



COLOMBIA

March 11, 2022

STAFF REPORT FOR THE 2022 ARTICLE IV CONSULTATION—INFORMATIONAL ANNEX

Prepared by:

The Western Hemisphere Department
(In collaboration with other Departments)

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FUND RELATIONS

(As of January 31, 2022)

Membership status: Joined: December 27, 1945; Article VIII.

General Resources Account:

	SDR million	Percent Quota
Quota	2,044.50	100.00
Fund holding of currency (Exchange rate)	5,299.69	259.22
Reserve position	494.81	24.20

SDR Department:

	SDR million	Percent Quota
Net cumulative allocation	2,697.88	100.00
Holdings	2,560.22	94.90

Outstanding Purchases and Loans:

	SDR million	Percent Quota
Flexible Credit Line	3,750.00	183.42

Latest Financial Arrangements:

Type	Date of Arrangement	Expiration Date	In million of SDR	
			Amount Approved	Amount Drawn
FCL	May 1, 2020	Apr 30, 2022	12,267.00	3,750.00
FCL	May 25, 2018	May 24, 2020	7,848.00	0.00
FCL	Jun 13, 2016	May 24, 2018	8,180.00	0.00
FCL	Jun 17, 2015	Jun 12, 2016	3,870.00	0.00

Projected Payments to the Fund (in SDR million):

	Forthcoming				
	2022	2023	2024	2025	2026
Principal			1875	1875	
Charges/interest	40.87	41.12	34.72	14.65	0.61
Total	40.87	41.12	1909.72	1889.65	0.61

Implementation of HIPC Initiative: Not applicable.

Implementation of Multilateral Debt Relief Initiative (MDRI): Not applicable.

Exchange Rate Arrangement: Colombia's exchange arrangement is free from exchange restrictions and multiple currency practices subject to IMF jurisdiction under Article VIII.

Article IV Consultation: The last Article IV Consultation was concluded on March 19, 2021 (IMF Country Report No. 21/59).

FSAP participation and ROSCs: The FSAP took place in 2000 and was updated in 2008, 2013, and 2022. A data ROSC took place in 2006 and a fiscal ROSC in 2003.

Technical Assistance:

Department	Time of Delivery	Purpose
FAD	Aug. 2016	Discussion of the 2017 structural tax reform
STA	Dec. 2016	National Accounts
FAD	Feb. 2017	Revenue Administration
FAD	Mar. 2017	Fiscal Transparency Assessment
STA	Jun. 2017	National Accounts
FAD	Aug. 2017	Tax and Customs Administration
FAD	Sep. 2017	Treasury Management
STA	Sep. 2017	National Accounts
STA	Nov. 2017	Government Finance Statistics
STA	Dec. 2017	National Accounts
STA	Apr. 2018	Sectoral Accounts
STA	Apr. 2018	Residential Property Prices Indices
STA	May. 2018	National Accounts
STA	Sep. 2018	Residential Property Price Index
FAD	Oct. 2018	Tax Administration
STA	Oct. 2018	Consumer Price Index
STA	Dec. 2018	Sectoral Accounts
FAD	Mar. 2019	Compliance and Core Procedures
FAD	Mar. 2019	Fiscal Rule and Fiscal Risks
STA	Mar. 2019	Sectoral Accounts
FAD	Apr. 2019	
		Energy Subsidy Reform
FAD	Aug. 2019	Establishing a debt anchor and updating the fiscal rule
		Strengthening the fiscal risk management office and managing fiscal risks from SOEs
FAD	Oct 2019	
FAD	Jul 2020	TADAT Assessment
FAD	Oct 2020	BRP Treasury Reporting

Department	Time of Delivery	Purpose
STA	Apr. 2021	Fiscal and Public Debt Data Compilation
STA	Apr. 2021	Improve Capacity for Residential
ICD	Sep. 2021 (Nov. 2021, Jan.2022)	Property Price Index
STA	Aug. 2021	Strengthening Macro-Fiscal Analysis and
FAD	Aug. 2021	Forecasting Capacity.
FAD	Nov. 2021	Compilation of FSIs
		Revenue Administration
		Strengthening Fiscal Risks Analysis and
		Reporting

