

Mid-Year Report to the D4D Fund Steering Committee (June-December 2020)



This note updates the Data for Decisions (D4D) Fund Steering Committee (SC) on developments since the 3rd SC meeting held on 18 June 2020. In addition to a short summary of activities, the note presents proposals to adjust the workplan for SC endorsement.

Overall, the work plan endorsed by the SC in June is broadly on track, even though the expected gradual resumption travel during FY21 has not been possible, and looks unlikely. The flexibility provided by the SC regarding the use of D4D Fund resources has been instrumental in assisting countries to deliver high-quality official statistics to guide crucial policy decisions during the pandemic. This update informs the SC about further innovations to CD delivery in the area of high-frequency data, which is essential for evidence-based policy making under the current circumstances. It also presents a proposal, for SC endorsement, to shift roughly \$1.5 million of D4D Fund resources towards online learning courses (Module 3), to allow this important area of CD to be ramped up. Finally, work on the mid-term evaluation of the D4D Fund has already started. This evaluation, which is expected to be completed by May 2022, will provide an opportunity to learn lessons (including from the pandemic period) on how to further enhance the impact of CD financed by the D4D Fund.

Program implementation remained strong despite challenges created by the pandemic

Implementation has accelerated since last fiscal year, despite the travel restrictions in place on account of the pandemic. Close to two-thirds of the 18-month¹ capacity development (CD) activities in the work plan are planned to be conducted this fiscal year (FY). Despite the challenging environment of remote CD delivery, more activities were conducted during the June to December 2020 period than over the same period last year (Table 1).






Table 1 – D4D Fund Work Plan Implementation (June–December 2020)

Number of activities in the 18-month work plan	Activities to be implemented in FY21	Activities completed (June - December 2020)	Activities completed (June -December 2019)
153	90	38	25

¹ May 2020 to October 2021.

Africa remains the main beneficiary region with almost half of the CD activities (Table 2), followed by the Middle East and Central Asia region and the Asia Pacific region.

Table 2 – Breakdown of D4D Fund Activities by Region and Workstream (June–December 2020)

	 Africa	 Asia-Pacific	 Middle East & Central Asia	 Western Hemisphere	 Europe	
# of activities	18	8	9	2	1	# of activities
MODULE 1:						
HFI	2 TA missions (Congo, Kenya)	1 TA mission (Bhutan)	1 TA mission (Jordan)			4
National Accounts Benchmarking and Rebasings	1 TA mission (Uganda)	3 TA missions (Indonesia, Myanmar, Vietnam)			1 TA mission (Moldova)	5
RPPIs	2 TA missions (Uganda, Kenya)	3 TA missions (Cambodia, Sri Lanka, Vietnam)	1 TA mission (West Bank and Gaza)			6
Current and Financial Account BOP	2 Workshops (French-Speaking*; English-Speaking**) 4 TA missions (Cameroon, Djibouti, Niger, South Sudan)		2 TA missions (Afghanistan, Uzbekistan)			8
Fiscal and Debt Reporting	4 Workshops (English-Speaking***; Portuguese-Speaking; French-Speaking****) 2 TA missions (Madagascar, Mozambique)	1 Workshop	2 Workshops (Russian-speaking***; Arabic-speaking) 2 TA missions (Morocco, Tajikistan)		1 TA mission (Haiti)	12
MODULE 2:				1 Workshop		1
MODULE 3: Development of the Government Finance Statistics (GFSx), Balance of Payments Statistics (BOP-IIPx), and National Accounts Statistics (NASx) online courses Translation of Public Sector Debt Statistics (PSDSx) online course into French and Spanish						
MODULE 4:				1 TA mission (Tunisia)		2
						TOTAL = 38

* Includes four MCD countries and one WHD country
 ** Includes three MCD countries
 *** One workshop includes two EUR countries
 **** Includes two MCD countries

Delivery has adapted in response to changing demand

The additional flexibility granted by the SC in June on how CD is delivered has helped the IMF adapt to the evolving demand from country authorities.

