STATISTICS

4th D4D Fund Steering Committee Meeting

JUNE 15, 2021
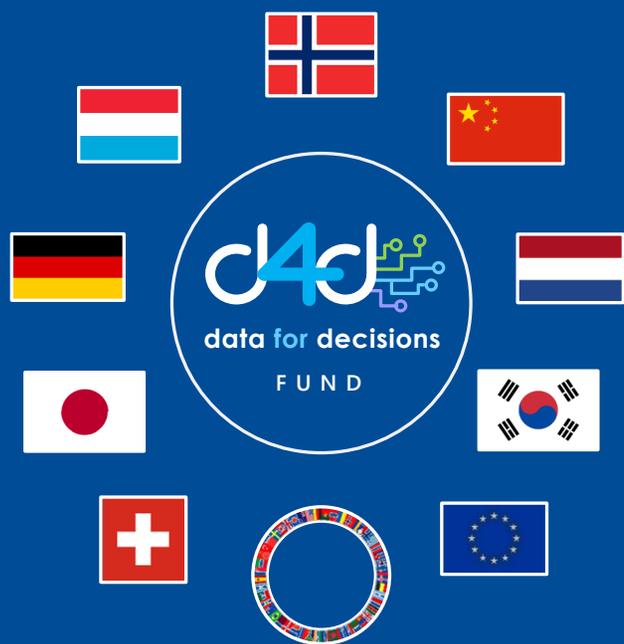
Designing the Work Plan for FY22–FY23Q2

How evolving context and demand have changed CD delivery

New ways of delivering CD

Demand for medium-term project-based CD is expected to resume gradually. For now, the work plan assumes predominantly remote CD delivery.

Strong demand for operational CD, addressing urgent short-term demands, for example, through webinars on topics relevant in the pandemic.

Surge in requests for remote ad hoc assistance through brief exchanges with authorities, mostly limited to less than one business day.

Blended CD, integrating online learning material into traditional training programs, is expected to stay beyond the pandemic.

Beneficiary Countries

Focus will remain on Africa and fragile states:

- 1/2 of identified recipient countries are from AFR;
- 1/3+ of identified recipient countries are fragile and conflict-affected states (FCS).

Uncertainty

Evolution of pandemic, constraints on country authorities, travel prospects, CD demand.

Implementation Plans and Budget Forecast

The proposed May 2021 - October 2022 will require a **$7.7 million budget**

Number of CD activities

More activities in the new work plan, reflecting:

- Gradual resumption towards the pre-pandemic capacity development activity level as absorptive capacity in recipient countries recovers;
- Integration of CD from the IMF's bilateral donor projects that expired.

Fiscal and debt reporting CD activity will remain a priority.

External Sector Statistics (ESS) and **Real Sector Statistics (RSS)** activities will increase.

Mission count comparison

		Previous Work Plan	New Work Plan
	RPPI	11	13
	HFI	26	31
Module 1	NA	25	31
	ESS	32	57
	PSDS/GFS	51	55
Module 2	FAS	3	3
Module 4	SIM	5	3
	TOTAL	153	193

Online course curriculum

4 **new courses** will be **launched**

- National Accounts
- Prices
- High-Frequency Indicators
- External Debt Statistics

2 **additional courses** will start **development** phase

- Monetary and Financial Statistics
- Institutional Sector Accounts

3 **courses** will be translated into **French and Spanish**

- Government Finance Statistics
- Balance of Payments
- National Accounts

Delivery Per Module

M1 — Addressing Data Needs and Quality Concerns
Real Sector Statistics (RSS): High-Frequency Indicators

Real sector statistics are most impacted by the pandemic as these are typically prepared by National Statistics Offices, whose absorptive capacity suffered:

- Underfunded and not well equipped for remote work;
- Disruptions to traditional (survey-based) source data makes even compilation of well-established data series challenging.

NSOs' constraints hamper CD at a time when HFI are particularly relevant for policy making to maneuver the pandemic. Therefore, workplan implementation for HFIs was weak in FY21.

Ways to address this challenge:

- *Non-traditional, two-step approach to deliver HFIs in form of an Experimental Monthly Indicator of Economic Activity (MIEG)* to reduce workload on recipient countries:

1 Gather **source data from authorities and** compile **experimental MIEG** for them → **2** CD to support country authorities in compiling MIEG themselves

This new approach has already been applied in Bhutan and Mongolia.

