

**Russian Federation: Report on the Observance of Standards and Codes—
Data Module, Response by the Authorities, and Detailed Assessment Using
Data Quality Assessment Framework**

This Report on the Observance of Standards and Codes on Data Module for the **Russian Federation** was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with the member country. It is based on the information available at the time it was completed on **May 7, 2004**. The views expressed in this document are those of the staff team and do not necessarily reflect the views of the government of the **Russian Federation** or the Executive Board of the IMF.

The response by the Authorities on this report, and the Detailed Assessment Using the Data Quality Assessment Framework (DQAF) are also included.

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Price: \$15.00 a copy

**International Monetary Fund
Washington, D.C.**

INTERNATIONAL MONETARY FUND

RUSSIAN FEDERATION

Report on the Observance of Standards and Codes (ROSC)—Data Module

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May 7, 2004

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ACRONYMS

<i>1993 SNA</i>	<i>System of National Accounts 1993</i>
<i>BPM5</i>	<i>Balance of Payments Manual</i> , fifth edition
COICOP	Classification of Individual Consumption by Purposes
CPI	Consumer Price Index
CBR	Central Bank of Russia
COFOG	Classification of the Functions of Government
DQAF	Data Quality Assessment Framework
GDP	Gross Domestic Product
GFS	Government Finance Statistics
<i>GFSM 1986</i>	<i>A Manual of Government Finance Statistics 1986</i>
<i>GFSM 2001</i>	<i>Government Financial Statistics Manual 2001</i>
<i>GFSY</i>	<i>Government Finance Statistics Yearbook</i>
Goskomstat	State Statistics Committee of Russia
HBS	Household Budget Survey
<i>IFS</i>	<i>International Financial Statistics</i>
IIP	International Investment Position
IMF	International Monetary Fund
<i>MFSM</i>	<i>Monetary and Financial Statistics Manual</i>
MOF	Ministry of Finance
NACE	Standard Classification of Economic Activities within the European Communities
NSDP	National Summary Data Page
PPI	Producer Price Index
ROSC	Report on the Observance of Standards and Codes
SDDS	Special Data Dissemination Standard
STA	Statistics Department of the IMF

EXECUTIVE SUMMARY

This Report on the Observance of Standards and Codes (ROSC) data module provides a review of Russia's data dissemination practices against the IMF's Special Data Dissemination Standard (SDDS), complemented by an assessment of the quality of the national accounts, consumer price index, producer price index, government finance, monetary, and balance of payments statistics. The agencies that compile the statistics assessed in this report are the State Statistics Committee of Russia (Goskomstat), the Ministry of Finance (MOF), and the Central Bank of Russia (CBR). The assessment was carried out by a mission from the Statistics Department that visited Moscow during October 8–23, 2003.

Russia's statistical system has made good progress in adopting international statistical methodologies in response to the need to capture in the statistics the country's transition to a market economy. These improvements have been achieved notwithstanding the statistical challenges posed by extraordinary economic events during the transition, including the financial crisis of 1998. Recent improvements in data dissemination practices have moved Russia closer to subscription to the SDDS.

Russia's macroeconomic statistics and statistical base are adequate for effective surveillance, even though the IMF staff identified some shortcomings that detract from the accurate and timely analysis of economic and financial developments and the formulation of appropriate policies.

The mission reached the following main conclusions:

- **SDDS observance/subscription:** Russia does not yet subscribe to the SDDS, although the Goskomstat, the MOF, and the CBR are using the SDDS metadata framework to disseminate information on their statistical practices. Russia's data dissemination practices meet most of the SDDS requirements. Areas that need to be addressed to enable subscription are the following: (i) the compilation and dissemination of the production statistics, as well as the consumer and producer price statistics in index format (with a given reference period); (ii) more timely dissemination of data on central government operations; and (iii) improvement in the timeliness of the analytical accounts of the monetary authorities by two days.¹ By vigorously pursuing an action plan to address these gaps, Russia will be in a position to subscribe to the SDDS in the very near future.

¹ The Goskomstat has now published the price statistics in index format (1995=100) on its website. Also, the CBR has disseminated the analytical accounts of the monetary authorities in the timeliness prescribed by the SDDS beginning with the October 2003 data. These improvements were done following the completion of the mission and therefore, they were not included in the assessment.

