



Update on G-20 Data Gap Initiative (DGI): Progress on Closing the Gaps in Fiscal Data

Meeting of the IMF Government Finance Statistics
Advisory Committee (GFSAC)

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Outline

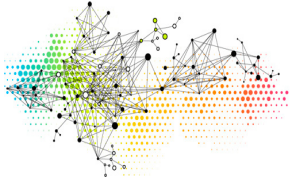
1. Overview of the DGI

- The DGI
- Launch of DGI-2
- DGI-2
- Policy Use of DGI Data
- The Way Ahead

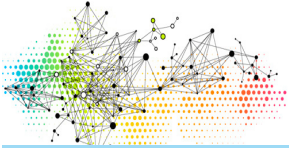
2. Fiscal Data in DGI

- DGI Recommendations on GFS and PSDS, Progress and Way Forward
- Involvement Beyond G-20

3. Conclusion

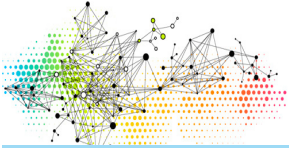


Overview of DGI



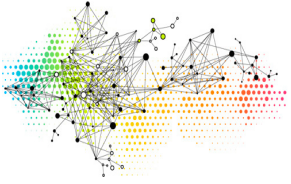
The G-20 Data Gaps Initiative

- Launched in 2009 to address data gaps emerged with the financial crisis, the first phase of the DGI (DGI-1) included **20 recommendations** meant to fill most pressing data gaps to better assess:
 - the build-up of risk in the financial sector, cross-border financial linkages, vulnerability of domestic economies to shocks
- DGI-1 focused on the development of conceptual frameworks in some areas where no data collections existed (e.g., Global Systemically Important Banks) and improve data collection in areas where frameworks already existed (e.g. Financial Soundness Indicators, Coordinated Portfolio Investment Survey, GFS).
- DGI-1 was concluded in 2015 with most goals accomplished (although a few areas – such as GFS and sectoral accounts - still somewhat behind).



Launch of DGI-2

- In September 2015, the G-20 Finance Ministers and Central Bank Governors (FMCBG) endorsed the launch of the DGI-2.
- Its main objective is the regular collection & dissemination of reliable and timely statistics for policy use.
- DGI-2 maintains continuity with DGI-1, but sets out more specific objectives for the compilation and dissemination by G-20 of minimum common datasets that reflect evolving policy needs.
- DGI-2 also includes new recommendations.
- The First Progress Report of the G-20 DGI-2 was submitted to the G-20 FMCBG in September 2016 which includes action plans with specific targets and timelines for the implementation of the DGI-2 recommendations (<http://www.imf.org/external/np/g20/pdf/2016/090216.pdf>)



DGI-2

- Twenty recommendations under three headings:
 - (1) Monitoring of risk in the financial sector,
 - (2) Vulnerabilities, interconnections and spillovers,
 - (3) Data sharing and communication of statistics.

- Seven recommendations have been identified as priorities.

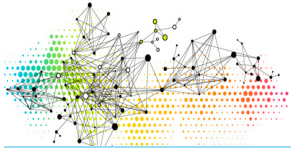
DGI-I Recommendations	DGI-II Recommendations
I.1: Mandate	II.1: Mandate
Build-up of risk in the financial sector	Monitoring risks in the financial sector
I.2: Financial Soundness Indicators (FSI) ● I.3: Tail risk ● I.4: Aggregate Leverage and Maturity Mismatches ● I.5: Credit Default Swaps (CDS) ● I.6: Structured Products ● I.7: Securities data ●	II.2: Financial Soundness Indicators (FSI)* II.3: FSI Concentration and Distribution Measures (CDM) II.4: Data for Global Systemically Important Financial Institutions (G-SIFIs) II.5 Shadow Banking II.6 Derivatives II.7 Securities Statistics*
Cross-border financial linkages	Vulnerabilities, Interconnections, and Spillovers
I.8 & I.9: Data for Global Systemically Important Financial Institutions (G-SIFIs) ● I.10 & I.11: Coordinated Portfolio Investment Survey (CPIS) ● and International Banking Statistics (IBS) Participation ● & Enhancement ● I.12: International Investment Position (IIP) ● I.13 & I.14: Financial and Non-financial corporations' cross border exposures ●	II.8: Sectoral accounts* II.9: Household Distributional Information II.10: International Investment Position (IIP) II.11: International Banking Statistics (IBS)* II.12: Coordinated Portfolio Investment Survey (CPIS)* II.13: Coordinated Direct Investment Survey (CDIS) II.14: Cross border exposures of non-bank corporations II.15: Government Finance Statistics (GFS)* II.16: Public Sector Debt Database (PSDS)* II.17: Residential Property Prices (RPPI) II.18: Commercial Property Prices (CPPI)
Vulnerability of domestic economies to shocks	
I.15: Sectoral accounts ● I.16: Distributional Information ● I.17: Government Finance Statistics (GFS) ● I.18: Public Sector Debt ● I.19: Real Estate Prices ●	
Communication of Official Statistics	Communication of Official Statistics
I.20: Principal Global Indicators ●	II.19: International Data Cooperation and Communication II.20: Promotion of Data Sharing