- *Collaboration with AFR on Nowcasting*

AFR NOWCASTING

Synergies between
the nowcasting initiative for Sub-Saharan Africa and HFI CD

Several countries in Sub-Saharan Africa lack HFI data:

For example, only a handful of Sub-Saharan African countries have a MIEG (e.g., Togo), **about half do not publish quarterly GDPs and 70% of these countries are fragile**. Even for the countries who publish quarterly GDP, publication is with considerable delays and subject to frequent revisions.

This shortage in data is a serious shortcoming in assessing the impacts of the COVID-19 pandemic on economic activity.

The AFR Nowcasting initiative applies **experiences for nowcasting modeling developed for advanced economies** (for example, the US Fed regularly published nowcasting modeling results) to the context of LLMICs in Sub-Saharan Africa. Initial indicators suggest very strong demand for this new way of bridging data gaps, for example, the first IMF course on nowcasting in April had over 400 applications.

HFI CD helps in preparing a consistent database, coherent with statistical technologies for GDP compilation, but the prominence of nowcasting projects also help address bottlenecks for statistics CD more generally.

Having all potential data-provides working jointly on the database that feeds into the nowcasting modeling **addresses institutional constraints to source data** faced by statistics CD in a real sector statistics and external sector statistics.

While traditional CD improves Data compilation, Data innovations offer alternative ways to generate data

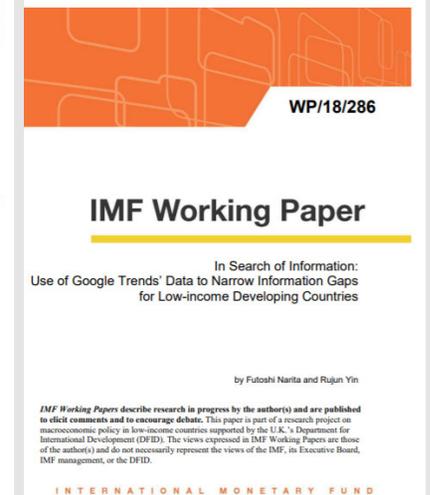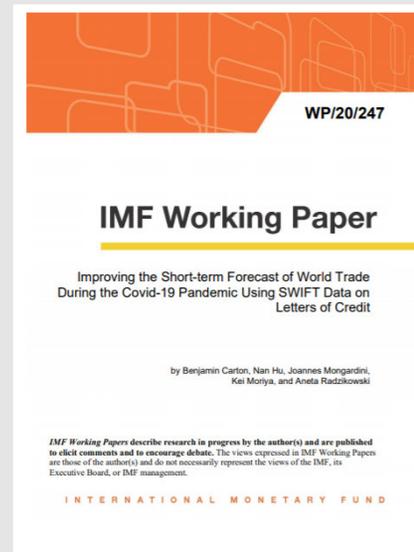**1** *Advances in statistical methods including **machine learning***

- Machine learning algorithms exploit **historical statistical patterns** between GDP and high-frequency indicators ("predictors") to project GDP.

- Can include so-called **unconventional variables** (e.g., satellite images; vessel traffic data) as conventional economic data tend to be limited.

- Preliminary results indicate **high predictive accuracy** of the nowcasting framework.

- **Traditional statistics CD** (to help compile quarterly GDPs and HFIs) complements this initiative.

2 *Increase in availability of **nontraditional data***

WP/20/247

IMF Working Paper

Improving the Short-term Forecast of World Trade During the Covid-19 Pandemic Using SWIFT Data on Letters of Credit

by Benjamin Carton, Nan Hu, Joannes Mongardini, Kei Moriya, and Aneta Radzikowski

IMF Working Papers describe research in progress by the author(s) and are published to elicit comments and to encourage debate. The views expressed in IMF Working Papers are those of the author(s) and do not necessarily represent the views of the IMF, its Executive Board, or IMF management.

INTERNATIONAL MONETARY FUND

WP/18/286

IMF Working Paper

In Search of Information: Use of Google Trends' Data to Narrow Information Gaps for Low-income Developing Countries

by Futoshi Narita and Rujun Yin

IMF Working Papers describe research in progress by the author(s) and are published to elicit comments and to encourage debate. This paper is part of a research project on macroeconomic policy in low-income countries supported by the U.K.'s Department for International Development (DFID). The views expressed in IMF Working Papers are those of the author(s) and do not necessarily represent the views of the IMF, its Executive Board, IMF management, or the DFID.

