



HIGH-LEVEL SUMMARY TECHNICAL ASSISTANCE REPORT

UNITED REPUBLIC OF TANZANIA

Data Quality Assessment for Public Sector Debt
Statistics Mission (September 23–27, 2024)

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Prepared By

Andrew Kitili, David Bailey, and Robert Osudi

PARTNERS:



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High-Level Summary Technical Assistance Report

Statistics Department

United Republic of Tanzania – Data Quality Assessment for Public Sector Debt Statistics

Prepared by Andrew Kitili, David Bailey, and Robert Osudi

The *High-Level Summary Technical Assistance Report* series provides high-level summaries of the assistance provided to IMF capacity development recipients, describing the high-level objectives, findings, and recommendations.

ABSTRACT: In September 2024, an assessment was undertaken of the data quality of the public sector debt statistics (PSDS) of the United Republic of Tanzania against the IMF's Data Quality Assessment Framework (DQAF) for PSDS. The mission was undertaken as part of a project to strengthen the quality of public sector debt in select African countries, funded by the Government of Japan. The mission reviewed the PSDS compilation and dissemination practices against each element of the DQAF and presented a series of recommendations to improve the quality and transparency of the PSDS of the United Republic of Tanzania.

JEL Classification Numbers H63, H81, H83 (consult <https://www.aeaweb.org/econlit/jelCodes.php>)

Keywords: Data Quality Assessment Framework (DQAF), Debt Reporting, Debt Transparency, JSA, Public Debt, Public Sector Debt Statistics (PSDS), Tanzania

Background

1. Over the last decade, Tanzania has received significant technical assistance from the IMF's Statistics Department (STA) on government finance statistics (GFS) and PSDS mainly provided through the GFS/PSDS Resident Advisor at the IMF Regional Capacity Development Center in Dar es Salaam (AFE). STA capacity development has focused on enhancing Tanzania's capacity to compile and disseminate comprehensive and comparable fiscal statistics based on international statistical standards—the *Government Finance Statistics Manual 2014 (GFSM 2014)* and the *Public Sector Debt Statistics Guide 2013 (PSDSG 2013)*. Tanzania has made progress in fiscal statistics, but significant gaps remain including data needed for the convergence criteria of the East African Monetary Union (EAMU).

2. In recent years, Tanzania has made significant progress in strengthening the compilation and dissemination of public sector debt statistics. The Debt Database Management Section of the Debt Management Division (DMD) in the Ministry of Finance (MOF) has been modernized by implementing the Commonwealth Secretariat web-based debt management system (CS Meridian) in the financial year (FY) 2022/23. Against this background, the main objective of the mission was to use the IMF's standardized Data Quality Assessment Framework (DQAF) to identify areas for improvement in PSDS compilation and dissemination processes and recommend priority actions to help Tanzania enhance public debt data transparency and accountability.

Summary of Findings

3. Legal Environment: The primary responsibility for collecting, processing, and disseminating public debt statistics in Tanzania is clearly established. CAP 134, Government Loans, Grants and Guarantees, Act 1974 (as amended) provides sufficient guidance on public debt management in Tanzania. The Act provides regulations (Government loans, grants, and guarantees regulations 2003 (as amended)) which, among other things, specify debt reporting arrangements. Currently, the DMD in the MOF is the custodian of public debt data.

4. Institutional Environment: Data sharing and coordination arrangements among data-producing agencies in Tanzania are adequate. The National Debt Management Committee (NDMC) serves as the advisory body to the Minister of Finance on all matters related to debt management. It receives technical advice from the Technical Debt Management Committee (TDMC) which is chaired by the Commissioner for DMD. The latter serves as the Secretariat of the TDMC and is sufficiently resourced to execute its other functions effectively—Resource Mobilization, Risk Analysis, and Data Management. Going forward, there is need to publicize the recent achievement, particularly in data management, and to seek feedback from data users (outside government) on the usefulness and relevance of data products given the evolving needs and high demands on data transparency.

5. Assurances of Integrity: All debt data producing agencies demonstrate professionalism, are transparent in their practices, and promote high ethical standards to their staff. The choice of source data, methodologies, and statistical techniques is based on measurement objectives and data requirements. Clear and comprehensive ethical standards are set out in the Government Code of Ethics and Staff Regulations, and the Civil Service Law, which all staff swear before joining the Civil Service. Transparency could be further enhanced by widely publishing the latest version of CAP 134 Act together with its updated legislations.