At the time of the SC, it was assumed that some activities could be delivered face to face later in the fiscal year. Ongoing travel restrictions will not allow this to materialize, and all CD activities will be delivered remotely this fiscal year. Many countries were open to shift to remote delivery. However, this has not been possible for some beneficiary countries, due to constraints such as connectivity problems, limited administrative capacity for CD due to the demands of crisis management, and concerns about sharing confidential information electronically. Constraints on remote delivery have been particularly serious in some fragile states.

Using the flexibility provided by the SC to use D4D Fund resources for ad-hoc requests to address countries' urgent operational needs, more than 25 interventions were conducted from June to November. Details on recipient countries and the nature and outcomes of interventions are presented in Annex 1 (this meeting SC members' requests to provide regular updates on the use of these resources).

To sustain CD efforts in the remote environment and to meet immediate needs after the pandemic hit, STA instituted a Special Series of COVID-19 Webinars. Nine webinars were offered during the summer (four on public sector debt statistics [PSDS], two on state-owned enterprise fiscal statistics, and three on external sector statistics [ESS]), serving a total of 108 countries.² These webinars focus on topics of particular relevance during the pandemic, like debt sectorization and consolidation, mapping of data from financial statements of state-owned enterprises into government finance statistics, and provision of practical guidance on the recording of transactions related to debt relief due to the pandemic.

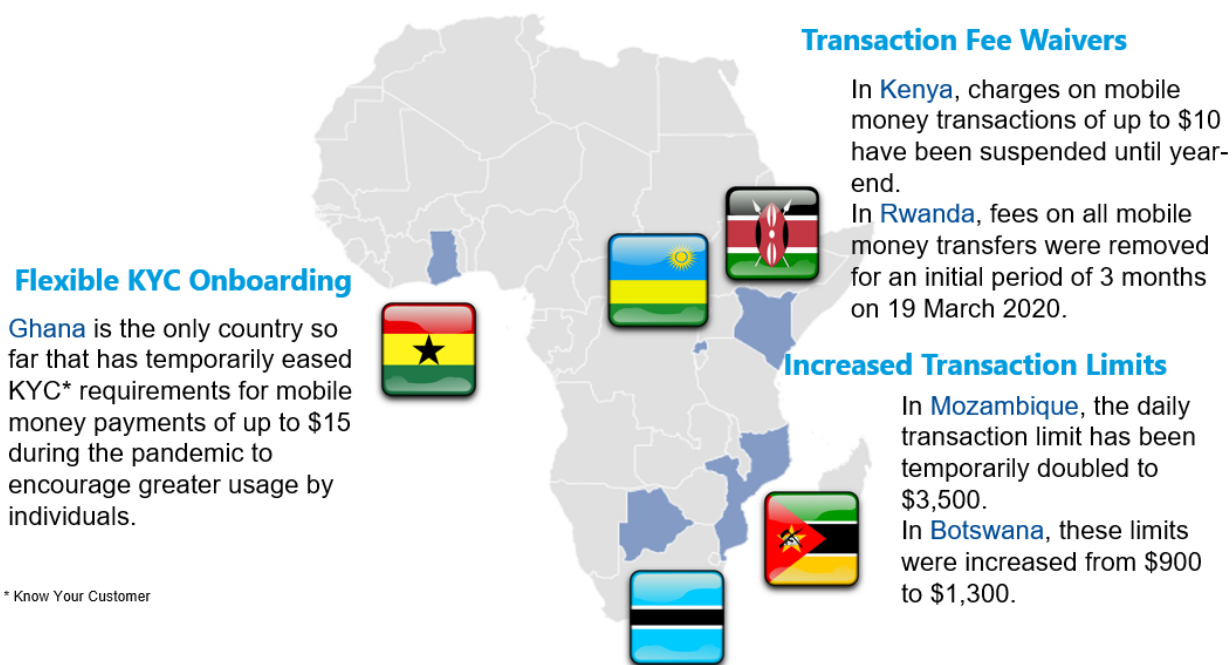
As expected at the last SC meeting, demand from policy makers for CD on High Frequency Indicators (HFIs) has surged. These indicators can serve as an important statistical tool for policy makers to navigate the crisis and prepare for the recovery. However, statistical capacity in many recipient countries is so stretched that it was difficult to advance CD that followed the traditional approach of training country authorities to prepare the HFI themselves. Therefore, STA decided to pilot the development of HFIs by offering a few countries the option of STA preparing their HFIs, by using their source data and complementing it with Big Data where available. Once the HFIs are endorsed by the authorities and well established as an important input for policy makers, STA will resume traditional CD, training country officials to prepare the HFIs themselves. STA is already implementing this approach in **Bhutan** and has been contacted by the authorities of **Georgia** and **Uganda** to conduct similar missions.