- **Prerequisites of quality:** Institutional responsibility for the compilation and dissemination of the six datasets covered in this report is clearly defined under the legal and institutional framework for the Goskomstat, the MOF, and the CBR. However, the Goskomstat's statistical functions are provided in various pieces of legislation, which do not fully guarantee the confidentiality of individual respondents' data (e.g., criminal and other codes can mandate the disclosure of information on individual respondents). A statistical advisory council, which is allowed under existing legal provisions, has not been established to advise the Goskomstat on statistical policies and priorities. A new statistical law will strengthen the legal and institutional framework for the Goskomstat. Staff resources at the Goskomstat are less than adequate, in particular for national accounts. In other agencies, resources are adequate for existing statistical programs. All agencies evidence awareness of quality.
- **Integrity:** All agencies evidence professionalism, transparency, and provide guidelines on ethical conduct of their staff. Transparency of statistical processes could be enhanced through the dissemination by the Goskomstat of the weights for the price indices and the issuance by the CBR of advance notice of major changes in methodology and source data for balance of payments statistics.
- **Methodological soundness:** All datasets are in various stages of meeting internationally accepted methodological guidelines. Areas where the datasets could come closer to the relevant guidelines are as follows: adoption of international classification standards for the national accounts and the producer price index; and use of international standards' concepts and definitions for fiscal data. The scope for all statistical areas, except balance of payments statistics, should be enhanced to achieve full compliance with international standards.
- **Accuracy and reliability:** All datasets get high marks for accuracy and reliability. Russia's statistical system has generally comprehensive and timely source data. Appropriate measures are taken in the assessment and validation of source data, intermediate data, and statistical outputs.
- **Serviceability:** The datasets are generally consistent and are available on a timely basis with good frequency. Timeliness and periodicity of all datasets meet SDDS requirements, except the timeliness for the data on central government operations and the analytical accounts of the monetary authorities. Relevance of the statistics could be further enhanced if the Goskomstat, the MOF, and the CBR establish formal and regular processes for obtaining feedback from the private sector.
- **Accessibility:** The monetary and balance of payments statistics are readily and conveniently available to the public. The accessibility of statistics in other topical areas could be further improved. Metadata for the monetary statistics are comprehensive, but those for other datasets are not complete e.g., deviations from international standards are not fully identified. The MOF could disseminate methodological notes on statistics and provide more user support.

I. INTRODUCTION

1. This data dissemination module of the Report on the Observance of Standards and Codes (ROSC) provides an assessment of Russia's statistical system. The report provides an assessment of Russia's data dissemination practices against the Special Data Dissemination Standard (SDDS). The key issues that need to be dealt with prior to subscription are identified in Section II. The assessment of data dissemination practices is complemented by an assessment of the quality of national accounts, consumer and producer price indices, and government finance, monetary, and balance of payments statistics using the Data Quality Assessment Framework (DQAF) developed by the IMF's Statistics Department (STA, see Section III). Recommendations to achieve further improvements in Russia's statistics are made in Section IV. This report is based on information provided prior to and during a staff mission from October 8-23, 2003,² as well as publicly available information.

II. DATA DISSEMINATION PRACTICES AND THE SPECIAL DATA DISSEMINATION STANDARD

2. The IMF's SDDS is a "best practice" disclosure standard that focuses on encouraging countries to provide information to users, including information that will enable users to assess the data.³

3. The Russian authorities have indicated that subscription to the SDDS is an important goal of the national statistical system. Their strong commitment to achieving this goal is reflected in the use of the SDDS metadata framework since 1999 by the statistics-producing agencies namely the State Statistics Committee of Russia (Goskomstat), the Ministry of Finance (MOF), and the Central Bank of Russia (CBR). These metadata, which provide information on their statistical practices, are posted on their respective Internet websites.⁴ These websites also disseminate advance release calendars, and provide links to the actual data.

4. A review of Russia's data dissemination practices against the SDDS requirements for the data dimension, and the advance release calendar of the access dimension, shows that it

² The mission team was headed by Mrs. Armida San Jose and included Messrs. Jaroslav Kučera, Alberto Jiménez de Lucio, Thomas Alexander, Paul Austin, (all STA), Mr. David Allen (expert), and Mrs. Melrose Paris (STA—Administrative Assistant).

³ A detailed description of the SDDS can be found on the Internet at <http://dsbb.imf.org>. See also Appendix I of the accompanying volume to this report.