● Recommendations that are completed based on the targets that were introduced in 2014.

● Recommendations where significant progress was made and are close to completion pending participation by all G-20.

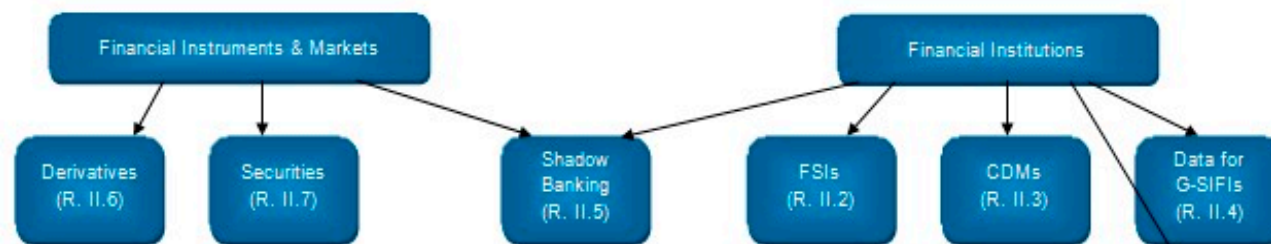
● Recommendations where progress was slow.

* Indicates priority areas identified by the G-20 economies and international agencies in 2015.

