

WORK PROGRAMME 2011-2012 of the COMMITTEE ON MONETARY, FINANCIAL AND BALANCE OF PAYMENTS STATISTICS (CMFB)

1. INTRODUCTION

This document constitutes the work programme presented by the new Chairman to the Committee for his term of office in conformity with Article 11 of the rules of procedure. This programme has been drafted in co-operation with the Executive Body, following consultation with the Commission (Eurostat) and the European Central Bank (DG Statistics).

2. CMFB ADVISORY TASKS

In essence, the CMFB will continue to be an advisory body that has three tasks:

- to assist the Commission by expressing opinions *at the Commission's request* on the setting up and implementation of programmes related to monetary, financial and balance of payments statistics;
- to express opinions, on its *own initiative*, on any question relating to those statistics that are of common concern to the European Statistical System (ESS) and the European System of Central Banks (ESCB); and
- to coordinate the exchange of statistical knowledge between the ESS and ESCB and to contribute to bringing about efficient data collection and compilation as well as access to good quality EU and Euro area economic and financial statistics.

3. WORK PROGRAMME THEMES

The themes of the work programme 2011-2012 ensure the continuity of the previous work programmes, particularly of the 2009-2010 work programme. It is composed by two main sections as follows: Section 1 – broader themes, major developments and challenges affecting CMFB activities and Section 2 – main priorities regarding the CMFB range of interest. This last section is sub-divided into the following sub-sections: I. methodological issues, II. specific fields of statistics, III. horizontal activities and general issues. The work programme is attached to this document in the form of a tabular

presentation and aims to provide a detailed overview of the themes that compose this programme.

4. STRATEGIC PRIORITIES AND KEY MAIN ACTIONS

The following **3 strategic priorities** have been identified:

- **Deepening the cooperation within the CMFB and sharing best practices**

Enhancing cooperation on the basis of the continuous dialogue and exchange of views among the CMFB members is one of the core activities of the CMFB. It implies promoting international statistical cooperation through the establishment of Task Forces, by encouraging cooperation and by sharing best practices.

- **Integration of statistics**

The CMFB will contribute to the integration of the financial and non-financial euro area sector accounts by making use of the new data available in the context of the revision of the quarterly national financial accounts dissemination policy and of the new ESA transmission programme. It will tackle specifically the integration of financial and non-financial accounts for the sub-sectors, such as for the financial corporation sector.

- **Advisory role of the CMFB in EDP related issues**

The Excessive Deficit Procedure (EDP) is considered to be of high priority given the advisory role of the CMFB in EDP related issues. This would imply following, as in the past, the outcome of the EDP dialogues missions to Member States, and assessing the possibility of encompassing other areas of statistics, which have an impact in Government accounts. To confirm a smooth implementation of Eurostat's strengthened powers to verify the EDP data (in the context of the revised Commission Regulation 479/2009 on the application of EDP and SGP) and an improved governance of European statistics.

On the basis of the ongoing work developed by the CMFB, the following **two key main actions** were identified:

- **Preparatory work to be undertaken following the update of the international guidelines**

After reaching an agreement on the new reporting requirements, the coordination between the Eurostat and the ECB as well as between the NSIs and the NCBs will be crucial for the successful implementation of both the new regulations on statistics and the revised manuals. This preparatory work should

comprise the promotion of workshops and seminars (including both the sharing of country experiences and the training of statisticians) and the definition of guidelines and compilation manuals. The CMFB should promote the confronting and the coordination of training proposals from the ESS and ESCB, discussing ideas and initiatives that could fulfil compilers needs.

- **Harmonisation of release and revisions policies**

Aiming to follow-up the work initiated during the previous mandate. The next step would be assessing the results of the questionnaire on the subject of a revision policy for national accounts and balance of payments with the goal of defining the EU revisions and dissemination policies. The CMFB will make sure that the ESS and ESCB coordinate their program for the implementation of the new ESA. The survey is expected to be launched early 2011 and the assessment is to be presented to the CMFB in July 2011.

