



STATISTICS

GFS Manual Update

MEETING OF UNCEISC

OCTOBER 26, 2023

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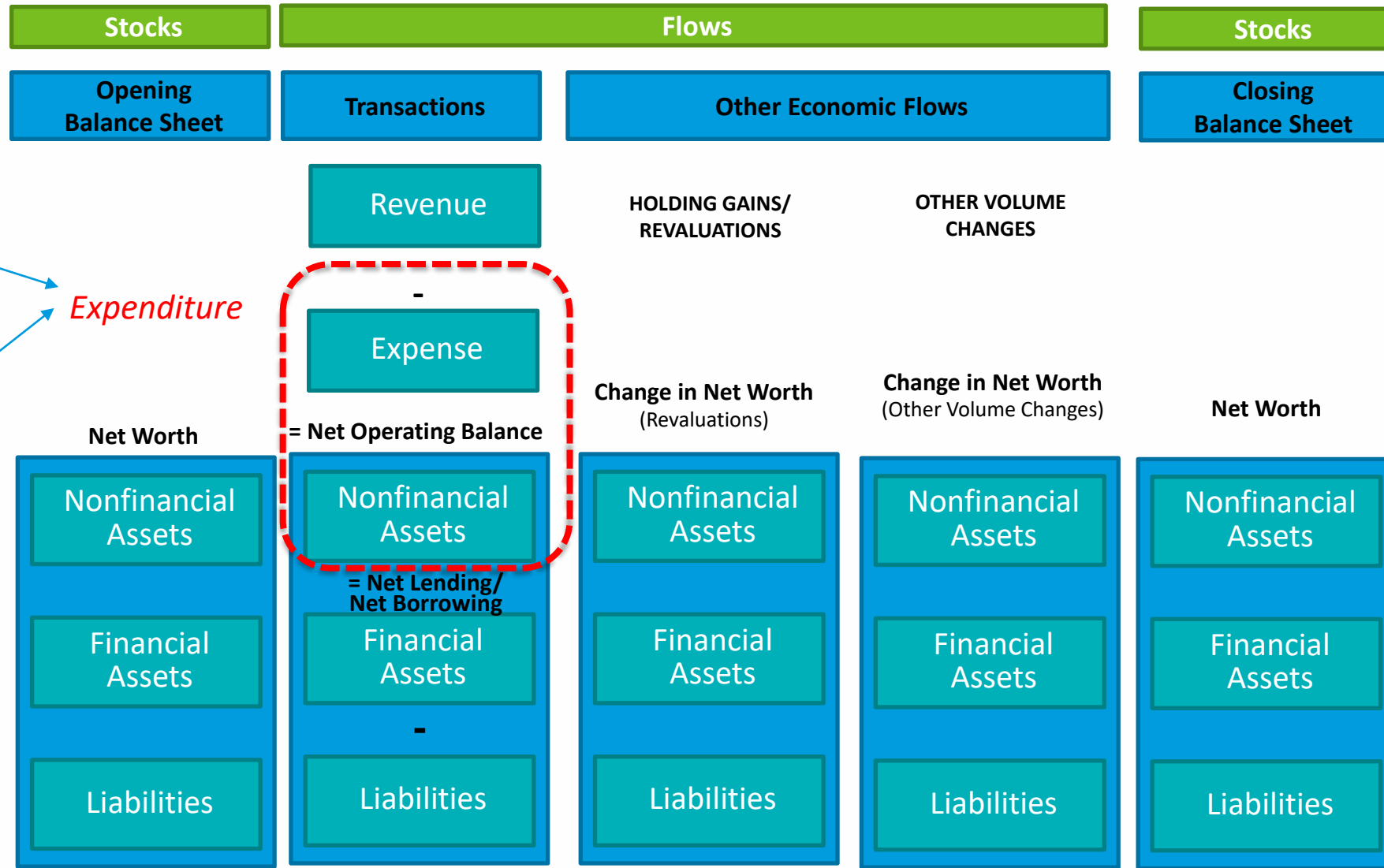
Division Chief

Government Finance Division

Government Finance Statistics (GFS): Overview

- GFS an **integrated framework** designed to support **fiscal analysis** and **policymaking**
- GFS is **standardized, consistent, comparable, comprehensive,** and **transparent**
- Part of wider macroeconomic statistics with *GFSM 2014* consistent with the *2008 System of National Accounts (SNA)*
- Government expenditure by **COFOG** is an **integral part of the GFS framework** and presentation

GFS Integrated Framework



Economic breakdown

Expenditure

COFOG breakdown

Vertical integration:
 revenue – expenditure
 = transactions in financial assets - liabilities

Horizontal integration: change in stocks = sum of flows

Classification of the Functions of Government (COFOG)

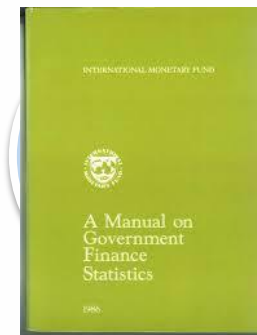
- COFOG provides a **functional breakdown of government expenditure**
- COFOG is increasingly **used in fiscal analysis**
 - ▶ UN SDG 1.a.2 using COFOG data on education, health and social protection
 - ▶ Social spending by governments is a focus for many countries and international organizations with COFOG often used to delimit/measure social spending
 - ▶ Climate and environmental spending increasingly important in fiscal policies and COFOG offers one key tool to capture this information
- **Expenditure matrix** by COFOG and economic categories can be a particularly powerful tool for fiscal analysis

GFS Advisory Committee (GFSAC)