INTERNATIONAL MONETARY FUND

The Nowcasting initiative, motivated by these two developments, has been showing promising results

D4D funded CD to *Sierra Leone*
Synergies between developing a MIEG and the government's nowcasting project

- Currently, most HFIs (price indices, imports and exports of goods, and some production data)
  - disseminated with **long delays;**
  - Offer only a **fragmented picture** of economic activity.

- Development of a database under way, which will be used for
  - MIEG (a HFI that that provides a comprehensive "monthly GDP")
  - government's **nowcasting** project.

- Government's nowcasting project mobilized support from **central bank**, **ministries**, and the **statistics office** to assess available data for the database and identify additional sources across other government institutions.

- The new database and training of staff on the use of statistical techniques for the MIEG and the nowcasting project will also facilitate **compilation of quarterly GDP** and enhance annual GDP estimates.
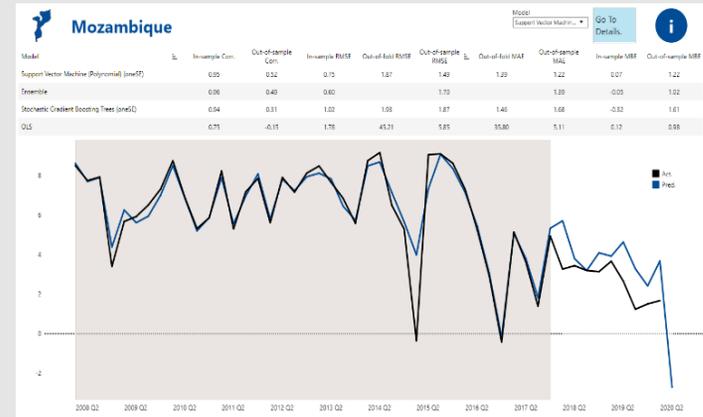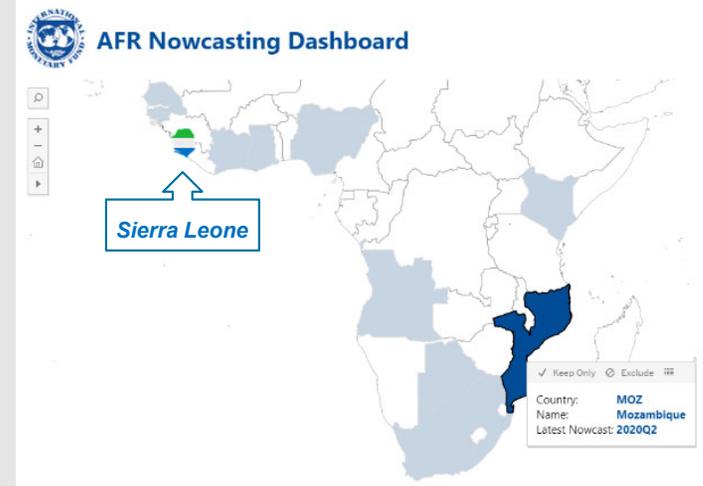
Delivery Per Module *(continued)*

M1	Addressing Data Needs and Quality Concerns
	Real Sector Statistics (RSS): National Accounts and Rebasing

- During the pandemic, National Statistics Offices gave priority to business continuity (i.e., produce annual GDP).

- Working towards medium-term objectives will depend on how absorptive capacity will evolve; work plan includes continued support for countries capable of preparing for re-basing while also supporting immediate challenges to GDP compilation.

Out of **11 LLMICs** for which GDP base is over 20 years, STA supported 4 countries in the last work plan, and will support **at least 3 countries with the new work plan**:

➡ *Cambodia*
- Designing and processing of the upcoming economic census;
- Planning for a new business register.

➡ *Côte d'Ivoire*
- Update of PPI sample and weights.

➡ *Sudan*
- Rebasing and National Accounts development.

