



Workshop Report on Government Finance Statistics (GFS) and Public Sector Debt Statistics (PSDS) for enhanced Climate Investments

Venue: Hotel YT, Lobesa, Punakha

Date: 12–14 November 2025

1. Introduction

A three-day training workshop on Government Finance Statistics (GFS) and Public Sector Debt Statistics (PSDS) was held from 12–14 November 2025 in Lobesa, Punakha. The workshop introduced participants to the conceptual framework of the IMF Government Finance Statistics Manual 2014 (GFSM 2014) and the PSDS Guide, with a focus on enhancing the accuracy, consistency, and comprehensiveness of Bhutan’s fiscal reporting.

The training was organized under the GCF Readiness project “*Strengthening capacities and enhancing climate data and services in Bhutan to scale up climate financing from multiple sources.*” It brought together officials from various departments of the Ministry of Finance, representatives from the Thromdes (Local Governments), and the National Statistics Bureau (NSB).

Strengthening national capacity in GFS and PSDS is critical for developing reliable and integrated fiscal datasets, which underpin evidence-based climate finance planning, climate-responsive budgeting, and resource mobilization. Through improved understanding of fiscal classifications and analytical tools, the workshop supported enhanced coordination, transparency, and reporting across institutions engaged in climate finance.

2. Objectives of the Workshop

The workshop aimed to:

- Strengthen institutional capacity for climate finance governance, transparency, and data readiness.
- Enhance the ability of national institutions to assess fiscal space and mobilize climate finance effectively.
- Support the establishment of systematic and sustainable fiscal data management processes.
- Familiarize participants with the GFS analytical framework and its relevance for climate finance planning.
- Build practical skills in compiling GFS in line with GFSM 2014.
- Improve understanding of how fiscal data informs climate investment planning, budget classification, and resource tracking.

3. Workshop Topics and Activities

Over three days, the sessions covered key technical and analytical areas relevant to Bhutan’s evolving fiscal and climate finance landscape:

1. Overview of the GFS Analytical Framework

- Introduction to stocks and flows, balance sheet approach, and key differences between GFSM 1986 and GFSM 2014.
- Emphasis on how improved fiscal classifications enable better climate finance reporting and expenditure tracking.

2. Institutional Coverage and Sectorization

- Classification principles under GFSM 2014.
- Importance of accurate institutional mapping for producing reliable public finance data to support climate project appraisal and national reporting obligations.

3. Revenue Classification

- Overview of the four GFS revenue categories.

- Discussion of Bhutan-specific issues, including identification of potential climate-related revenue streams.

4. Expenditure Classification

- Explanation of expenditure categories and above-the-line transactions.
- Guidance on distinguishing and tracking climate-relevant public expenditures.

5. Financing and Debt Operations

- Review of financial inflows, outflows, and debt operations.
- Strengthening understanding of public debt dynamics as they relate to climate investment capacity and fiscal sustainability.

6. Practical Exercise: Developing a Government Balance Sheet

- Participants applied GFS classifications to assets and liabilities.
- The exercise contributed to establishing a more robust fiscal database to support integrated climate finance planning.

4. Outcomes and Way Forward

The workshop generated several important outcomes:

- Improved understanding of GFSM 2014 concepts, institutional classifications, and debt operations.
- Enhanced national capacity to compile GFS and PSDS, enabling more credible fiscal reporting for climate finance planning.
- Strengthened analytical capability to interpret balance sheets and fiscal flows, supporting more informed climate investment decisions.
- Agreement that, with IMF technical support, Bhutan will finalize GFS compilation for FY 2023–24 and FY 2024–25.

5. Conclusion

- The workshop contributed to strengthening the institutional foundations needed for effective climate finance coordination and reporting.
- It enhanced the national ability to generate high-quality fiscal data, which is critical for mobilizing climate finance from diverse sources.
- The knowledge and skills gained will feed into longer-term capacity development efforts aimed at establishing a sustainable and data-driven climate finance system.

Overall, the GFS/PSDS workshop reinforced institutional and technical capacity across the Ministry of Finance and partner agencies. By improving fiscal data quality, analytical capability, and reporting processes, the training supports Bhutan's broader efforts to build a coherent, transparent, and evidence-based climate finance architecture. These strengthened competencies position national institutions to manage climate finance more effectively and to engage with development partners.

Pictorial Evidence