As indicated in the work plan,³ the Financial Access Survey (FAS) was expanded to provide financial inclusion measures to ease the negative impact of the pandemic on inequality, in the form of a [Financial Access COVID-19 Policy Tracker](#) that is maintained by STA staff. The Tracker has continued to attract a lot of interest with around 2,500 downloads as of mid-December. The Tracker monitors policy measures related to financial access that have been enacted across the world. For instance, transaction fees have been temporarily cut in 11 countries, mainly in Africa, while transaction limits have been increased in a similar number of economies to support mobile money usage in the pandemic context (Figure 1).

² Some countries participated in several webinars.

³ Paragraph 84.

Figure 1 – Examples of Policy Measures Related to Financial Access During the Pandemic



Demand for online learning has continued to grow during the pandemic

Progress on developing the online curriculum remained on track. As IMF staff did not have access to the IMF studio to records videos, an innovative approach was developed, using animated visuals with voice-over. Progress in online course development included:

- The Balance of Payments – International Investment Position Statistics online course (**BOP-IIPx**) was launched in November 2020.
- Work on the National Accounts Statistics online course (**NASx**) is well under way and its launch is still planned by mid-2021.
- Development of the Prices Statistics online course (**PRx**) shall start in early 2021.

Participation in the D4D-funded online courses has further increased during the pandemic, and continues to exceed the average for IMF online courses. Overall, the first three courses of the D4D-funded online learning curriculum (**PSDSx**, **GFSx**, and **BOP-IIPx**) have already registered more than 2,500 participants. More than half of them have been from low- and lower middle-income countries, a third is from Africa, and a fifth is from fragile states (Table 2).

Table 2 – Participants in the D4D-Funded Online Learning Curriculum

	PSDSx 3 offerings	GFSx 1 offering	BOP-IIPx 1 offering
Active participants	1,147	595	817
<i>...from low- and lower middle-income countries</i>	<i>605</i>	<i>356</i>	<i>416</i>
<i>...from fragile states</i>	<i>194</i>	<i>125</i>	<i>146</i>
<i>...from AFR</i>	<i>300</i>	<i>141</i>	<i>239</i>
<i>from APD</i>	<i>259</i>	<i>214</i>	<i>168</i>
<i>...from EUR</i>	<i>184</i>	<i>62</i>	<i>147</i>
<i>...from MCD</i>	<i>165</i>	<i>71</i>	<i>131</i>
<i>...from WHD</i>	<i>210</i>	<i>107</i>	<i>132</i>

Source: IMF's Institute for Capacity Development, as of 12 December 2020

Translation of the **PSDSx** into French and Spanish, to make the course accessible to a wider audience, is in advanced stages, with the launch planned for the first quarter of 2021.

To leverage the online course content for the broader public, micro-learning clips have been prepared using the online learning course video material. While the online learning courses aim at compilers who need a comprehensive understanding of the fundamentals of economic statistics, the micro-learning clips showcase best statistics practices in an easily digestible way. By broadcasting them on the [YouTube IMF Institute Learning Channel](#), they also serve as a searchable repository. The availability of these clips on YouTube significantly increased the audience. As of early 2021, seven months after the launch of the micro-learning platform, there were over 3.1k subscribers.