⁴ The Internet addresses are as follows:

- Goskomstat—<http://www.gks.ru/eng/ssrd/default.asp>
- Ministry of Finance—<http://www.minfin.ru/macroeng/sdds.htm>
- Central Bank of Russia—http://www.cbr.ru/eng/dates_standart/MetaData.asp.

meets most of the requirements (Table 1). Exceptions are the following, which point to the areas that need to be addressed to enable subscription to the SDDS:

- Compilation and dissemination of the following data categories in index format (with a given reference period) that allows different periods to be compared:
 - The production index is presented in terms of the previous month and of the same month in the previous year; and
 - The consumer and producer price indices are disseminated in terms of the previous month, the same month in the previous year, and December of the previous year.
- Timeliness of data on central government operations (current lag of two months does not meet SDDS requirement of one month). In addition, published monthly data are cumulative, while the SDDS requires the dissemination of discrete data.
- Timeliness of the analytical accounts of the monetary authorities (current lag of 15 to 16 days does not meet SDDS requirement of two weeks).
- External debt statistics with a unified presentation of all breakdowns (sector, instrument, and maturity).
- Designation of the agency that will host the National Summary Data Page.⁵

5. By vigorously pursuing an action plan to address the above mentioned gaps, Russia will be in a position to subscribe to the SDDS in the very near future.

6. The quality, integrity, and access dimensions of the SDDS are addressed through the DQAF in Section III. The findings of the mission indicate that the Goskomstat and the MOF could usefully update the metadata that they provide on their websites to reflect recent improvements in the data.

⁵ The SDDS prescribes the use of one National Summary Data Page (NSDP) to disseminate all data categories in accordance with the data dimensions described in the metadata. Currently, each of the Russian statistics-producing agencies are using the NSDP format to disseminate their respective data.

Table 1. The Russian Federation: Overview of Current Practices Regarding Coverage, Periodicity, and Timeliness of Data Compared to the Special Data Dissemination Standard (SDDS)

SDDS Data Category	Coverage (meets SDDS requirement)	Periodicity		Timeliness		Comments
		SDDS	Russia	SDDS	Russia	
Real Sector						
National Accounts	Yes	Q	Q	Q	Q	
Production index/indices	See comments	M	M	6W (1M encouraged)	6W	Volume measures not in index/time series format.
Employment	Yes	Q	M	Q	M	Timeliness exceeds SDDS requirements.
Unemployment	Yes	Q	M	Q	M	
Wages/Earnings	Yes	Q	M	Q	M	
Consumer price index	See comments	M	M	M	4WD	Not in index/time series format.
Producer price index	See comments	M	M	M	10WD	Not in index/time series format.
Fiscal Sector						
General gov. operations	Yes	A	A	2Q	2Q	
Central gov. operations	Yes	M	M	M	2M	Timeliness does not meet SDDS requirements.
Central gov. debt	Yes	Q	Q	Q	Q	
Financial Sector						
Analytical accounts of the banking sector	Yes	M	M	M	M	
Analytical accounts of the central bank	Yes	M (1W recommended)	M	2W (1W encouraged)	15-16 days	Timeliness does not meet SDDS requirements by 2 days.
Interest rates	Yes	D	D	...	D	
Stock market	Yes	D	D	...	D	
External Sector						
Balance of payments	Yes	Q	Q	Q	Q	
International reserves	Yes	M (W recommended)	W	W	W	
Reserves template	Yes	M	M	M	3W	
Merchandise trade	Yes	M	M	8W (4-6 W encouraged)	8W	
International investment position	Yes	A (Q recommended)	A	3Q (1Q encouraged)	2Q	
External debt	Yes	Q	Q	Q	Q	Unified presentation of all breakdowns (sector, instrument, and maturity) is required.
Exchange rates	Yes	D	D	D	D	
Addendum: Population	Yes	A	A	...		

Note: Periodicity and timeliness: (D) daily; (WD) working days; (W) weekly or with a lag of no more than one week from the reference data or the closing of the reference week; (M) monthly or with a lag of no more than one month; (Q) quarterly or with a lag of no more than one quarter; (A) annually; and (...) not applicable.

