strengthening CD governance, by fostering learning from past experiences and establishing a framework for accountability.

One component of a unified approach to evaluation is the Results-Based Management (RBM) framework,

which is being adopted within the Fund. The core feature of the RBM framework is to shift the focus away from outputs (i.e., delivering a TA report) to an emphasis on outcomes (i.e., what the CD effort wants to achieve ultimately, such as quarterly national accounts data becoming available), complemented by a systematic monitoring of the results chain through indicators and milestones to map out the path toward achieving desired outcomes (e.g., such as in the form of a reform plan for adopting new statistical regulation). Once implemented, the RBM will help the IMF understand the circumstances under which CD activities are effective, which in turn will form a basis for prioritizing and adjusting CD activities and further improving the allocation of CD resources. It will also provide a more rigorous framework for reporting the outcomes of CD activities to interested stakeholders within and outside the IMF, including donor partners.

The new Fund-wide RBM system is expected to be ready for piloting by the end of 2014.

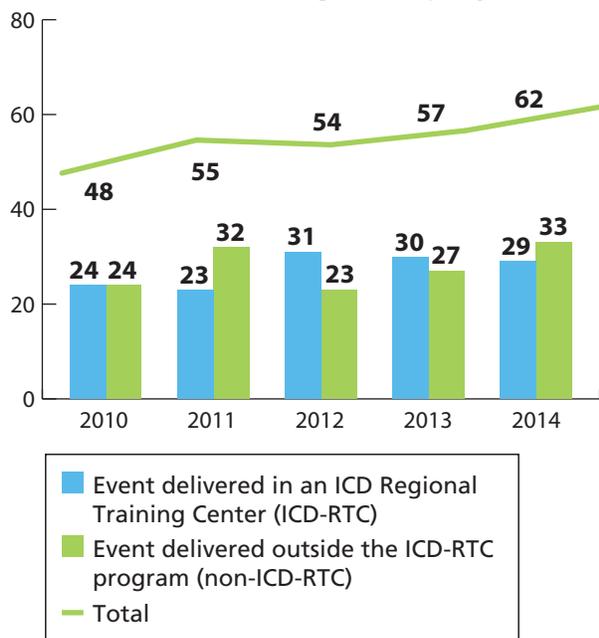
Figure 18. STA TA by Region, FY2010–14
(Field time delivery in person-years (FTEs))



ing macroeconomic statistics as a basis for their economic decision-making. STA builds upon its partnership with ICD in order to maximize the delivery of STA training. STA delivers more than 25 courses each year at the ICD Regional Training Centers (RTCs). STA also delivers seminars and workshops through RTACs and in other locations (non-ICD training) to ensure a balanced delivery of training in all regions. The non-ICD seminars and workshops intend to address specific needs and are often delivered to a subset of countries that are facing similar challenges, or through single-country training. This flexible approach allows STA to offer training in a manner that is simultaneously consistent, adaptive, and pragmatic.

The partnership with ICD and donors has allowed a steady increase of training courses over the last few years, in tandem with STA’s overall CD strategy (Figure 19). Training courses generally consist of a series of lectures, discussions, practical exercises, and case studies on the relevant macroeconomic statistics areas.

Figure 19. STA Training Delivery FY2010–14
(Number of training events per year)



STA training covers all of the macroeconomic statistics sectors, key multi-sector topics, and linkages among sectors (Figure 20). In addition to the regular update of existing courses, exciting new courses have been developed to ensure that the training curriculum meets the evolving needs of the IMF membership (Box 16).

As STA training courses are highly popular and regularly oversubscribed, the department has been experimenting with new approaches, such as e-learning in GFS (Box 17).

