

GFSAC–15/19

Meeting of the IMF Government Finance Statistics
Advisory Committee
Washington, D.C.

GFS Research Agenda

Prepared by Sagé de Clerck and Philip Stokoe

March 9–10, 2015



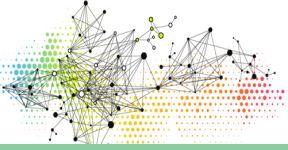
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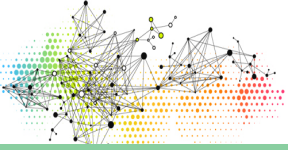
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Background

- *2008 SNA* recognized some issues as unresolved
 - Annex 4 presents a research agenda
- During preparation of *GFSM 2014* additional issues emerged
- GFS Community need a way to address these issues and contribute to the debate

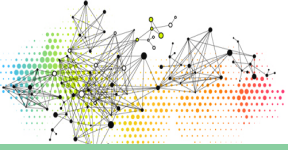


Objectives of this session

- To alert the GFSAC of the outstanding issues
 - Not to discuss or resolve these issues during session
 - Consider as starting point for a GFS research agenda

- To give the GFSAC an opportunity to identify additional issues

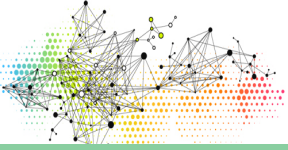
- To consider a proposal on how to update guidance between major revisions of the Manual



Topics of the research agenda (1/2)

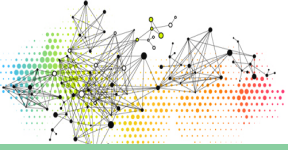
- Identified in *2008 SNA*

- 8 of 34 topics directly relate to GFS
 - Issues arising from the financial crisis
 - Recognizing social security entitlements as liabilities
 - Provisions
 - Debt concessionality
 - Leases to use or exploit natural resources
 - Distinction between current maintenance and capital repairs
 - Treatment of Public-Private Partnerships
 - Treatment of reinvested earnings



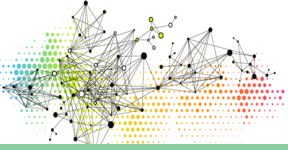
Topics of the research agenda (2/2)

- Identified during update of *GFSM 2014*
 - Delineation of the public financial and nonfinancial corporations
 - Application of rerouting
 - Terminal costs
 - Discount rates used in calculating social security entitlements
 - Equity of government units
 - Valuation of nonfinancial assets of public sector units
 - Leases



Nature of research agenda determines action required

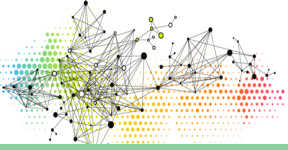
- New economic phenomena may require new methodological principles
- Existing principles may need clarification on their interpretation and/or clarification on their practical application
- Editorial changes may be needed



Proposed procedures to update methodological guidelines

- IMF Committee on Balance of Payments Statistics has developed procedures (see *BPM6*)

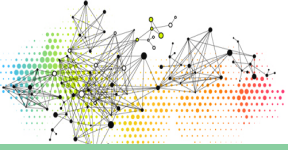
- Divide the nature of updates into four types:
 - Editorial changes
 - A clarification beyond dispute
 - An interpretation
 - A change



Types of updates

- Editorial
 - Example: Wording errors, apparent contradictions, translation errors
 - Action: Staff will draft amendments, GFSAC will be informed, errata information will be prepared, and the relevant website updated

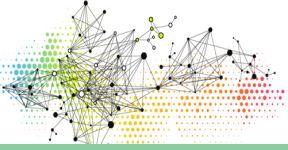
- A clarification beyond dispute
 - Example: New economic situation emerges, but treatment under existing principles is straightforward
 - Action: Staff will draft clarifications, electronic consultation with GFSAC, clarification will be posted on the relevant website



Types of updates

- An interpretation
 - Example: Treatment under the Manual may not be clear and several solutions under different interpretations possible
 - Action: Staff will consult with GFSAC and draft proposed text, consult with experts and ISWGNA on proposed final text, and interpretation will be published on the relevant website

- A change
 - Example: Economic situation arises in which *GFSM 2014* is not relevant or misleading – requires substantial rewrite of parts
 - Action: Staff will consult with GFSAC, prepare proposals, disseminate widely to panels of experts and ISWGNA, GFSAC advise on immediate change through booklet of amendments to the next revised Manual, decision published on the relevant website



Points for discussion

- Do GFSAC members agree with the issues discussed in the paper? Are there additional issues where further clarification or methodological guidance is required?
- Do GFSAC members agree to have guidance on addressing these issues, similar to that set out in *BPM6*?
- Given resource constraints and competing demands, which are the priority research areas to be discussed and resolved?