

## Proposal for the 2014 CMFB operational work programme

21 November 2013

The CMFB is the “operational platform” for cross-cutting transversal issues between the European Statistical System (ESS) and the European System of Central Banks (ESCB). Within this role, it facilitates operational cooperation between the two systems. Naturally, the European political and statistical agendas do not remain static. The European statistical community therefore needs to be alert to new and important issues emerging that need to be addressed. The CMFB will play its part in ensuring operational cooperation between the two systems, whenever needed. **At present, the CMFB proposal is for the work programme below. The work packages are put forward in the CMFB’s estimation of descending order of priority.**

CMFB content prioritisation	State of Play	Pros and Cons	CMFB Action Points
<p><b>1.1 Ensuring the quality of statistics underpinning the production of MIP Scoreboard</b></p>	<ul style="list-style-type: none"> <li>- The LIME group discussed the revision of MIP Scoreboard indicators.</li> <li>- The CMFB Task Force on Quality Reports has been launched. This is progressing us towards greater cooperation on quality management and quality assessment frameworks across the two statistical systems.</li> <li>- The CMFB, as the operational platform, will discuss, formulate and propose practicable and effective statistical practices to ensure high quality in the relevant indicators.</li> <li>- For instance, the CMFB could work to offer advice on the best use of national account statistics and balance of payments statistics. The analysis could start with one selected indicator like the consolidated private debt ratio.</li> </ul>	<p><u>Pros:</u></p> <ul style="list-style-type: none"> <li>- The statisticians from NSIs and NCBs may exchange and pool experiences on the compilation of indicators</li> <li>- It could give opportunity to open cooperation with the economists (LIME group) on the suitability and reliability of the chosen indicators.</li> </ul> <p><u>Cons:</u></p> <ul style="list-style-type: none"> <li>- None apparently.</li> </ul>	<p>The CMFB may collect countries’ views on the issues raised from the compilation of indicators and especially on the quality of back sources.</p> <ul style="list-style-type: none"> <li>- The CMFB will comment upon the output of its Task Force, either at the next plenary meeting in February 2014 or by other means as expedient, and transmit its views.</li> <li>- The CMFB could follow up on the work of its Task Force, with proposals for further work, with and in, the relevant ESS and ESCB expert bodies on a selected number of issues, in the light of lessons derived from the first round of work.</li> <li>- The CMFB will take stock of progress at its July 2014 meeting and advise, if and as necessary.</li> </ul>

**Timetable:**

Up to Spring 2014: on the basis of the outcome of the CMFB Task Force on the quality of MIPS statistics, the CMFB will develop a proposed structured programme of further actions for enhancing the relevant quality frameworks

**1.2 Coordination of a consistent response to international initiatives such as SDDS Plus**

- As an input to the 2013 EU Regional Conference on the G20 DGI, Eurostat and the ECB analyzed the consistency between the data requirements for the SDDS Plus and G20 DGI and those embedded in EU and ECB statistical legal acts.  
- The analysis concluded that the requirements are largely consistent and that once the legal requirements would be implemented in 2015, EU Member States would automatically comply with 5/6 categories of the SDDS Plus.  
- Given that the SDDS Plus includes a transition period until 2019, Member States could consider adhering to SDDS Plus and developing a plan to comply with the nine categories by 2019.

**Pros:**

- The coordination of a consistent EU response to international initiatives strengthens the position of Europe in the international statistical sphere, given that it would offer a critical mass guaranteeing the success of the IMF SDDS Plus initiative

- The CMFB may offer a platform to collect information on the plans of Member States regarding adherence to the SDDS Plus initiative and progress towards completing the harmonized templates of the G20 DGI.

**Timetable:**

- February 2014: launch of a CMFB stock-taking exercise about the National plans regarding the adherence to the SDDS Plus Initiative
- May 2014: presentation to the CMFB EB
- July 2014: final presentation at the CMFB Plenary

**1.3 Further development of the system of Euro Area Integrated Accounts (EEA)**

- Practical implementation of ESA2010 with the objective to compile the EEA at T+90  
- Regarding the Rest of the World (RoW) sector in National Accounts,

**Pros:**

- Availability of EEA at T+90 would be compliant with the SDDS Plus category for sector accounts required for 2019 and in line with

- The CMFB could explore possible practical arrangements between the ESS and the ESCB aiming at a stepwise enhancement of the timeliness of the EEA in the coming 5