6. Methodological Soundness: The compilation of public sector debt broadly follows international standards. Reported PSDS cover all loans and debt securities of the budgetary central government

(BCG) with separate information available on government guarantees and borrowing of other public sector units. The PSDS reports separately identify domestic and external debt based on the residency of the creditor and for individual loans is fully aligned with the statistical concept of residency. In addition to the public debt reports, the MOF (Accountant General's Division) produce consolidated financial statements for the entire Tanzania public sector. These financial statements are audited and impressively consolidate financial statements from nearly 600 public entities, which make up the entirety of the Tanzanian public sector. The accounting basis for PSDS in Tanzania broadly follows the requirements of the statistical standards but the valuation used is face value rather than the preferred nominal value. Areas for methodological improvement include information on liabilities for accounts payable, currency and deposits, and insurance, pension, and standardized guarantee schemes; using the debt system capabilities to change the reported valuation method for debt instruments from face value to the preferred nominal value; providing metadata when the conversion rate used is different from the recommended mid-point rate; and aligning the taxonomy within PSDS reports for debt instruments and creditors to international standards.

7. Accuracy and Reliability: Tanzania successfully interfaced the CS Meridian with the Integrated Financial Management Information System, becoming the first country to do so. The new system provided a platform to migrate and validate debt data against original contractual documents and reconcile the information with that held by creditors. This is a commendable effort to greater accuracy and reliability of debt data. Security measures and access control and audit features ensure that the debt data is held securely and that data updates are appropriately managed and digitally integrated with other government data systems to increase efficiency and reduce the risk of human error during data entry. With this major milestone accomplished, the authorities are encouraged to focus effort in addressing remaining gaps: republishing historical series where the data have been corrected and revised, socializing a draft revision policy, and leveraging the web-based features of the new debt system to expand the perimeter of government to local authorities and state-owned enterprises.

8. Serviceability: Tanzania's PSDS are consistent across all macroeconomic data sets, in balance of payments, monetary accounts, and government finance statistics. This underscores the significant effort of the DMD of reconciling debt data in the recent past. In addition, Tanzania's PSDS meet not only the periodicity and timeliness requirements of the Enhanced General Data Dissemination System (despite that the country stopped updating the National Summary Data Page (NSDP) in 2016) but meet or exceed the periodicity and timeliness of some advanced economies. However, several areas need further strengthening including the need to commence submission of debt data to the World Bank Quarterly Public Sector Debt (QPSD) statistics database; update the NSDP on the IMF's Dissemination Standards Bulletin Board; initiate validation of historical series of migrated data jointly with the World Bank; and to align public debt presentation to international standards. The need for improvement was echoed by respondents in a survey of key users (User Survey), conducted prior and during the mission. With the new debt system coupled with strong commitment shown by the staff of the DMD, these improvements are deliverable.

9. Accessibility: The Bank of Tanzania (BOT) and DMD publish many debt tables in their monthly, quarterly, and annual publications. However, modern data users generally prefer raw data in easily downloadable format for configuration and re-use. There is scope for DMD to improve on this dimension of quality. Low hanging fruits include, linking users to raw data through the NSDP or by publishing quarterly debt statistics regularly through the QPSD. Serviceability to users could also be enhanced by publication and maintenance of key documentation in several areas such as concordances, sources and methods; and a general dissemination policy across various websites to enhance accessibility.

Summary Ratings of the PSDS DQAF*

Dimensions/Elements	Rating	Dimensions/Elements	Rating
0. Prerequisites of quality		3. Accuracy and reliability	
0.1 Legal and institutional environment	O	3.1 Source data	LO
0.2 Resources	O	3.2 Assessment of source data	LO
0.3 Relevance	LO	3.3 Statistical techniques	LNO
0.4 Other quality management	O	3.4 Assessment and Validation of Statistical Outputs	LO
1. Assurances of integrity		3.5 Revision studies	NO
1.1 Professionalism	O	4. Serviceability	
1.2 Transparency	LO	4.1 Periodicity and timeliness	O
1.3 Ethical standards	O	4.2 Consistency	O
2. Methodological soundness		4.3 Revision policy and practice	NO
2.1 Concepts and definitions	LO	5. Accessibility	
2.2 Scope	LNO	5.1 Data accessibility	LO
2.3 Classification / sectorization	LNO	5.2 Metadata accessibility	LNO
2.4 Time of debt recording, valuation, and consolidation	LO	5.3 Assistance to users	LNO
Key: O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed. NO = Practice Not Observed; NA = Not Applicable			

*DQAF August 2024 Public Sector Debt Statistics

https://dsbb.imf.org/content/pdfs/dqrs_psd.pdf