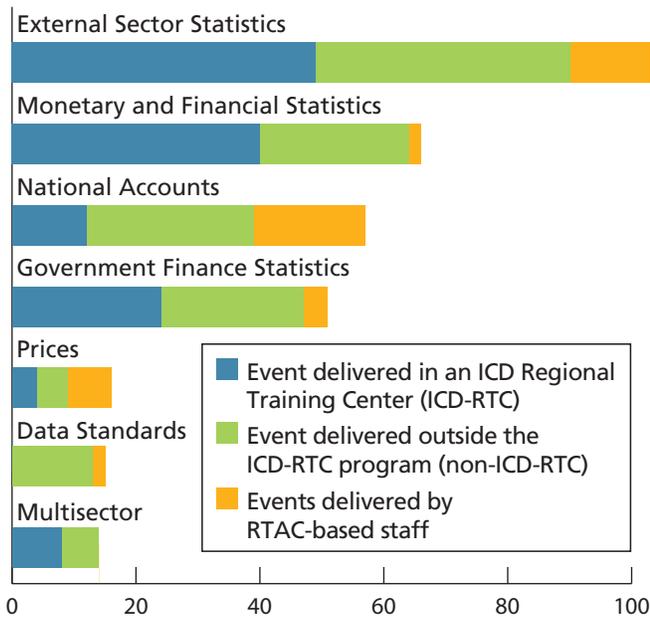
During FY2010–14, participants from all 188 IMF member countries and 29 international organizations attended STA training courses. The broad geographical coverage is consistent with IMF priorities to serve the broad spectrum of the membership well. The particular focus of STA training has been in the Asia-Pacific, African, and Middle East-Central Asia regions, reflecting to some extent the needs and challenges of low-income and fragile countries, as well as countries in transition (Figure 21).

Source: ICD Database (PATS)
Does not include RTAC-delivered events



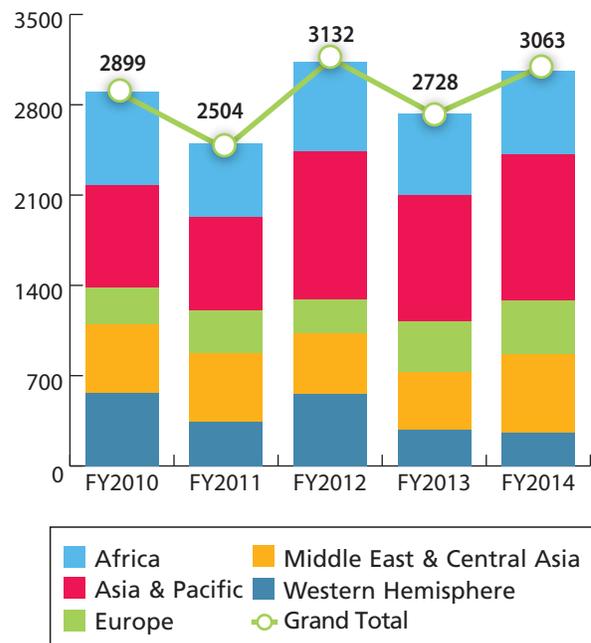
STA's RTAC advisors during their visit to IMF headquarters in June 2014

Figure 20. STA Training by Topic, FY2010–14
(Number of training events)



Source: ICD Database (PATS)

Figure 21. STA Training by Region, FY2010–14
(Participant weeks)



Box 16. STA Training Courses

NEW — Practical Aspects of Balance of Payments Compilation

This new course intends to bridge the gap between the conceptual framework for balance of payments compilation based on the new *Balance of Payments and International Investment Position Compilation Guide, 2014* and problems that are encountered by officials who compile such statistics in their countries.

NEW — IMF Initiatives in External Position Statistics

This new course provides training on the methodology for compiling and disseminating external position statistics, including the IIP, external debt position, the Coordinated Portfolio Investment Survey (CPI), and the Coordinated Direct Investment Survey (CDIS).

NEW — International Data Standards in Country Open Data Platforms

This new course, organized and presented jointly with the African Development Bank, intends to help country officials to use the OpenData Platform for the public dissemination of official data in accordance with their own dissemination policies.

NEW — High-Frequency Indicators of Economic Activity

This new two-week course will impart officials with techniques for creating timely overall measures of economic trends for policy makers. The workshop component of this new course utilizes the actual indicators provided by participants, to allow for real-world guidance and peer-to-peer exchanges.

NEW — Residential Property Price Indices

This new course which provides an overview of data sources and methods for compiling residential property price indexes (RPPIs) and outlines strategic issues for their development in a country-specific context.