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CMFB WP 2011-2012	Contents	CMFB WP 2009-2010	Links with the Work Programme of the European Commission 2011			Links with the STC Work Programme 2011
			Theme	Action	Work	
Section 1 - BROADER THEMES, MAJOR DEVELOPMENTS AND CHALLENGES AFFECTING CMFB ACTIVITIES						
1. Deepening the cooperation within the CMFB, reflecting about the architecture of the existing WG at Eurostat/ECB. (Priority)	Enhancing cooperation on the basis of the continuous dialogue and exchange of views among the CMFB members. Proposals could be presented. A brainstorming about the existing WG at Eurostat and ECB could be useful.	√	6.09	102, 203, 206	New , Ongoing	
2. Sharing best practices and improving the cooperation between central banks and statistical offices (Priority)	Promoting international statistical cooperation through the establishment of Task Forces, by encouraging cooperation and by sharing of best practices. Apply efforts to create a solid mechanism to ensure the implementation of the new package of legislative measures, endorsed by the Commission, to strength the EU economic governance (including the amendment of the Stability and Growth Pact). Reflect on the implementation of the Code of Practice in Europe based upon the recently published second annual report of the ESGAB.	√	6.09	203	Ongoing	Cooperation with European and international institutions.
3. Reduction of the	Focusing on the coordination of statistical		In each			

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response burden, simplification, and priority setting, while safeguarding high data quality	programs between ESS and ESCB in order to reduce redundancy. Find the right balance between timeliness, reliability, and burden on reporting agents and statistics compilers.		sub-theme where applicable			
3.1 Priority settings	The definition of priorities should be put forward not only in the context of the implementation of the new methodological requirements but also regarding current procedures. The general idea would be that timeliness of quarterly data should take precedence over long backdata and quarterly data should take precedence over detailed annual or lower frequency data. Particularly important for the users, including the ECOFIN Council, the EFC and the ECB, is the access to quarterly national accounts at 30 (selected items, e.g. GDP flash estimates), 60 (quarterly main aggregates) and 90 (GDP growth and euro area accounts) days after the reference period. However, timeliness and reliability need to be balanced. The need to discontinue or to simplify the production of a set of statistics less important for policy decisions could also be foreseen considering that resources are scarce.	√				Emphasis was given by the ECB to priority settings in the context of the ESA95 review, as an example.
3.2 Coordination of	Coordinate data requests from International	New				Follow-up on the

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data requests	Organizations (IO) at the EU level in order to improve the effectiveness of the dissemination process and to reduce the risk of inconsistency between statistics published by different organizations. The synchronization of data transmissions (release calendars and timeliness) and the alignment of revision policies could be a starting point. However, this does not necessarily meant to promote a centralised hub. Another aspect is the need to foster the cooperation between the ESS and the ESCB in some areas of shared responsibility improving the effectiveness and efficiency of the production of European statistics.					outcomes of the CTF task force on statistics (S-TF).
3.3 Merits and costs analyses	The implementation of the new manuals could be seen as an opportunity to analyse the merits and costs of different methods/sources for statistical production. Therefore, initiatives to reduce the respondents' burden and improve efficiency of the statistical systems could include approaches such as the setting up of common databases like the EuroGroups Register and CSDB to support the compilation of national, Euro Area and EU data. The ECB proposed the development of	√				Further development of the Register on Institutions and Assets Database (RIAD) and its linkage with the EuroGroups Register (EGR) in line with the findings of the STC RIAD Task Force and the WG MFS Implementation Task Force on RIAD.

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	both a truly European statistical register of multinational enterprises and an international public infrastructure which would ensure the provision of high quality, standardised reference data on financial instrument categories and institutional units. Alternative data sources, as for instance payments data, should also be investigated. Following up the work developed by the European Committee of Central Balance Sheet Data Offices.					
3.4 Sampling	Discuss the issue related with the distribution of the burden among reporting units in the EU member states in relation to the quality of data required for the compilation of EU and Euro Area aggregates. Setting a common ECB/Eurostat strategy regarding derogations for small countries. Explore the feasibility of statistic-specific cut-offs, which are applicable for all countries.	New				
4. Enhancement of statistical literacy	Initiate a discussion on the level of statistical literacy of the various users, within the sphere of the Commission's competence. This should involve the implementation of questionnaires, analysing the outcome and deciding on the way forward. As a follow-up by the statistical community as a whole to the World Statistics Day envisage to launch a coordinated action	New				Enhancement of financial literacy.

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	involving the ESS and ESCB by 2012 dedicated to the promotion of statistical literacy (creating a common glossary, as an example).					
Section 2 - MAIN PRIORITIES REGARDING THE CMFB RANGE OF INTEREST						
I. METHODOLOGICAL ISSUES						
1. Update of the international guidelines						
1.1 Preparatory work (Key main action)	After reaching an agreement on the new reporting requirements, the coordination between the Eurostat and the ECB as well as between the NSIs and the NCBs is crucial for the successful implementation of both the new regulations on statistics and the revised manuals. This preparatory work should comprise the promotion of workshops and seminars (including both the sharing of country experiences and the training of statisticians) and the definition of guidelines and compilation manuals. The CMFB should promote training among statisticians confronting and coordinating training proposals from the ESS and ESCB, discussing	√	2.08	106, 210	New , Ongoing	Continue the preparation for the implementation of the revised IMF Balance of Payments Manual and start reviewing the ECB legal framework. Preparation of the implementation of the revised standards for FDI statistics and follow-up of the conclusions of the workshop on FDI regarding the compilation methods