LLMICs that have not rebased GDP for at least 20 years
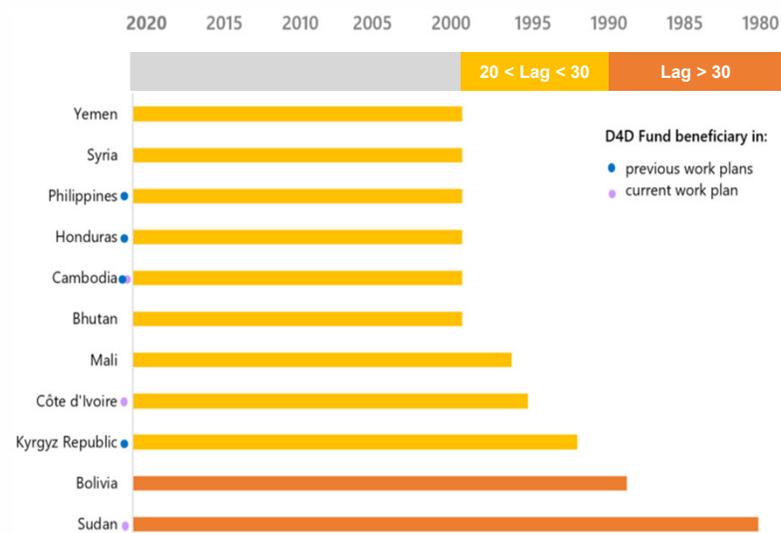
| 2020 | 2015 | 2010 | 2005 | 2000 | 1995 | 1990 | 1985 | 1980 |

| | | | 20 < Lag < 30 | Lag > 30 |

D4D Fund beneficiary in:
- previous work plans
- current work plan

Yemen, Syria, Philippines, Honduras, Cambodia, Bhutan, Mali, Côte d'Ivoire, Kyrgyz Republic, Bolivia, Sudan

Delivery Per Module *(continued)*

M1	Addressing Data Needs and Quality Concerns **Real Sector Statistics (RSS): RPPI**

Successful implementation of **RPPI** CD so far and positive prospects for strong impact moving forward:

- The work plan extends geographic coverage and includes countries previously covered by bilateral donor projects (e.g., Armenia, Moldova).
- Cambodia, Mongolia, Vietnam, Eswatini plan to release new or improved RPPI in 2022 with continued CD support.

Tackling **source data challenge** during the pandemic:

- Big Data Technique + Survey Data = More Resilient RPPI Compilation.

MCD remained underserved → *Regional workshop for MCD countries to trigger new demands*

Delivery Per Module *(continued)*

M1   Addressing Data Needs and Quality Concerns
External Sector Statistics (ESS)

Phasing in 57 CD activities in the new work plan vs. **33 CD activities** in the previous work plan, with focus on:

- Addressing new CD demands from countries with compilation challenges emerging from the pandemic;
- Further strengthening CD to FCS in line with IMF priorities (around half of the ESS activities in FY21 were to FCS).

Fast-evolving CD needs due to the pandemic require **well-targeted interventions**, for example, short webinars to address specific issues.

A revised country survey is under way:
- To gauge priorities for future operational support to preserve the quality of ESS;
- To assess countries' capacity to participate in remote forms of CD delivery.

9 **thematic workshops** are part of the new workplan, centered on topics that countries identified as priorities in the surveys.

Delivery Per Module *(continued)*

M1	Addressing Data Needs and Quality Concerns **Fiscal and Debt Reporting (PSDS/GFS)**

Demand remains strong:

- Countries maneuvering the pandemic-induced crisis;
- IMF program negotiations in full swing, which further strengthens political momentum for fiscal transparency.

Strategic focus will remain on:

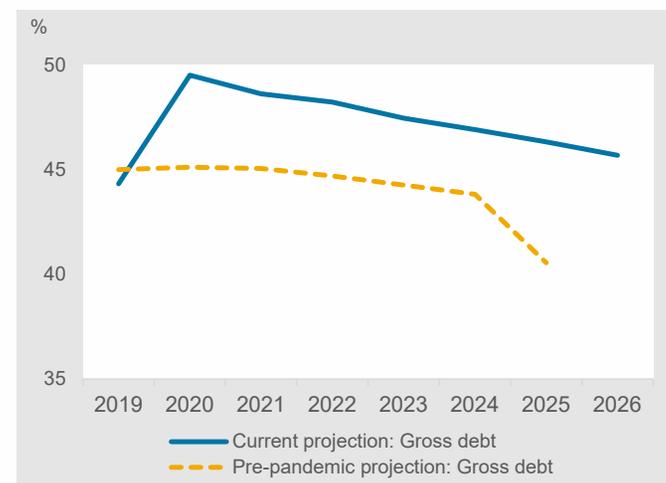- Supporting countries in addressing fiscal and debt reporting gaps (medium-term objective).

GFS missions will also address:

- The recording of COVID-19 related policy interventions;
- Improving the quality and institutional coverage of data compilation.

General Government Gross Debt in LIDCs, 2019-2026
(Percent of GDP)

Current projection: Gross debt
Pre-pandemic projection: Gross debt

Source: IMF, World Economic Outlook Database

A last **PSDS diagnostic workshop** will be conducted **for select MCD countries**, most of them **FCS.**

This will complement the list of **16 FCS already identified** to receive CD on fiscal and debt statistics in the work plan.