III. SUMMARY ASSESSMENT OF DATA QUALITY

7. An assessment of six macroeconomic datasets—national accounts, consumer price index, producer price index, government finance, monetary, and balance of payments statistics—was conducted using the DQAF. This framework provides a structure and a common language to assess data quality. It comprises a generic framework⁶ and a set of dataset-specific frameworks that cover five dimensions of data quality—integrity, methodological soundness, accuracy and reliability, serviceability, and accessibility—and a set of prerequisites.⁷

8. The information resulting from the application of the DQAF to Russia’s statistical system is presented below, following the structure of the DQAF. Conclusions are also presented in the form of a standardized summary table in which the assessment of data practices is made on a qualitative basis, using a four-part scale (Table 2).

9. Russia’s statistical system has made good progress in adopting international statistical methodologies in response to the need to capture in the statistics the country’s transition to a market economy. Improvements in data compilation practices have been achieved notwithstanding the statistical challenges posed by extraordinary economic events during the transition, including the financial crisis of 1998.⁸ Recent improvements in data dissemination practices have moved Russia closer to subscription to the SDDS.

10. Russia’s macroeconomic statistics and statistical base are adequate for effective surveillance, even though the IMF staff identified some shortcomings that detract from the accurate and timely analysis of economic and financial developments and the formulation of appropriate policies.

Prerequisites of quality

This category in the DQAF identifies conditions within the agency in charge of producing statistics that have an impact on data quality. The elements within the category refer to the legal and institutional environment, resources, and quality awareness.

⁶ The Generic Framework is set out in Appendix II of the accompanying detailed assessments volume to this report.

⁷ Information on data quality can be found at the IMF website on the “Data Quality Reference Site” (<http://dsbb.imf.org/dqrsindex.htm>).

⁸ At the time when international statistical methodologies were new to them, statistics compiling agencies had to deal with the complicated statistical treatment of certain developments such as the default and subsequent restructuring of public debt, as well as bank closures.

11. There is no single statistical law in Russia. The legal and institutional environment in the Goskomstat for collecting, processing, and disseminating national accounts, the consumer price index, and producer price index, among other datasets, is provided in various pieces of legislation, notably the Provisions on Russia's State Statistics Committee adopted by resolution of the government in 2001. The Provisions do not fully guarantee the confidentiality of individual respondents' data, e.g., criminal and other codes can mandate the disclosure of confidential data. In addition, statistical reporting by households is not mandated by law. A statistical advisory council, which is allowed under existing legal provisions, has not been established to advise the Goskomstat on statistical policies and priorities. In the context of the Federal Statistical Program, an annual timetable for statistical reporting by ministries to the Goskomstat is agreed, including the type and format of data to be submitted. Staff resources are less than adequate, in particular for national accounts. The National Accounts Department has 49 staff positions but currently employs 34 persons, including five persons who have reached retirement age. An additional nine persons are expected to reach retirement age within the next six years. The Goskomstat has been unable to recruit or retain a cadre of qualified professionals because of uncompetitive remuneration. Quality awareness is evidenced by the Goskomstat Board (collegium), the inter-agency Methodology Council, and regular reminders to staff to uphold quality.

12. The MOF has a legal and institutional environment that supports its responsibility for the compilation and dissemination of government finance statistics (GFS) and budget execution data. The responsibility for compiling GFS is specified in executive orders of the MOF, although the data are reported only to the IMF for publication in *International Financial Statistics (IFS)* and *Government Finance Statistics Yearbook (GFSY)*. Procedures are in place for the timely flow of information among the MOF units responsible for GFS and budget execution data. Sharing of information with other agencies takes place in the context of the Federal Statistical Program. Resources for compiling government finance statistics and budget execution data are adequate. Quality awareness is focused on the development and application of accounting rules and standards. MOF management emphasizes the importance of data quality during discussions with staff and in speeches of senior officials. In addition, the Chamber of Accounts audits various aspects of the budget process, including the annual report.

13. The CBR, which compiles and disseminates monetary and balance of payments statistics, has an adequate legal and institutional framework that supports data quality. The legal basis for the CBR is found in the Constitution of Russia and the Federal Law on the CBR. The CBR does not disclose data on individual institutions or transactions and has an established track record for safeguarding data confidentiality. Data sharing and coordination in compiling statistics take place among CBR departments and among other data producing agencies; organization of information flows are documented in internal instructions of the CBR and agreements with agencies. Statistical reporting is ensured through legal mandates, clear instructions for statistical reporting, and efforts to reduce reporting burden. Staff, financial, and computing resources are adequate to carry out the CBR's current statistical programs and plans. Various measures are in place for fostering efficiency in the use of

resources. Quality awareness at the CBR is at a high level; external audits and internal quality control procedures are used.