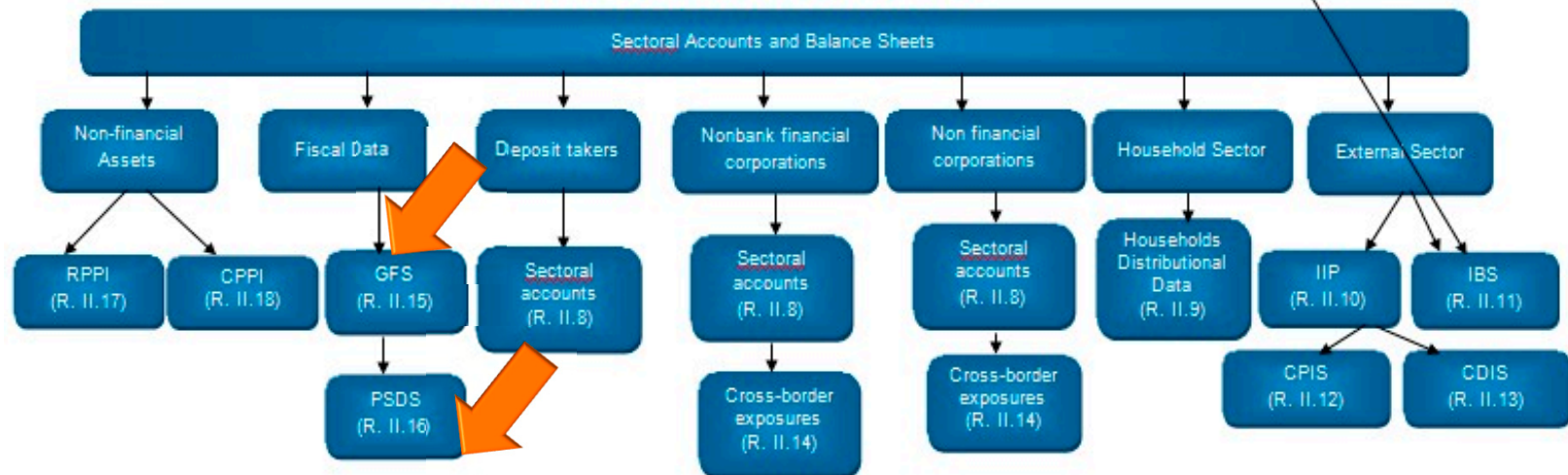


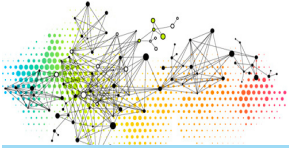
DGI-2: Mapping of Risks in the Financial Sector

I. Monitoring risk in the financial sector



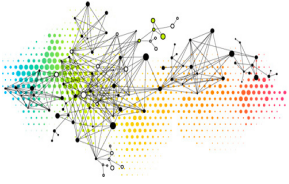
II. Vulnerabilities, Interconnections, and Spillovers





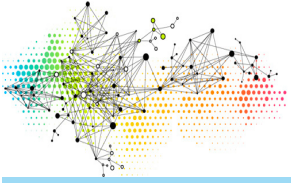
DGI-2

- DGI-2 maintains continuity with DGI-1 while reflects the evolving users' needs.
- Although addressed to the G-20, other economies (e.g., non-G-20 FSB member economies) are participating in the implementation of the recommendations.
- Strengthening synergies with other global initiatives (e.g., SDDS Plus).
- The Inter-Agency Group on Economic and Financial Statistics (IAG) plays the facilitator role.
- The IAG members are the IMF (chair), BIS, OECD, ECB, Eurostat, the World Bank and the UN. The FSB also participates in the quarterly IAG videoconference.
- Strong coordination between the IAG member agencies.



Policy Use of DGI data

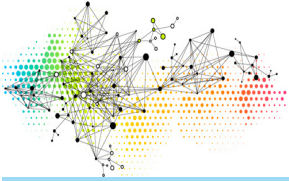
- DGI-2 aims at making available a minimum common datasets that are relevant for policy use in the major—but different—world economies.
- IMF Flagship Reports and other publications: World Economic Outlook, Global Financial Stability Report, Fiscal Monitor, Regional Economic Reports
- At the national level: DGI data are used for policy purposes including Financial Stability Reports (FSIs, CPIS, international banking statistics, distributional information, property prices, International Investment Position)



DGI-2: The Way Ahead

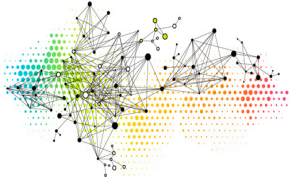
- Each recommendation has an action plan with targets (in some instances, also with more advanced ambitions) to be implemented over the **five-year horizon of the DGI-2** (by 2021).

- Four thematic workshops are taking place in 2017:
 - Data Sharing (January 31-February 1), **completed**
 - Global Systemically Important Insurers (G-SIIs) (March 14), **completed**
 - Sectoral Accounts and Balance Sheets (April 10-12)
 - FSIs (April 26-28)

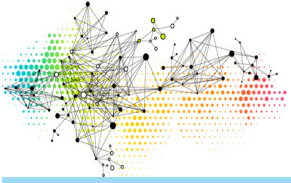


DGI-2: The Way Ahead

- Annual Global Conference of the DGI will be held in June 14-15, 2017, in Washington D.C.
- IMF and FSB prepare annual Progress Reports to G-20 Finance Ministers and Central Bank Governors (FMCBG).
- Second Progress Report on the DGI-2 will be submitted to the G-20 FMCBG in September 2017.
- Strong cooperation among the G-20 economies and the members of the IAG is of utmost importance.



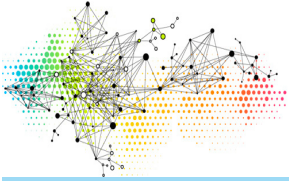
Fiscal Data in DGI



Fiscal Data in DGI

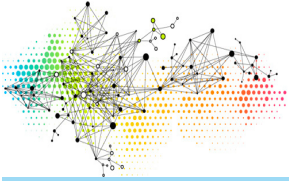
The two DGI recommendations focusing on the improvement on fiscal data:

- (1) Government Finance Statistics (GFS)** (DGI-1: recommendation 17 & DGI-II: recommendation 15) (Lead IAG Agency: IMF)
- (2) Public Sector Debt Statistics (PSDS)** (DGI-1: recommendation 18 & DGI-II: recommendation 16) (Lead IAG Agency: World Bank (IMF, OECD, BIS))
 - GFS and PSDS are among the seven priority areas identified during the process leading to the launch of the DGI-2.