RELATIONS WITH OTHER INTERNATIONAL FINANCIAL INSTITUTIONS

World Bank Group:

- Country page: <https://www.worldbank.org/en/country/colombia>
- Overview of Word Bank Group lending to Colombia:
<http://financesapp.worldbank.org/en/countries/Colombia/>
- IBRD-IDA project operations:
http://projects.worldbank.org/search?lang=en&searchTerm=&countrycode_exact=CO

Inter-American Development Bank:

- Country page: <https://www.iadb.org/en/countries/colombia/overview>
- IADB's lending portfolio: <https://www.iadb.org/en/countries/colombia/projects-glance>

STATISTICAL ISSUES

(As of February 25, 2022)

I. Assessment of Data Adequacy for Surveillance

General. Provision of macroeconomic statistics is adequate for surveillance.

National Accounts: The National Department of Statistics (DANE) is responsible for compiling the national accounts, and the Banco de la República (BdR) compiles the financial accounts and stocks according to the *2008 SNA*. Annual and quarterly estimates of GDP by the production and the expenditure approaches use 2015 as the reference year for the annually chained volume measures; in addition, a monthly indicator for monitoring the economy is disseminated. Furthermore, the accounts and tables identified as minimum requirements and recommended for implementation of the *2008 SNA* are compiled on a regular basis, as listed below: annual value added and GDP at current and at previous year prices, and chain-linked volume series by economic activity; annual expenditure GDP components at current and at previous year prices, and chain-linked volume series; components of annual value added at current prices by economic activity; the sequence of accounts for the economy as a whole (up to net lending) with annual frequency; annual accounts of the rest of the world (up to net lending); quarterly value added and GDP at current and chain-linked volume series by economic activity; quarterly expenditure GDP components at current and chain-linked volume series; and annual supply-use tables. During 2016–2020, the Fund assisted DANE and BdR in developing quarterly financial and non-financial accounts by institutional sector. Since June 30, 2021, BdR jointly with DANE, began to disseminate the 'Integrated Quarterly National Accounts by Institutional Sector'. The quarterly information published is integrated between DANE's sequence of accounts and the BdR's financial accounts and stocks.

Price Statistics: DANE is also responsible for price statistics and currently compiles and disseminates monthly the consumer price index (CPI) and the producer price index (PPI). The CPI basket and weights were updated in 2019, with the support of STA technical assistance, based on 2016/17 household expenditures. The PPI (December 2014=100) was redesigned in 2015 using a weighting structure from the year 2011 and covers agriculture, livestock, fishing, mining, and industry. STA assisted DANE to improve residential property price statistics based on the RPPI Practical Compilation Guide 2020. The quarterly index currently compiled covers the capital Bogotá only.

Government Finance Statistics: The Ministry of Finance and Public Credit (MFPC) is responsible for the compilation of public revenue, expenditure, and financing data. The Colombian authorities have reaffirmed their commitment to adopt the GFSM 2014 framework, enhance inter-institutional coordination, and increase the resources allocated to compiling government finance statistics. The latest reported data has been published in the Government Finance Statistics Yearbook (GFSY). Next steps include aligning classification of revenue and expense with GFSM 2014 framework, improving consolidation, adopting a common list of public sector entities, and disseminating high-frequency data on a national and international level. The General Accounting Office (GAO) developed a single

accounting framework for the public sector based on International Public Sector Accounting Standards and maintains a financial management information system containing accounting information of all public sector units. The MFPC's Macroeconomic Policy Unit and the GAO developed a bridge table that converts national accounting classification to the GFSM 2014 framework to compile GFS on accrual and cash bases.

Monetary and Financial Statistics: The BdR reports the Standardized Report Forms (SRFs) 1SR for the central bank, 2SR for the other depository corporations (ODCs), and 5SR for monetary aggregates for publication in the IMF's International Financial Statistics (IFS) on a monthly basis with a lag of two months for the 1SR and 4 months for the 2SR. The Superintendencia Financiera de Colombia (SFC) compiles data for other financial corporations (OFC) using SRF 4SR. However, the last reported OFC data are for December 2014. This delay in reporting is due to an ongoing review of the SFC and efforts to map the former to the International Financial Reporting Standards (IFRS). The classification of financial instruments and economic sectors follows the MFSM.