Integrity

Integrity identifies features that support firm adherence to objectivity in the collection, compilation, and dissemination of statistics so as to maintain users' confidence. Elements refer to the professionalism and ethical standards that should guide policies and practices, which should be reinforced by their transparency.

14. Goskomstat evidences professionalism. The choice of statistical techniques is determined solely by the Goskomstat in its efforts to meet international statistical standards. It is aware of some criticism in the press regarding its dissemination practices and the measurement of the informal economy, and acknowledges its responsibility to clarify these issues. The Goskomstat states that current resource constraints preclude them from responding to all criticism. Transparency is promoted through website posting of the terms and conditions under which statistics are collected, including advance notice of significant changes in the methodology, source data, and compilation techniques. However, the weights for the price indices are not disseminated. The Goskomstat maintains that there is no government access to the data prior to their release, and notes that recent public concern about prior access to consumer price statistics may have stemmed from the availability of unofficial forecasts prepared by other government agencies. Ethical standards expected of staff are embodied in internal Goskomstat regulations, the Civil Service Law, and the Presidential Decree on General Principles for Workplace Behavior of Civil Servants.

15. The MOF exhibits professionalism in the performance of its functions. The Budget Code and other legislation support impartiality and adherence to technical standards in the compilation of GFS. Participation of staff in national and international conferences on accounting and methodological issues is actively supported by management. Press releases are issued in cases of misinterpretation of budgetary data. Transparency is evidenced by making available to the public the legislation containing the terms and conditions under which statistics are compiled and disseminated. No official or public agency outside the MOF has access to GFS prior to their release to the public. There is no advance notice of methodological changes. However, changes in methodology are described in the enabling legislation. The ethical standards are enshrined in the Civil Service Law, and the Presidential Decree on General Principles for Workplace Behavior of Civil Servants.

16. The CBR evidences professionalism. The compilation of statistics on an impartial basis is supported by legal provisions. Hiring and promotion policies are based on the principle of professional competence, as reflected in the "Model Qualification Standards of Staff of the Bank of Russia," adopted by the CBR Board. Staff participate actively in international working groups (e.g., the IMF's Committee on Balance of Payments Statistics and the Experts Group to Review the *Monetary and Financial Statistics Manual (MFSM)*) and conferences. The CBR tracks media coverage of its data and comments publicly on misuse of the statistics. Transparency is conveyed through the posting on its website of the

terms and conditions under which statistical work is undertaken. There is no government access to the data prior to their release. However, advance notice of major changes in balance of payments methodology and source data is not provided. Guidance on ethical standards for staff is documented in a separate CBR regulation.

Methodological soundness

Methodological soundness refers to the application of international standards, guidelines, and agreed practices. Application of such standards, which are specific to the dataset, is indicative of the soundness of the data and fosters international comparability. Elements refer to the basic building blocks of concepts and definitions, scope, classification and sectorization, and basis for recording.

17. The concepts and definitions of the **national accounts statistics** follow the *System of National Accounts 1993 (1993 SNA)*. The scope of the statistics is broad, and the Goskomstat compiles all the accounts and tables required and recommended by the InterSecretariat Working Group on National Accounts. The production boundary covers all output, except illegal output sold to willing buyers. The Goskomstat uses national classifications of activities, products, and commodities that are not compatible with international standards, even at the most aggregate level. The basis for recording is in accordance with the *1993 SNA*, with the exception of government transactions that are recorded on a cash basis.

18. The concepts and definitions for the **CPI** and the **PPI** are generally consistent with international standards, except the exclusion in the CPI of services from owner-occupied dwellings. In terms of scope, prices paid by non-urban households are excluded from the CPI and exported goods are excluded from the PPI. The Goskomstat is well advanced in the adoption of the international classifications of COICOP in the CPI and NACE, Rev. 1 in the PPI, but less advanced in adopting an international product classification in the PPI. The basis of recording for the CPI is market prices on an accrual basis. The weight for used motor vehicles in the CPI does not explicitly net off sales by households of such vehicles.