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	ideas and initiatives that could fulfil compilers needs.					and methodological issues related to reinvested earnings.
1.2 Communication to the users	In the aftermath of crisis it is crucial that the various users are given clear information on the methodological changes and the rationale behind them. Special attention should be given to the decision-making bodies. The CMFB should take the guidelines on communication of major statistical revisions as a starting point in the European Union to ensure a coordinated and balanced effort by the ESSC and ESCB. The inclusion of an annex in the ESA 2010 describing the main changes with ESA 95 should be put forward.	√				
1.3 Research agenda / Clarifications	Establish a mechanism to ensure that both the SNA and ESA research agenda are carried forward The Commission (Eurostat) has also the incumbency to examine issues arising during the implementation of the manuals which lead to requests of clarification from Member States.	New	2.01	208	Ongoing	
2. Integration of statistics (Priority)	Collaborate to the integration of the financial and non-financial euro area sector accounts by making use of the new data available in the context of the revision of the quarterly national financial accounts dissemination	New	2.01 /2.07/2.08	202/102/105	New/Ongoing	Further enhancement of the quarterly integrated euro area accounts (including enhanced timeliness

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	policy and of the new ESA transmission programme. Tackle specifically the integration of financial and non-financial accounts for the sub-sectors, such as for the financial corporations.					and completeness, removal of any remaining discrepancies between (national contributions to) euro area financial and non-financial quarterly accounts).
3. Specific fields						
3.1 Pension schemes	Assessing the main difficulties that countries are facing when compiling the new figures, which methodologies are being adopted, which software and promoting the exchange of experiences and plans among member states in this domain. Specific attention will have to be given to the further definition of criteria for recording pension schemes in the core system of national accounts. Guaranteeing consistency between this new recording and insurance corporations and pension funds statistics produced by the ECB.	√	2.01	205	Ongoing	Continued development of insurance corporations and pension funds (ICPFs) statistics.
3.2 Computation of FISIM and the Treatment of R&D expenditures	The clarification of the method for calculating Financial Intermediation Services Indirectly Measured (FISIM) and the recording and compilation of Research & Development as Gross Fixed Capital Formation before the adoption of ESA 2010 by the Council in 2012.	√	5.06	203	Ongoing	

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	Trial calculations would also be made following the conclusions of Task-Forces involved on these subjects.					
3.3 Revised NACE rev.2 and CPA 2008	Monitor the implementation of the NACE rev.2 and CPA 2008 according to the agreed timetable.	√	2.01/ 2.02/ 6.01	101 /101/ 201	New /Ongoing	Monitoring of national introduction of NACE Rev. 2
II - SPECIFIC FIELDS OF STATISTICS						
1. EDP (Priority)	Outcome of the EDP dialogues missions to Member States. Assessing the possibility of encompassing other areas of statistics which have an impact in the Government accounts. To confirm a smooth implementation of Eurostat's strengthened powers to verify the EDP data (in the context of the revised Commission Regulation 479/2009 on the application of EDP and SGP) and an improved governance of European statistics.	√	2.04	205	Ongoing	Contribute to legal, methodological and statistical development work to strengthen the governance of the EU fiscal framework.
1.1 Public interventions in the context of the international financial crisis	Monitoring the consequences of the financial crisis, in particular in the field of government interventions to support financial institutions and euro-area member states.	√	2.02	204	Ongoing	Accounting consequences for government of the interventions in the context of the financial crisis.
1.2 ESA Manual of Government Deficit	After the approval of the final version of the MGDD a communication policy should be	√	2.01	203	Ongoing	

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and Debt	followed in order to clarify the methodological improvements. There will be the need to clarify whether the manual would be amended according to the ESA 2010.					
1.3 Clarifications of CMFB procedures of consultation	Discuss whether the rules of procedure for the consultation of the CMFB on statistics underlying the Excessive Deficit Procedure would need to be further clarified in order to provide guidance. One of the examples is the application of the three types of procedures (Extensive procedure, Fast track procedure, or Special light procedure).	√				
2. Other public finance statistics						
2.1 COFOG	Continue to follow the work of the COFOG Task Force and the progress in the availability and transmission to Eurostat of detailed COFOG data as a basis of a better assessment of the quality of public expenditure.	√	2.04	206, 207	Ongoing	
2.2 Statistics on the public sector	Evaluate the impact of the new data requirements of ESA 2010 Transmission Programme on the government accounts, e.g. public (financial and non-financial) corporations. Assessment of the merits and costs of producing more comprehensive statistics on the public sector in the European Union, as requested by the EFC.	√				

