



Sovereign Debt Statistics: Transparency and Data Analysis

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Why do we need international standards?

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- To achieve **transparency, consistency, and comparability** of public sector debt statistics
- For example:
 - Governments create SPEs for large infrastructure projects. SPEs are set up legally as private corporations, but only borrow on behalf of government to finance the infrastructure projects. Governments do not consider this borrowing as part of government debt. However, it is part of government debt according to international standards, because SPE is an ancillary unit of government.



Why do we need international standards?

2/2

- For example (continued):
 - Particularly relevant in this financial crisis where government and public sector operations led to large increases in public sector debt
 - Measures are often taken ad hoc
 - Standards allow to deal with complex situations in a transparent and comparable manner (including guarantees and quasi-fiscal activities)
- Harmonization / consistency → Improved comparability
→ improved transparency
- Clear, consistent, and well-known dissemination standards lead to increased confidence by markets in statistics
 - Recognize that all countries statistical systems are not equally developed



How are standards made operational?

- International standards for **methodology** and **dissemination** of public sector debt statistics
 - Methodology → how to compile
 - Manuals & Guides
 - Dissemination → how to make data available to users
 - Best-practices published in Guides



What are the international standards?

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- **Methodological standards** in upcoming Public Sector Debt Guide are based on **other** international statistical manuals:
 - 2008 SNA, BPM6, External Debt Guide 2003, GFSM 2001, MFSM 2000
 - More on *Guide* later
- **Dissemination standards** for public sector debt statistics
 - Special Data Dissemination Standards (SDDS)
 - General Data Dissemination System (GDDS)



What are the international standards?

2/2

■ SDDS

- 64 subscribers, of which 9 in Latin America / Caribbean
 - Brazil, Chile, Colombia, Costa Rica, Ecuador, El Salvador, Mexico, Peru, Uruguay

■ GDDS

- 96 Participants, of which 19 in Latin America / Caribbean
 - Antigua & Barbuda, Bahamas, Barbados, Belize, Dominica, Dominican Republic, Grenada, Guatemala, Honduras, Jamaica, Nicaragua, Panama, Paraguay, St Kitts & Nevis, St Lucia, St Vincent & the Grenadines, Suriname, Trinidad & Tobago, Venezuela



Public Sector Debt Guide

1/2

- International Task Force on Finance Statistics (TFFS) requested that IMF Statistics Department takes the lead in drafting this Guide
 - Commenced in March 2008
 - Outline approved by the TFFS in March 2009
 - Complete set of draft chapters to the TFFS in March 2010
 - Finalize in late 2010?



Public Sector Debt Guide – Outline

2/2

■ Conceptual issues

- Definitions and accounting principles
- Identification of debt instruments and institutional sectors
- Selected issues in public sector debt statistics
- Presentation of public sector debt statistics

■ Compilation practices and principles

- Data sources and compilation
- Consolidation of public sector debt statistics
- Issues with traded debt securities
- Country experiences

■ Use of public sector debt statistics (analysis, etc.)

■ Work of international agencies



Dissemination Guidelines for Public Sector Debt Statistics 1/2

■ SDDS

- Coverage → central government
- Periodicity → quarterly (monthly encouraged)
- Timeliness → within 1 quarter after the end of the reference quarter
- Prescribed
 - Maturity/residence/instrument
 - Debt guaranteed by the central government



Dissemination Guidelines for Public Sector Debt Statistics 2/2

■ GDDS

- Coverage → central government
- Periodicity → annual (quarterly encouraged)
- Timeliness → within 1-2 quarters after the end of the reference year
- Recommended
 - Maturity/residence/instrument, as feasible, based on circumstances
 - Debt guaranteed by the central government encouraged



Work of the IMF Statistics Dept in Latin America & Caribbean relating to fiscal and debt statistics 1/3

■ Regional Projects

- Andestad: Comunidad Andina (Bolivia, Colombia, Ecuador and Peru)
 - Cooperation project between EU and Comunidad Andina on Statistics
 - Participation in meetings of GFS/BoP/External Debt working groups and assistance to develop a common reporting template following the *GFSM 2001* format
 - *GFSM 2001* training course, with focus on debt and PPPs recording
- CAPRD: Central America (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua), Panama and Dominican Republic
 - Regional project to harmonize GFS
 - Workshops & technical assistance missions to each of the member countries



Work of the IMF Statistics Dept in Latin America & Caribbean relating to fiscal and debt statistics 2/3

■ Regional workshops

- Brazil (Nov 2006 and Nov 2008, 14 countries)
- CARTAC (Dec 2007 and Apr 2009, 16 countries)
 - 2 Practical workshops
 - Participants work with their own data
 - Participants share solutions to problems
 - Result: new reporters both in *IFS* and *GFS Yearbook*

■ Technical assistance in Government Finance Statistics (GFS) methodology

- Brazil, Chile, Guatemala, Panama, Peru, Suriname, Uruguay
 - 2 week “missions” to countries
 - Assistance with country-specific issues
 - Interaction with different agencies in countries



Work of the IMF Statistics Dept in Latin America & Caribbean relating to fiscal and debt statistics 3/3

- **Assessments** in Report on Observance of Standards and Codes (ROSC) – Data Module
 - Summarizes the extent to which a country observes internationally recognized standards and codes with regards to macroeconomic statistics (including government debt statistics)



Debt Sustainability Analysis


- Formal framework of the IMF introduced in 2002
 - A standard for conducting public and external debt sustainability analyses
 - Aimed at achieving a greater degree of consistency, discipline, and transparency
- Objectives
 - Assess the current debt situation (level, maturity, interest rate, indexing, holder)
 - Identify vulnerabilities in the debt structure or the policy framework far enough in advance
 - Examine the impact of alternative debt-stabilizing policy paths
- Different frameworks for MIC and LIC



Debt Sustainability Analysis – References

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