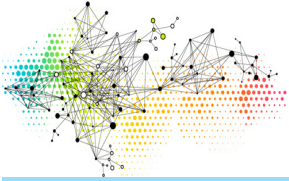
Fiscal Data in DGI

- GFS data are crucial for understanding the fiscal impact on economic developments in an economy.
- IMF staff reports have been adopting a standardized presentation of fiscal data following the *GFSM 2001*.
- In addition, the fiscal data presented in the IMF World Economic Outlook (WEO) should align with the *GFSM 2001* format.
- The GFSM 2014 was published in March 2015 updating the GFSM 2001 and taking into account the *2008 SNA*, *BPM6* and *Public Sector Debt Statistics: A Guide for Compilers and Users*.
- Implementation of the *GFSM 2014* is supported by the GFSAC.



DGI Recommendation on GFS: Progress in DGI-1

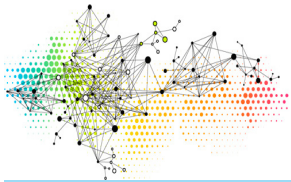
- **DGI-1 Recommendation 17 on GFS** called on the IMF to promote timely and cross-country standardized and comparable government finance data based on the accepted international standard, *GFSM 2001*.
- Some progress was made since 2009:
 - agreement of an international template for GFS in July 2013
 - launch of GFSAC to promote compilation of GFS in early 2015
 - dissemination of quarterly general government data by around ten economies



DGI Recommendation on GFS: Progress in DGI-1

- Gaps Remain:
 - Some G-20 economies do not yet disseminate general government data under the GFSM framework

- The relatively slow progress in GFS reporting has been due to:
 - GFS in many countries is not, institutionally, well established
 - Fiscal data reporting by local government and other subsectors often not timely
 - Authorities are reluctant to use statistical techniques to fill data gaps



DGI Recommendation on GFS: IAG Template

Government Operations

REVENUE

Taxes

- Taxes on income, profits, and capital gains
- Taxes on payroll and workforce
- Taxes on property
- Taxes on goods and services
- Taxes on international trade and transactions
- Other taxes
- Memorandum items:
 - Direct taxes (111+ 1131+1132+1136)*
 - Indirect taxes 112+ 1134+114+115+116)*
 - Capital taxes (1133+1135)*

Social contributions

Grants

Other revenue

Property Income

EXPENDITURE (2+31)

EXPENSE

- Compensation of employees
- Use of goods and services
- Consumption of fixed capital (if available)
- Interest
- Subsidies
- Grants
- Social benefits
- Other expense

NET ACQUISITION OF NONFINANCIAL ASSETS

Fixed assets

Gross operating balance (1-2+23)

Net operating balance (1-2, optional)

Net lending (+) / net borrowing (-) (1-2-31) **"Deficit"**

Government Balance Sheet

Nonfinancial assets (if available)

Financial assets

Liabilities

Total by Instrument

SDRs

Currency and deposits

Debt securities

Loans

Equity and investment fund shares

Insurance, pension and standardized guarantee schemes

Financial derivatives and employee stock options

Other accounts payable

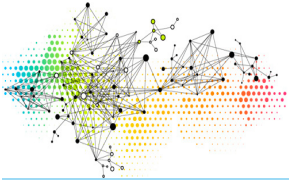
Net financial worth (62-63, if available)

"Debt"

Gross debt (6301+6302+6303+6304+6306+6308) ³

Net Debt (Gross debt - Financial assets corresponding to Debt instruments)

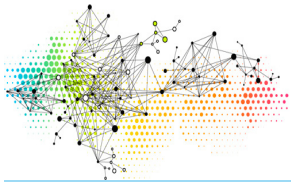
Other regional/national debt concepts e.g. WAEMU, Maastricht debt (aka EDP Debt,⁴ equivalent to 6302+6303+6304 at face value)



DGI-2 Recommendation on GFS

DGI-2 Recommendation II.15 on GFS calls for the G-20 economies to disseminate quarterly general government data consistent with the *GFSM 2014*, and the IMF to monitor the regular reporting and dissemination of timely, comparable and high quality government finance data.