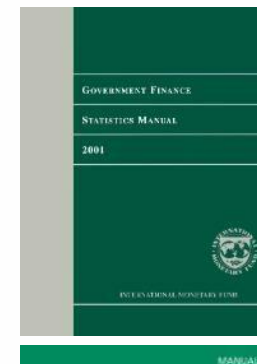
- GFSAC advises IMF on the GFS research agenda and on issues related to methodological clarifications, guidance, and implementation
- Last GFSAC meeting in September 2020
- Since 2020, GFSAC have been consulted on various aspects of update to the SNA and BPM
- Tenure of existing GFSAC members has come to an end, and GFSAC is being reconstituted in preparation for envisaged update to *GFSM 2014*
- Next GFSAC meeting is tentatively scheduled for April 2024
- GFSAC meetings over next 3 - 4 years will help deliver GFSM update

GFSM 2014 Update

- IMF is the custodian of the Government Finance Statistics Manual (GFSM)
- Latest version of the manual was published in 2014 and is closely aligned with the SNA 2008
- Harmonization of guidance across macroeconomic statistical standards is important to users and compilers alike
- An updated SNA will be published in 2025 so it is an opportune time to update the GFSM



GFSM 1986



GFSM 2001



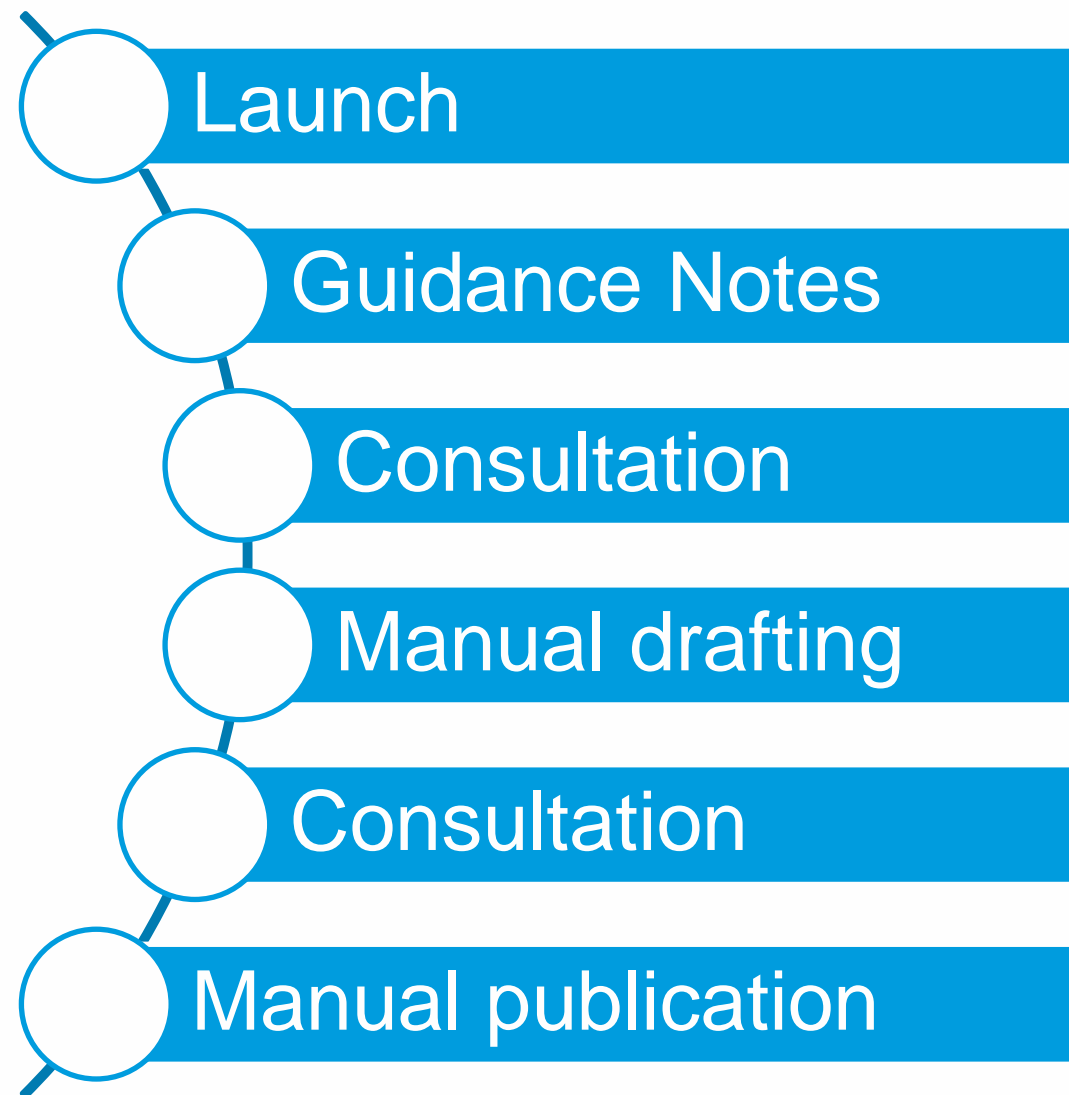
GFSM 2014



GFSM 202?

GFSM Update: Process

- First the update to the *GFSM 2014* needs to be formally launched
- Update process is envisaged to be closely resemble that of the SNA and BPM
- Meeting of GFSAC in April 2024 will consider both the GFSM update process and content
- Coordination with other statistical updates will be essential: SNA/BPM, MFS, SEEA, **COFOG**...



GFSM Update: Content – areas for consideration

SNA/BPM Alignment

e.g., taxes vs sales of service, treatment of natural resources, emission permits, recording of data, crypto assets

GFS Additional Topics

e.g., capital injections, SWFs, PPPs, sectorization, debt operations

Other Cross-cutting Topics

e.g., COFOG update, IPSAS alignment, compilation guidance

Thank you!