Delivery Per Module

M2 Financial Access Survey (FAS)

- **Webinars** will be continued to further improve data reporting for the FY 2022 FAS round, which is already underway.

- To ensure continuous improvement of FAS data quality, the **2021 FAS data validation process** will continue to deploy recently developed validation tools.

- In line with the strategic log frame, the FAS will stay agile and **adapt to the evolving financial sector landscape** while providing supporting tools **to facilitate data reporting**.

- The FAS 2021 data collection round also included a brief questionnaire on the **availability of fintech/gender-disaggregated data** to assess the feasibility of new data collection.

M4 Statistical Information Management

- As enhancing information management is a medium-term objective that involves many players in and often even across institutions, **we expect limited demand** in this area for now (one placeholder in the workplan).

- Work in **promoting SDMX** as an efficient data exchange and management tool will continue in close coordination with other international organizations.

- This module will continue to provide flexibility to **explore innovative ways of statistics CD**, including technological advances like nowcasting. Once projects are sufficiently concrete, they will be submitted to the SC for approval.

From Online to Blended Learning

Blended CD delivery will further enhance **flexibility in adjusting to country needs and circumstances.**

Over 50 webinars delivered in FY21 illustrate the potential.

High-quality **video material from the online learning** courses will be used for blended learning modalities.
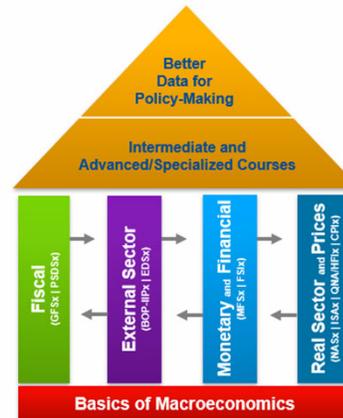
Online Learning
- Screen only
- Asynchronous
- 24/7
- Own pace
- Limited learning modalities

M3

Blended learning
- Screen/physical
- Asynchronous/synchronous
- 14/7+ Office hours
- Own/regulated pace
- Diversified learning modalities

Video training   Office hours

Breakout rooms for case studies

Face-to-Face
- Physical locations or remote
- Synchronous
- Office hours
- Regulated pace
- Limited learning modalities

M1

From Online to Blended Learning

Blended learning

Turning statistics training into remote delivery had an **impact on course evaluation by participants**:

- Decline from **4.7** in FY20 with only face-to-face training to **4.4** in FY21 with remote delivery (Scale of evaluation:1-5).
- Comments of participants were focused on connectivity problems and need for more interaction.

Experiences from tools used during remote training (for example, case studies in breakout rooms, survey tools, office hours) and from other IMF departments will feed into a **more comprehensive approach of advancing blended learning to maximize impact**:

- Pilot courses will be developed to explore the full range of options (for example, using video material from online learning courses for asynchronous training prior to the course; bringing together participants from the same country together for a day at a location for case studies with a remote instructor).
- Experiences from other international organizations (for example, UNCTAD's long experience with blended learning) and external expert support will guide the pilot courses.

Objective to gradually transform training on fundamental of statistics into **various forms of online or blended learning**, while limiting traditional face-to-face courses to advanced topics.

Request for Endorsement: Maintaining D4D Fund agility

Responding to uncertainty in a fast-evolving crisis (temporary measures)

Exhaust facility budget for brief ad-hoc assistance (with no replenishment)

- D4D Fund country eligibility criteria apply;
- Quarterly reporting to SC on use of funds;
- Approved at the last SCM in June 2020, to be reassessed at this June 2021 SCM.

Maintain the shortened LOT approval of changes to work plan

- Reduced circulation time in operational guidelines from 15 to 5 business days.

Reconduct expansion of country eligibility

- Approved at the last SCM in June 2020, to be tabled again at this June 2021 SCM;

- Number of LLMICs may grow due to lag in reclassification. Propose to maintain the extension and include an updated list for consideration in the quarterly report in October 2021, applying similar criteria as previously used.