The BdR reports data on several series indicators of the Financial Access Survey (FAS) including the two indicators (commercial bank branches per 100,000 adults and ATMs per 100,000 adults) adopted by the UN to monitor Target 8.10 of the Sustainable Development Goals (SDGs).

Financial Sector Surveillance: Colombia has reported Financial Soundness Indicators (FSI) beginning from 2005. Colombia reports all 13 core and eight additional FSIs for deposit takers on a monthly basis according to list of FSIs prescribed in the 2019 Financial Soundness Indicators Compilation Guide. The FSIs along with metadata and the underlying series are available on the IMF's data portal (<http://data.imf.org/>).

External Sector Statistics: The BdR is in charge of compiling and disseminating quarterly balance of payments and international investment position (IIP) statistics, which are produced on a sixth edition of the Balance of Payments and International Investment Position Manual (BPM6) basis. Improved surveys, particularly in the services sector, have enhanced the coverage of balance of payments statistics. Recording of transactions in securities between residents and nonresidents in secondary markets could be improved. The BdR also monthly compiles and disseminates the Data Template on International Reserves and Foreign Currency Liquidity, reports semi-annual data to the Coordinated Portfolio Investment Survey (CPIS), and submits quarterly external debt statistics to the Quarterly External Debt Statistics (QEDS) database. However, Colombia has not reported data to the Coordinated Direct Investment Survey (CDIS) yet.

II. Data Standards and Quality

Colombia subscribes to the Special Data Dissemination Standard (SDDS) since 1996 and metadata are posted on the Fund's Dissemination Standards Bulletin Board (DSBB).

Colombia: Table of Common Indicators Required for Surveillance
(As of February 28, 2022)

	Date of Latest Observation	Date Received	Frequency of Data ¹	Frequency of Reporting ¹	Frequency of Publication ¹
Exchange Rates	Feb. 24, 2022	Feb. 24, 2022	D	D	D
International Reserve Assets and Reserve Liabilities of the Monetary Authorities ²	Jan. 2022	Feb. 2022	M	M	M
Reserve/Base Money	Jan. 2022	Feb. 2022	W	W	W
Broad Money	Jan. 2022	Feb. 2022	W	W	W
Central Bank Balance Sheet	Jan. 2022	Feb. 2022	W	W	W
Consolidated Balance Sheet of the Banking System	Nov. 2021	Feb. 2022	M	M	M
Interest Rates ³	Feb. 24, 2022	Feb. 24, 2022	D	D	D
Consumer Price Index	Jan. 2022	Feb. 2022	M	M	M
Revenue, Expenditure, Balance and Financing Composition ⁴ – General Government (GG) ⁵	Jun. 2021	Nov. 2021	Q	Q	Q
Revenue, Expenditure, Balance and Financing Composition ⁴ – Central Government	Jun. 2021	Nov. 2021	M	M	M
Stocks of Central Government and Central Government-Guaranteed Debt ⁶	Dec. 2021	Jan. 2022	M	M	M
External Current Account Balance	Q4 2021	Mar. 2022	Q	Q	Q
Exports and Imports of Goods and Services	Q4 2021	Feb. 2022	Q	Q	Q
GDP/GNP	Q4 2021	Feb. 2022	Q	Q	Q
Gross External Debt	Nov. 2021	Feb. 2022	M	M	M
International Investment Position ⁷	Q4 2021	Mar. 2022	Q	Q	Q

¹ Daily (D); Weekly (W); Monthly (M); Bi-monthly (B); Quarterly (Q); Annually (A); Irregular (I); Not Available (NA).

² Any reserve assets that are pledged or otherwise encumbered should be specified separately. Also, data should comprise short-term liabilities linked to a foreign currency but settled by other means as well as the notional values of financial derivatives to pay and to receive foreign currency, including those linked to a foreign currency but settled by other means.

³ Both market-based and officially-determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

⁴ Foreign, domestic bank, and domestic nonbank financing.

⁵ The GG consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.

⁶ Including currency and maturity composition.

⁷ Includes external gross financial asset and liability positions vis-à-vis nonresidents.