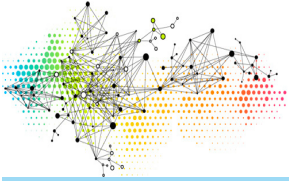
- Recommendation is intended to (i) strengthen the collection of data already covered by DGI-1 and, (ii) ensure adoption of *GFSM 2014* and dissemination of quarterly general government data by the G-20 economies consistent with the IAG-agreed template.
- Provision of quarterly general government operations data is also prescribed for the adherents of SDDS Plus. DGI-2 aims to strengthen the synergies with other relevant global initiatives, particularly SDDS Plus.
- More specific objectives: DGI-1 encouraged coverage of consolidated general government; DGI-2 requires general government.



DGI-2 Recommendation on GFS: Action Plan

- **DGI-2 Recommendation II.15 on GFS:**
 - **Specific targets for the IAG Members and G-20 Economies** were identified as well as **more advanced ambitions** targeting those economies that are already at an advanced stage of statistical development.

	Target, Actions, and Timeline
IAG Members' Role	<ul style="list-style-type: none"> • IMF to coordinate the work, to promote best practices through workshops and bilateral discussions with G-20 economies, and monitor progress.
G-20 Economies	<p>The Target for 2021 is for G-20 economies to:</p> <ul style="list-style-type: none"> • Disseminate quarterly general government data consistent with the <i>GFSM 2014</i> framework, based on the components listed in the GFS template (e.g., see Recommendation II.15 at http://data.imf.org/?sk=E30FAADE-77D0-4F8E-953C-C48DD9D14735&sId=1452784383161&ss=1452784383161). Alignment of the GFS template to the SDDS Plus requirements could be considered. <p>The more advanced ambitions for 2021 are for G-20 economies to:</p> <ul style="list-style-type: none"> • Report on an accrual basis.

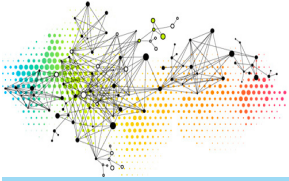


DGI-2 Recommendation on PSDS

- **DGI-2 Recommendation II.16 on PSDS** calls the G-20 economies to provide comprehensive general government debt data with broad instrument coverage to the World Bank/IMF/OECD Public Sector Debt Statistics Database, and the World Bank to coordinate the work.

	Target, Actions, and Timeline
IAG Members' Role	<ul style="list-style-type: none">• World Bank to coordinate with IMF/OECD/BIS the work and monitor progress and with the Task Force on Finance Statistics promote reporting consistent with the <i>Public Sector Debt Statistics Guide</i>.
G-20 Economies	<p>The Target for 2021 is for G-20 economies to:</p> <ul style="list-style-type: none">• Report both general and central government debt statistics on a quarterly frequency with broad instrument coverage to the World Bank/IMF/OECD Public Sector Debt Statistics Database in line with the SDDS Plus.

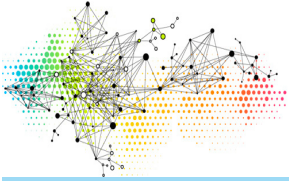
- Details were covered by World Bank presentation



Fiscal Data in DGI: Involvement beyond G-20

Involvement of economies beyond G-20

- Implementation of many DGI-2 recommendations, including GFS and PSDS, involves, with different degrees of contribution, a broader participation by several non-G20 economies.
- The efforts and achievements in meeting the DGI objectives have been significant to improve the statistical framework at the national level and to expand the geographical coverage of the relevant datasets at the international level.



Conclusion

- DGI-2 intends to promote the dissemination of consistent and comparable general government finance data by all G-20 economies, strengthening the collection of data initiated by DGI-1.
- GFSAC's support in implementing the DGI-2 recommendations to close the gaps in fiscal data is essential.
 - *How do participants see GFSAC better supporting the implementation of the GFS recommendation under DGI?*