	<p>there is a need to be compliant with the Balance of Payments (BOP) in each country.</p> <ul style="list-style-type: none"> <li>- Different methodologies may be implemented to compile the RoW sector in National Accounts. For instance, the RoW sector in national accounts may differ from the non financial account in the BOP. Moreover, the correspondence table between the financial account of BOP and the national financial accounts is not drawn up.</li> <li>- Thus, there is a need for clarification at the European level.</li> <li>- Progression of greater harmonization of revision policies for BoP and the National Accounts, to the extent this has net benefits</li> </ul>	<p>the targets for PEEIs reflected in the EMU status report</p> <ul style="list-style-type: none"> <li>- Such work could lead to a harmonization of concepts and methodologies among countries profiting from the transition to the new statistical manuals</li> </ul> <p><u>Cons:</u></p> <ul style="list-style-type: none"> <li>- Showing possibly many inconsistencies among countries could jeopardize the exercise.</li> </ul>	<p>years</p> <ul style="list-style-type: none"> <li>- The CMFB could organize collation of national practices</li> <li>- The CMFB could assist consistent implementation of harmonized revision policies for BoP and National Accounts statistics across the ESS and the ESCB</li> </ul>
<p><b><u>Timetable:</u></b></p> <ul style="list-style-type: none"> <li>- <u>April 2014</u>: launch of a CMFB exercise to collate and describe national practices, in close cooperation between the NCB and the NSI. Ask for candidate countries to provide a table of correspondence.</li> <li>- <u>End May 2014</u>: end date to reply to the CMFB collation</li> <li>- <u>July 2014</u>: Presentation of the correspondence table between BOP financial account and Financial National Accounts in the CMFB Executive meeting</li> <li>- <u>January 2015</u>: Final presentation at the CMFB Plenary.</li> </ul>			
<p><b>2.1 Monitoring and promotion of initiatives: Utilization of Legal Entity Identifier (LEI) in statistical production</b></p>	<ul style="list-style-type: none"> <li>- The LEI has started running to create and apply a single and universal code to any organization or firm involved in a financial transaction.</li> <li>- The second step is to give an initial impulse on how to use the LEI in practice to compile statistics.</li> </ul>	<p><u>Pros:</u></p> <ul style="list-style-type: none"> <li>- The LEI constitutes a unique way to identify holding companies and head offices.</li> <li>- Countries will not be able to use the national business register identifiers and a simple name is not sufficient to ensure a correct</li> </ul>	<ul style="list-style-type: none"> <li>- The CMFB could carry out a stock taking exercise at the country level to define a list of holding companies already identified by an LEI.</li> </ul>

	<ul style="list-style-type: none"> <li>- A first utilization could be the publication of a list of holding companies and head offices.</li> <li>- Based on ESA 2010, the new financial sub sector on captive financial institutions and money lenders will integrate holding companies and head offices.</li> <li>- Following the TF on the treatment of holding companies, a list is defined in each country.</li> <li>- However, for monetary statistical purposes, each euro zone country will have to identify euro zone holding companies as monetary counterparts include in financial institutions.</li> <li>- Thus there is a need for a unique standard code to identify holding companies.</li> </ul>	<p>identification.</p> <p>Cons:</p> <ul style="list-style-type: none"> <li>- The LEI initiative is based on non universal requirements that are at this stage, entities involved in the OTC derivatives in the context of the Dodd-Frank act and, in January 2014, EMIR Regulation. This could lead to difficulties of implementation:</li> </ul>	
<p><b>Timetable:</b></p> <ul style="list-style-type: none"> <li>- January 2014: Preliminary presentation of the LEI state of play at the CMFB Plenary by the European ROC vice-chair</li> <li><u>May 2014</u>: Launch of a CMFB stocktake to ask countries about the possibilities of collating and sharing national lists of holding companies with an LEI and of holding companies without an LEI.</li> <li>- <u>End July 2014</u>: end-date to reply to the CMFB exercise</li> <li>- <u>September 2014</u>: Synthetic note laid down and presented to the CMFB Executive</li> <li>- <u>January 2015</u>: presentation of the outcome to the CMFB Plenary with recommendations on a way forward.</li> </ul>			
<p><b>2.2 Implementation of the new international standards (ESA2010 and BPM6) and required changes to Regulations and Guidelines</b></p>	<ul style="list-style-type: none"> <li>- The figures to be reported according to the new statistical manuals (non-financial and financial accounts) are currently being compiled by Member States, which</li> </ul>	<ul style="list-style-type: none"> <li>- Pros- Dynamising the discussion and interpretation of the new figures at the EU level will have benefits on the initiatives at national level, particularly, in the field of</li> </ul>	<ul style="list-style-type: none"> <li>- The CMFB could support the ESS and ESCB in developing public awareness of the impact on macroeconomic statistics of the implementation of ESA2010 and</li> </ul>