Balance of Payments Statistics

This flagship external sector statistics course focuses on the conceptual framework for collecting and compiling BOP and IIP statistics, including the relationship with other macroeconomic statistics.

External Debt Statistics

This course provides a thorough understanding of the conceptual framework for the compilation of external debt statistics, while offering practical guidance on the collection and analysis of these data.

Government Finance Statistics

The GFS course, based on the new *GFSM 2014*, is focused on the conceptual framework for GFS and practical aspects of data compilation. Two additional derivatives of this course will be offered, one for managers and one for advanced economies.

Public Sector Debt Statistics

This course focuses on the conceptual framework found in the *Public Sector Debt Statistics Guide* and practical aspects of data compilation, including basic concepts, accounting principles, and detailed classification. A new version of this course has been developed for delivery to advanced and emerging economies.

Monetary and Financial Statistics

STA currently offers two courses on MFS: an introductory course and an advanced course. Both are designed to assist officials in the compilation of monetary statistics. The introductory course covers issues that are relevant to the analytical accounts for the central bank and depository corporations sector. The advanced version focuses more closely on other financial corporations.

Financial Soundness Indicators

This course covers concepts and definitions, data sources, and techniques for compilation of FSIs. The course provides additional guidance on the reporting of FSI data and metadata to the IMF, and guidance on the use of FSIs in financial sector surveillance.

National Accounts Statistics

This course covers theoretical and practical aspects of compilation of annual GDP (based on the *2008 SNA*), both at current prices and in volume terms using the production and expenditure approaches.

Price Statistics

This course provides guidance on the theory and practice of compiling consumer price indices (CPIs), producer price indices (PPIs), and export and import price indices.

Box 17. GFS E-Learning

Providing training on statistical methodologies to member countries remains a high priority and enjoys high demand by country authorities. However, each year we need to turn down many applicants for our courses, which is why STA has begun the development of e-learning videos that can be viewed online, as an alternative way for countries and others interested to find out more about the statistical standards we promote.

This work has started with a series of videos on the new *GFSM 2014*. The first four videos are complete and have been posted on the YouTube IMF website (<http://www.youtube.com/user/imf>). The scripts for

a further nine are currently being prepared. If they are successful, more videos on other topics may be commissioned.

The videos, which use humor and animation to cover the main concepts of *GFSM*, were first shown to participants in the June 2014 GFS course at IMF headquarters. While the videos can complement the existing training programs and materials, they are aimed at a wider audience, including economists within the IMF and compilers and users of fiscal data. The stand-alone website for the e-learning series will go live by the end of the fiscal year.



WE IN STA (PEOPLE AND EVENTS)



▲ “After one year at STA, I am no longer new and need no introduction...”



▲ “Now, who can tell me what FISIM stands for?”
STA staff at a brown bag discussion on Capital Services from Financial Instruments



▲ *STay Tuned*—STA Newsletter, reaches out to Fund-wide readers with great success



▲ STA staff with participants at the first IMF Statistical Forum held in November 2013



▲ A lucky winner of the STA 2013 holiday party raffle



▲ *Welcome to the STA holiday party!*
STA staff with the MD at STA 2013 holiday party



▲ FY2014 STA departmental award recipients



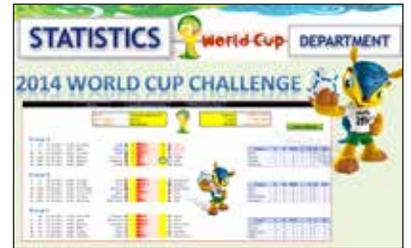
▲ STA staff with participants in the 2014 GFS headquarters course in Washington, D.C.