Financial Status and Fundraising

Evaluation

Review of the Operational Guidance Note

Financial Contributions
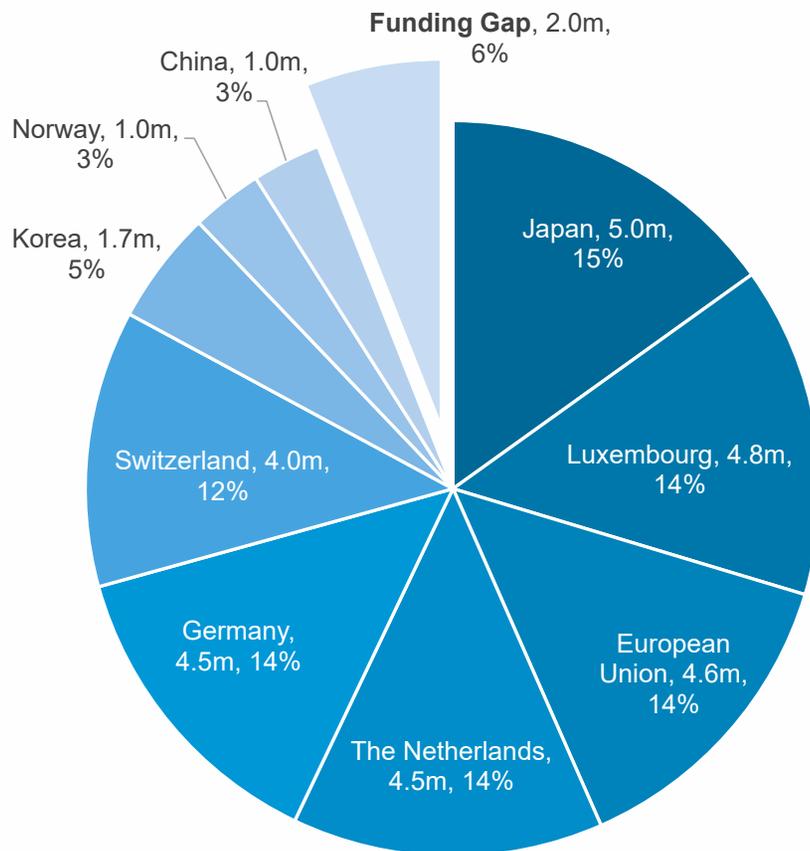
- Partners signed contribution agreements of US$31.1 million.

- More than 85 percent of signed contributions, US$27.0 million, have been received.

- A funding gap of $2.0 million remains.

Signed contribution agreements in US$
As of May 15, 2021
Source: Partners Connect

Budget Execution
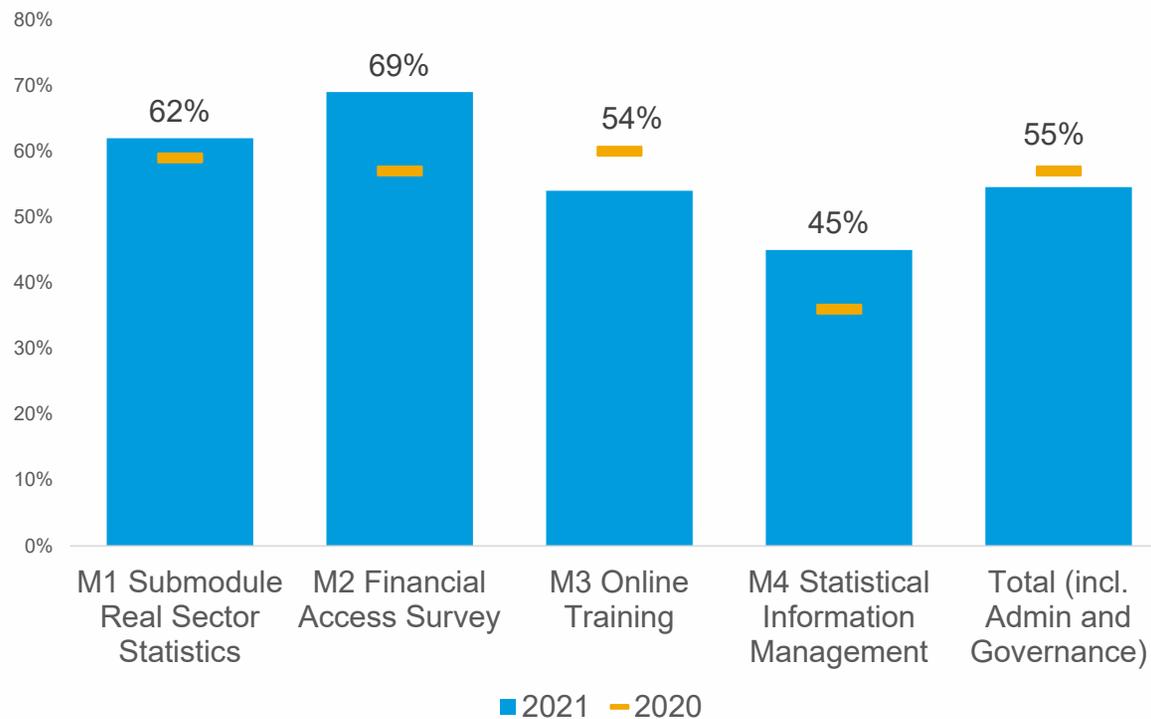
- The average execution against the latest approved budget is 55 percent.