The microlearning clips are also being used in other CD activities during the pandemic. For example, remote delivery of training requires varied pieces to stimulate learning (videos, interactive exercises, etc.) to retain participants' attention. Trainers of the PSDS workshop for Asian countries held in October successfully used the videos together with interactive learning activities and breakout rooms for the country group exercises. STA is exploring how to best integrate experiences from remote training, online learning and face to face workshops for blended CD delivery post-pandemic. Hands-on “training-the-trainers” sessions are being organized within STA starting January 2021, to enhance virtual training delivery in this context.

Given the success of the online learning courses, and to respond flexibly to the demand for statistics CD at a time where CD delivery is challenged both on the supply (e.g., travel restrictions) and demand (e.g., absorption capacity) side, STA proposes to add two additional courses to the 8-course D4D-funded curriculum:

- A course on Quarterly National Accounts / High Frequency Indicators (**QNA/HFIx**) would address rising demand for higher frequency information, and for guidance on how to develop nowcasting tools to monitor economic activity and navigate the crisis;
- A stand-alone course on Institutional Sector Accounts (**ISAx**) would allow the extensive planned content of the **NASx** to be streamlined to a more manageable size; this would help limit the participant drop-out rate. Experience has shown that shorter courses are more effective teaching tools, attracting and retaining more participants. The **NASx** will cover production and income, while the **ISAx** would cover concepts such as balance sheets and sectoral accounts.

Adding these two courses and their translation would require an increase of the Module 3 budget by \$1.5 million.⁴ The following reallocation of funds would allow this demand to be met from the current D4D Fund budget (Table 3):

- In Module 1, at least \$1 million of savings is expected over the life of the D4D Fund due to travel restrictions and anticipated blended CD delivery post-pandemic.
- Module 4 is a pilot where STA has gained valuable insights about CD in information management by working with the central banks of Lebanon and Tunisia. However, at this point it is highly unlikely that demand will reach the yearly \$300,000 assumed when the D4D Fund was launched. Therefore, \$0.5 million would be available for reallocation to Module 3.

Table 3 – Proposed Budget Reallocation Among D4D Fund Modules

	Initial	Revised
M1: Addressing Data Needs and Quality Concern	USD 19–21 million	USD 18–20 million
M2: Financial Access Survey	USD 4–5 million	USD 4–5 million
M3: Online Learning	USD 5–7 million	USD 6.5–8.5 million
M4: Statistical Information Management	USD 1–1.5 million	USD 0.5–1 million
Overall D4D Fund budget – Phase 1	USD 33.1 million	USD 33.1 million

Proposed change in the Work Plan: Request for SC Endorsement

Module 3 - Online learning: Add two courses (**ISAx** and **QNA/HFIx**) to the curriculum, with the corresponding budget reallocation between modules as described in Table 3.

⁴ Budget for the 8-course curriculum was \$6 million in the Program document, or \$750,000 per course. Adding two courses would therefore mean an additional \$1.5 million budget.

Coordination with CD partners continued to strengthen

To maximize synergies and impact, STA has maintained its active engagement with partners in the statistics CD community—such as the World Bank, PARIS21, and the OECD. This is particularly relevant in times of crisis when needs are daunting but resources for official statistics scarce and capacity absorption for statistics CD limited. Specifically, STA:

- built a common Statistics CD country/topic matrix with the World Bank. This will facilitate coordination of CD efforts by the World Bank and IMF teams at the country and project levels, and should lead to greater cross-fertilization;⁵ and
- provided inputs to an OECD evaluation (undertaken on behalf of DAC members) of donor coordination, by exchanging country experience on development co-operation for data and statistics with the OECD DAC Data for Development work stream team.