◀ STA kids learning about calculating GDP at the 2014 "Take Our Daughters and Sons to Work Day"



◀ *"We're also good at predicting soccer results..."*
 STA staff launching the Fund-wide 2014 World Cup Predictor



◀ *"That awkward moment when 17 people turn up for the 7-a-side soccer tournament..."*
 STA soccer team at 2013 IMF Global Stability Cup



◀ *"The size of the trophy is inversely proportional to its importance..."*
 STA receiving the "Best Department Spirit Award" from the MD at 2013 IMF Global Stability Cup



STA IN THE FIELD



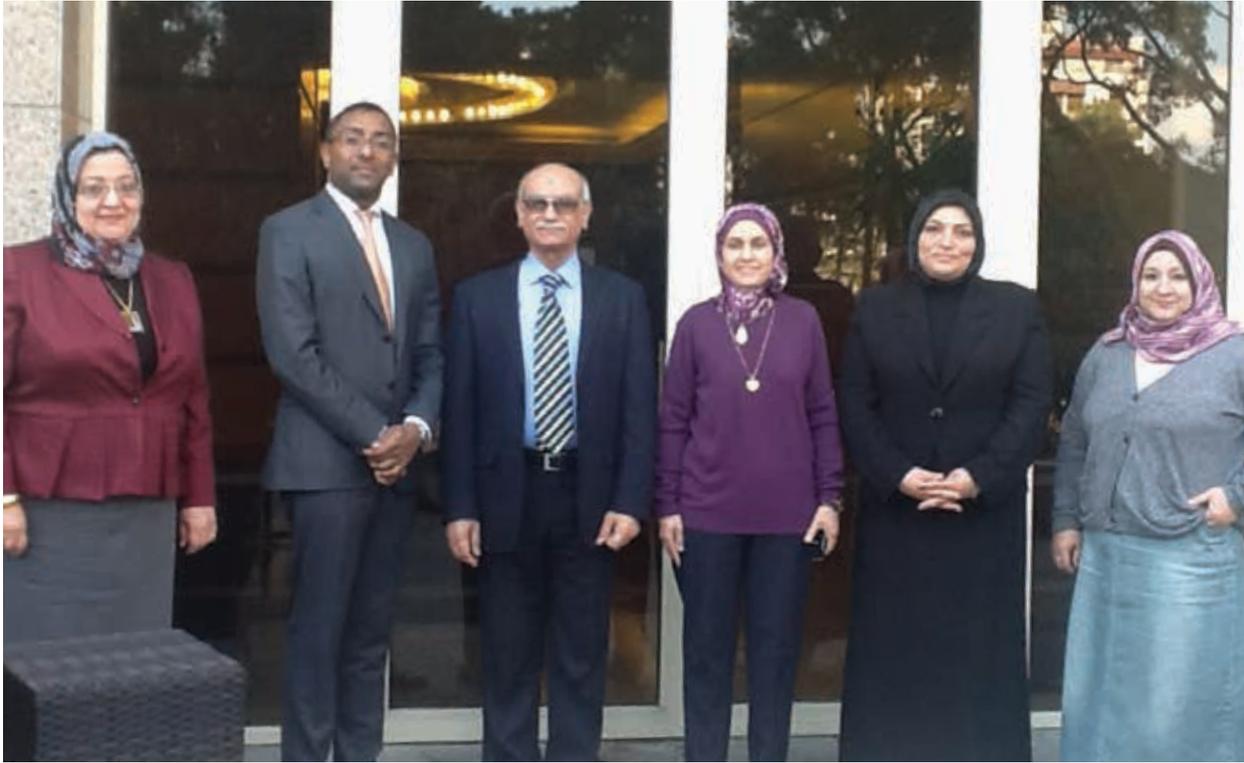
◀ Saudi Arabia—STA Staff with officials from the African Development Bank and the Islamic Development Bank



▲ Uganda—STA staff with participants in the workshop on enhancing data dissemination under the GDDS



◀ Marshall Islands—STA staff with Marshall Islands officials on a GDDS mission



▲ Lebanon—STA staff with the Central Bank of Iraq team on an external sector statistics mission



◀ Mexico—STA staff with participants in the workshop on financial soundness indicators



▲ Kuwait—STA staff with participants in the training course on national accounts



▲ Indonesia—STA staff with participants in the opening workshop on financial soundness indicators



▲ Finally, relaxed after the intensive meetings inside that unusual building (the whereabouts of the building can be found on page 34)

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