- Despite the pandemic, for most Modules, the execution is higher than last year, except for Online Learning, for which an additional budget was approved six month ago.

Execution against approved budget as of April 30, 2021 and April 30, 2020

Proposed Budget (in US$ million)

- The additional budget request of $7.7 million would bring the total endorsed budget to $25.1 million.

- Given the usage of D4D resources so far, the D4D Fund could be extended, possible for around one year. A year from now, when post-pandemic CD demand is clearer, the IMF would present potential extension request.

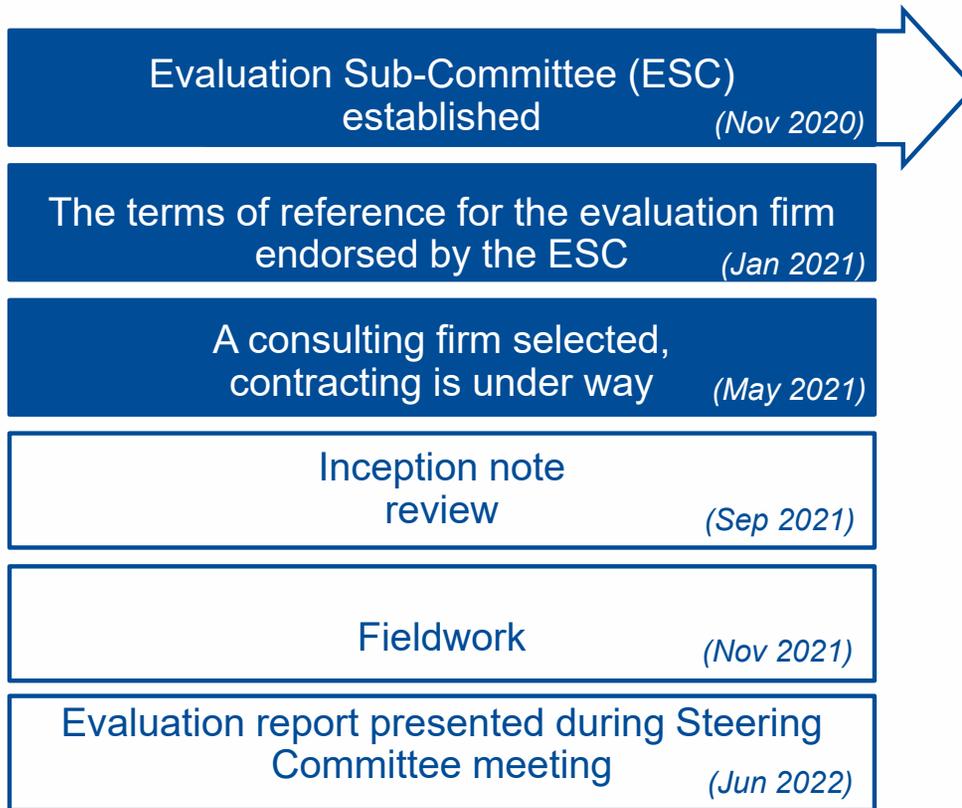| Modules/Submodules	Previous Work Plans		New Work Plan Budget Request		
	Latest Approved Budget FY19-FY22:Q2	Expenses FY19-21	FY22:Q3-4	FY23:Q1-2	New Total Budget FY19-FY23:Q2
Module 1 - Addressing Data Needs and Quality	**8,246,639**	**4,243,012**	**966,402**	**2,795,896**	**12,008,936**
Module M1: Submodule Real Sector Statistics	2,490,982	1,596,263	368,796	855,586	3,715,364
Module M1: Submodule External Sector Statistics	1,754,680	940,973	326,187	1,529,448	3,610,315
Module M1: Fiscal and Debt Reporting	3,708,912	1,705,776	271,418	410,861	4,391,191
Ad-hoc Advisory Services	292,065	39,804	-	-	252,261
Module M2: Financial Access Survey	**1,922,885**	**1,334,343**	**263,731**	**263,731**	**2,450,347**
Module M3: Online Learning	**4,584,775**	**2,473,785**	**1,328,125**	**1,221,875**	**7,134,775**
Module M4: Statistical Information Management	**254,778**	**114,124**	**35,629**	**44,435**	**334,842**
RM Project Manager	**852,863**	**681,091**	**155,489**	**155,489**	**1,163,841**
Sub total	**15,861,939**	**8,846,355**	**2,749,376**	**4,481,426**	**23,092,741**
Governance and Evaluation	351,926	-	-	-	351,926
TF Management Fee (7%)	1,134,971	619,245	192,456	313,700	1,641,127
Total	**17,348,836**	**9,465,600**	**2,941,832**	**4,795,126**	**25,085,794**