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3. Macro economic statistics and Principal European Economic Indicators at EU and euro area level	Several new features have been introduced in the web page dedicated to Principal Global Indicators. Nevertheless, the IAG - Interagency Group (BIS, ECB, Eurostat, IMF, OECD, UN Statistics Division, World Bank) intends to add new indicators according to the G-20 recommendations. Additional information on residential and commercial real estate price data are also anticipated (information on non-financial assets, specifically real estate prices is fundamental for the policy deliberations of the ECB Governing Council). The IAG also intends to broaden country coverage in the medium-term. CMFB should dedicate time to the research, development and improvement of flash estimates, in particular on their ability to capture turning points. Review the coordination of the PEEIs work programme of the ESS and ESCB over the period 2013-2017. Users would welcome a higher level of detail about data on unit labour costs, producer prices and, possibly, also production, by sector. In addition, better timeliness for the sectoral data available on the unit labour costs and/or their components (compensation of employees,	√	5.01	103, 202, 203, 204	New , Ongoing	Developments in HICP (e.g. administered prices; owner-occupied housing; HICP communication). Labour statistics (including labour cost compilation review and compilation of unit labour cost (ULC) indicators and their components). Contribution to the follow-up on a Eurosystem survey on household finance and consumption.

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	employees, employment and value added), as well as longer back runs of sectoral data, are also of very high relevance for the users.					
4. Other statistics						
4.1 EU KLEMS	Monitor the progress of the EU KLEMS Consortium Database until 2012. Identifying the implications related with the new methodological requirements comprised in ESA 2010.	√	2.01	206	Ongoing	
5. Discussion of developments	Following ECB developments in different fields like statistics on insurance corporations and pension funds, financial vehicle corporations, reconciliation between supervisory and statistical reporting requirements for credit institutions and Central Securities Database (CSDB). In particular, the discussion of the needs in the field of securities holdings statistics would be crucial for the compilation of the whom-to-whom tables along with other outputs. Considering the proposal for the development of the Securities Holdings Statistics through the creation of a joint Eurosystem/ESCB database.	√				On the basis of the centralised securities database (CSDB) system, finalisation of the implementation of security-by-security data collection systems for balance of payments and investment funds statistics and development of securities holdings statistics (also for ESRB purposes).
III - HORIZONTAL ACTIVITIES AND						

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GENERAL ISSUES						
1. Harmonisation of release and revisions policies (Key main action)	Assessing the results of the questionnaire, aiming to define the EU revisions and dissemination policies particularly for Euro Area Accounts and quarterly government finance statistics The CMFB will make sure that the ESS and ESCB coordinate their program for the implementation of the new ESA.	√	2.01 / 5.01	105, 203 / 101, 102	New, Ongoing	Development of a regular revision policy for EAA.
2. ESRB (European Systemic Risk Board)	With the creation of the ESRB, the CMFB would aim to participate actively in all the initiatives that will require a close cooperation between the ESS and ESCB and to be informed about all the developments in this field.	New				Enhancement of financial stability statistics for the EU and euro area, in order to provide the ESRB with a minimally appropriate information basis for its regular meetings.
3. IT	The CMFB will make sure that the training programs of the ESS and ESCB are better coordinated.	√	6.09	204, 205	Ongoing	Statistical Data Warehouse – coordination of user requirements and further enhancements.
4. Statistics and IAS and IFRS	Ensure the reconciliation between accounting and statistics in the light of the development in accounting standards and definitions. Promote the construction of bridging tables between accounting and	√	6.01	203	Ongoing	European contributions to the revision of international statistical standard, where needed. Impact on ESCB

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	statistics in all fields of statistics in order to reduce the response burden and to improve quality of statistics. Following up the work developed by the European Committee of Central Balance Sheet Data Offices.					statistics of developments relating to the implementation of Basel II and IFRS-(IAS-) as well as the streamlining of the "COREP and FINREP" reporting frameworks.
5. Communication with EFC	Although being a regular activity, the communication to the EFC could encompass other fields of statistics contributing to the credibility and understanding of statistics.	√				
6. Europe 2020 strategy	Efforts to monitor the progress made towards achieving the Europe 2020 strategy, specifically by assessing macro-economic factors, growth-enhancing reforms and public finances.					
7. Exchange of confidential data	Identifying and discussing mechanisms of exchange of confidential data among the ESS and ESCB based on Regulations 223 on European statistics and 2533 concerning the collection of statistical information by the ECB, focusing on balance of payments data.					