The mid-term program evaluation process has started as planned

Preparations for the mid-term evaluation of the D4D Fund got underway in October 2020. Findings of the mid-term evaluation, expected to be completed by May 2022, will inform the SC regarding the performance of the program compared to its stated objectives as formulated in the Program Document, and provide valuable insights on how to further enhance the impact of the D4D Fund.

As a first step, an Evaluation Sub-Committee (ESC) was established to provide strategic guidance during the process. The D4D Fund ESC includes representatives from the following IMF departments and external stakeholders: (i) STA, (ii) IMF Area Departments: APD, AFR; (iii) IMF CD departments: FAD, ICD; (iv) Steering Committee members: Japan, Luxembourg, and Switzerland; and (v) some CD recipients: Uganda (AFR), Uzbekistan (MCD), and Vietnam (APD).⁶

The ESC's tasks include reviewing the draft terms of reference for the evaluation company, the inception note, and the draft evaluation report.

⁵ In the context of the 2019 International Development Association replenishment where data was identified as a priority - see paragraph 7 of the 2020-2021 D4D Fund work plan for details.

⁶ These candidates qualify for the ESC role based on certain criteria such as (i) intensity of support via the D4D Fund; (ii) responsiveness and high-quality collaboration; and (iii) variety of work streams for which they benefited statistics CD.

The terms of reference for the evaluation firm are now being reviewed by the ESC. Once finalized, a consulting firm will be selected. Typically, an evaluation takes 15-18 months. With the pandemic, additional efforts may be needed to secure meaningful responses from recipient countries, given that many of them are under significant pressure.

ANNEX 1

Remote D4D-funded ad-hoc assistance from June to November 2020

In June 2020, the SC approved allocating a lump sum equal to 10 percent of the budget of Module 1 (equivalent to \$292,000) to support remote ad-hoc assistance.⁷ This assistance is limited to engagements that take less than one business day of staff time per case, and can only be used for countries eligible for D4D Fund financing. The IMF committed to inform the SC on the use of these resources on a quarterly basis by email.

Demand for this type of intervention has been growing as the effects of the pandemic on economies materialize. From June to November 2020, STA fulfilled 26 requests for ad-hoc assistance, at a total expense of \$14,963.

Demand was the highest for fiscal topics, such as helping countries to properly record debt, tax revenue, and other fiscal statistics. For instance, STA:

- provided advice to **Afghanistan** on the recording of tax revenue;
- assisted **Algeria** with the fiscal recording of an arrangement between the government and some banks to secure their NPLs with treasury bonds;
- clarified with **Egypt** the composition of domestic debt statistics and how they should be reflected in surveillance / program targets;
- advised **Eswatini** on the recording of allowances to government employees in fiscal statistics;
- guided **The Gambia** and **Central African Republic** on the recording of the Catastrophe Containment Relief Trust in fiscal statistics;
- assisted **Ghana** in the treatment of the disbursement of the recent IMF—Rapid Credit Facility in fiscal statistics;
- discussed with the **Kyrgyz Republic** classification issues of recording fund transfers between inter-government entities (e.g., how to record pension funds surplus transferred to central government to finance the budget deficits);

⁷ Paragraph 100 of the work plan.

- advised **Mali** on the recording of a transaction on support provided by the government to a state-owned enterprise that would materially affect the fiscal balance;
- guided **Rwanda** on the recording of transactions pertaining to a government program in response to COVID-19 (the economic recovery fund) in monetary and fiscal statistics;
- provided advice to **Uzbekistan** on the public sector balance sheet; and
- advised **Zimbabwe** on the recording of insurance claims receivable in fiscal statistics.

There were also demands related to external sector statistics. For example, STA:

- provided support to **Kenya** on the treatment of corporate debt assumptions and recording of exceptional financing in the balance of payments, and reviewed their IIP data;
- responded to **Lesotho** on questions about international reserves and reviewed the private capital flows survey questionnaire, and questions on the institutional coverage and definition of government for the update of the public finance management act;
- helped **Liberia** address some issues on the balance of payments, namely the recording of investment income of the current account.