Liquidity Report

- Currently, $27.4 million in funding including interest have been received of which $9.5 million have been expended. This leaves a cash balance of $17.9 million.

- This liquidity is sufficient funding for the additional budget request, which would bring the total endorsed budget to $25.1 million.

- Based on installment plans, an additional budget of up to $5.0 million ($1.9 million received but not budgeted plus receivables of $3.1 million) could be approved in FY2022 and $1.5 million in FY2023, even more if we close the funding gap.

Partner	Actuals[1]					Projected Inflows/Outflows		Total
	FY2018	FY2019	FY2020	FY2021	FY2022	FY2022	FY2023	
Total Net Inflows[2]	2.5	8.5	6.1	8.8	1.2	3.1	1.5	31.6
Total Interest	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.4
Total Expenses	0.0	2.0	3.9	3.5	0.0	2.7	0.0	12.2
Account Balance	2.5	9.1	11.5	16.7	17.9	18.2	19.7	19.7

[1] Actual refers to inflows/outflows as of 05/15/2021.
[2] Total Net Inflows = Total Net Received Contributions + Regular Transfe

Mid-Term Evaluation Overview

Typically, an evaluation takes 15-18 months

Evaluation Sub-Committee (ESC) established *(Nov 2020)*

The terms of reference for the evaluation firm endorsed by the ESC *(Jan 2021)*

A consulting firm selected, contracting is under way *(May 2021)*

Inception note review *(Sep 2021)*

Fieldwork *(Nov 2021)*

Evaluation report presented during Steering Committee meeting *(Jun 2022)*

Steering Committee	Recipients	IMF Departments
Japan Luxembourg Switzerland	Uganda Uzbekistan Vietnam	African Asia & Pacific Fiscal Affairs ICD Statistics

Review of the Operational Guidance Note
Notable changes:

To adapt to the new processes and language of CDMAP (the Fund's new CD management and administration system):

10. The SC endorses:
    i changes to objectives within a Module (for Modules 2, 3, 4) and Sub-modules (for Module 1).
    ii the addition/ removal of outcomes that result in Module/Sub-module budget changes of more than 25%.

► Aligns the language with the other thematic funds.
► **No change of the current practice**.

To reflect the evolution of some of the D4D Fund's processes:

1. The SC provides strategic guidance and assists in setting the priorities. It endorses the work plans, budgets, and annual reports of the D4D Fund.

11. Annually, the D4D Fund provides a report on its activities to the SC.

► **No change of the current practice**.

Request for Endorsement: Workplan Budget and Operational Framework

No.	Description	Budget Implication	Reference
1.	Module 1, Sub Module Real Sector Statistics	$3.72 million	Tables 4, 5, 6, & 7
2.	Module 1, Sub Module External Sector Statistics	$3.61 million	Tables 4 & 8
3.	Module 1, Sub Module Fiscal and Debt Reporting	$4.39 million	Tables 4 & 9
4.	Module 1, Ad-hoc Advisory Services	$0.25 million	Table 4 & Section II
5.	Module 2: Financial Access Survey	$2.45 million	Tables 4 & 10
6.	Module 3: Online Learning	$7.13 million	Table 4 & Section IV - C
7.	Module 4: Statistical Information Management	$0.33 million	Tables 4 & 11
8.	Program Manager	$1.16 million	Table 4
9.	Lapse-of-Time Approval of Changes to Work Plan	-	Section V
10.	Country Eligibility Criteria	-	Section V
11.	Update of Operational Guidelines	-	Section V & Annex 2

Updated Operational Guidelines

- To adapt to the new processes and language of CDMAP;
- To reflect the evolution of some of the D4D Fund's processes.

Thank you