	<p>might face the same or similar methodological difficulties that would benefit from a wider discussion.</p> <ul style="list-style-type: none"> <li>- Implementation of the SDMX for data sharing, transmission and dissemination of macroeconomic statistics</li> </ul>	<p>communication. In addition, changes would be more clearly identified.</p> <p>Cons -</p>	<p>BPM6</p> <ul style="list-style-type: none"> <li>- It could facilitate cooperation between the two systems in terms of the communication strategy for the discussion and analysis of figures reported in 2014 (both financial and non-financial). Eg identifying and advising on cross-cutting issues, and facilitating exchange of information and convergence of views</li> <li>- Such initiatives might include thematic workshops and/or conferences for journalists and commentators.</li> <li>- The CMFB could support a coordinated implementation of SDMX for data sharing and dissemination of macroeconomic statistics.</li> </ul>
<p><b>Timetable:</b></p> <ul style="list-style-type: none"> <li>- <u>June 2014</u>: Ask CMFB Members about the ‘main challenges’ to be faced when compiling figures according to the new manuals, and catalogue national plans in NSIs, NCBs or across such institutions to enhance public awareness</li> <li>- <u>Beginning 2015</u>: Organize a cycle of joint Eurostat/ECB workshops on thematic issues that would have country presentations about technical issues and coordinate different national initiatives looking for synergies with the activities at the European level</li> <li>- <u>July 2015</u>: Disseminate a thematic booklet with the main conclusions</li> </ul>			
<p><b>2.3 Coordination of GFS discussions</b></p>	<ul style="list-style-type: none"> <li>- Following the adoption of the ESA 2010 EU regulation (549/2013), the Eurostat Manual on Government Deficit and Debt is currently being updated and a version is expected for the second half of 2013.</li> </ul>	<p><u>Pros:</u></p> <ul style="list-style-type: none"> <li>- Monitoring of implementation issues across the two statistical systems will be important</li> <li>- GFS is an explicit item in the MoU, leaving aside EDP procedures which are separate from the cross-cutting,</li> </ul>	<ul style="list-style-type: none"> <li>- The CMFB could invite countries to share views on the implementation issues of the decisions that will be taken in this field.</li> </ul>

		transversal work programme	
<b>Timetable:</b>			
<ul style="list-style-type: none"> <li>- <u>July 2014</u>: Launch of a CMFB exercise to garner emerging implementation issues</li> <li>- <u>November 2014</u>: End-date to reply to this inquiry</li> <li>- <u>January 2015</u>: Presentation to the CMFB Executive</li> <li>- <u>July 2015</u>: Presentation to the CMFB Plenary with associated recommendations</li> </ul>			
<b>Postponed, pending further consideration within the next ESF Bureau</b>			
<p><b>Relevant cross-cutting and transversal implications for Framework and Regulation Integrating Business Statistics (FRIBS)</b></p>	<p><i>FRIBS will have a wide-reaching impact on many statistical domains.</i></p> <ul style="list-style-type: none"> <li>- <i>In particular, use of business registers could be made substantially more productive.</i></li> <li>- <i>However, business registers specifications heavily depend on national specificities such as tax, legal regimes,</i></li> <li>- <i>Thus an essential ingredient is a common understanding of the state of play in this domain in both statistical systems.</i></li> </ul>	<p><u>Pros:</u></p> <ul style="list-style-type: none"> <li>- <i>The harmonisation of concepts and exchange of data among Members States, increasing awareness of the state of play would contribute powerfully to an efficient FRIBS</i></li> <li>- <i>Key statistical areas such as the balance of payments and financial statistics, including private indebtedness, involve compilation in both statistical systems</i></li> <li>- <i>Without clear mutual understanding of matters such as the statistical unit, FRIBS initiatives could lead to multiple unintended consequences</i></li> </ul> <p><u>Cons:</u></p> <ul style="list-style-type: none"> <li>- <i>In case of important heterogeneity, it might be unclear to conclude with recommendations on the way forward (which could involve high costs of harmonisation)</i></li> </ul>	<ul style="list-style-type: none"> <li>- <i>At an appropriate time, depending on the progress made by the ESS, the CMFB could invite its members to participate in a mapping exercise, by listing the operational business registers managed by NSIs or by NCBs and defining their main features. (NB This would be a mapping/ knowledge sharing exercise and not a discussion of the organization of those registers.)</i></li> <li>- <i>The Task-Force on Accounting and Statistics co-chaired by Eurostat and the ECB could be relaunched, with an updated and reformulated mandate.</i></li> <li>- <i>The CMFB could work with its members to identify and advise on key cross-cutting issues important to both systems.</i></li> </ul>

<p><u>Timetable:</u> As a number of members of the ESF were not convinced about the usefulness of this work, the FRIBS item has been put on hold for one year. In the meantime, the CMFB Executive will endeavor to work the issue up to a more robust explanation and justification of this potential task, in the view of the next ESF discussion.</p>			