19. The compilation of budget execution data follows national concepts and definitions.⁹ These data can be reclassified to the *GFSM 1986* format, but only with access to non-published information and knowledge of the methodology. (The new chart of accounts, expected to be introduced in 2005, will be aligned with the *Government Financial Statistics Manual 2001(GFSM 2001)*.) The scope of fiscal statistics covers all general government activities, but published data do not cover all the detailed information recommended in the *GFSM 1986*. The budget classifications for revenues, expenditures, financing, and debt

⁹ GFS compiled and reported to the IMF follow the guidelines of *A Manual of Government Finance Statistics 1986 (GFSM 1986)*. However, GFS are not disseminated in any of the MOF's publications nor on its website. Therefore, these data cannot be used by the mission in the assessment.

follow national concepts and definitions. The national presentation of revenue and expenditure by economic classification are similar to the **GFS** classification. The presentation of expenditures by function of government is different from the United Nation's Classification of the Functions of Government (COFOG). The presentation of financing and debt is a mix of debt instrument and debt holder. Domestic and external components of debt are distinguished on the basis of domestic and foreign currency. The basis for recording transactions is "modified cash." Transactions are shown gross, except for financing transactions, which are shown both gross and net. These procedures are generally in accordance with international practice.

20. The analytical framework used for compiling **monetary statistics** generally reflects concepts and definitions that are in conformity with the *MFSM*. The scope of the monetary statistics includes all credit institutions, but not financial institutions such as mutual funds and financial companies that issue deposit substitutes; this is not in conformity with the *MFSM* recommendations. Classification and sectorization are in line with the *MFSM*, except for the following: (i) securities repurchase operations of credit institutions with nonresidents are not treated as collateralized loans, and (ii) financial derivatives are not included in the instrument classification. Currently, these securities repurchase operations are relatively insignificant and financial derivatives are at an initial stage of development in Russian financial markets. The basis for recording broadly follows *MFSM* recommendations; however, monetary gold and securities for investment purposes are not valued at current market prices. Accrued interest is not included in the underlying instrument. (The CBR intends to revise its compilation procedures to conform fully with the guidelines of the *MFSM*.)

21. **Balance of payments** statistics closely follow the concepts and definitions set out in the IMF's *Balance of Payments Manual*, fifth edition (*BPM5*). The scope is broadly consistent with international methodological standards. Transactions related to product sharing agreements between government and foreign investors in the oil sector—increasingly important in recent years—are covered using the best available information. Transaction classifications accord with best practices, except for the lack of a further institutional breakdown of the banking sector to distinguish monetary authorities' portfolio and other investment, and for freight insurance that is not classified under insurance services. The basis for recording flows and positions is sound. Transactions are accrual-based, and grossing/netting procedures follow *BPM5* guidelines.

Accuracy and reliability

Accuracy and reliability identifies features that contribute to the goal that data portray reality. Elements refer to identified features of the source data, statistical techniques, and supporting assessments and validation.

22. The data collection program for the annual and quarterly **national accounts statistics** is not comprehensive, as source data from the annual Household Budget Survey (HBS) are not widely used. Statistical techniques are influenced by the available source data. Thus,

household final consumption expenditure is based solely on retail sales data and is estimated by the broad groups of goods and services. The output of owner-occupied dwellings may be grossly underestimated as it is based on the cost of inputs for repairs and maintenance rather than on estimated rental values. The Goskomstat uses chain linked indices to derive the constant price estimates; however, some of the deflators used to derive expenditure on GDP at constant prices are weak. In particular, the deflators used to derive the constant price estimates for exports and imports of goods and services are unreliable and may not reflect the price changes of these aggregates. The specific quarterly compilation techniques are generally sound. The Goskomstat has undertaken exhaustiveness studies to measure the nonobserved economy; however, these studies concentrate on the goods producing activities and do not adequately attempt to measure services such as personal services and owner-occupied dwellings. The compilers conduct assessment and validation of source data using benchmarks to detect outliers in the source statistics. The data are reconciled using an annual supply and use framework. Revisions studies are undertaken for major revisions such as rebasing of the estimates or the introduction of comprehensive new methodology.

23. The **CPI and PPI** source data used to construct the weights and prices are obtained from comprehensive data collection programs. The HBS, used to derive the weights for the CPI, is based on a multistage probability sample design. The HBS has a satisfactory response rate. Some other data sources are used as a check against HBS data. Adjustments are made to the HBS data for known under-reporting of expenditures on alcohol and tobacco. Statistical techniques follow sound procedures and methods. Owner-occupied dwelling services and informal activities are not included in the CPI. The weights are changed annually for both indices. Appropriate measures are taken in the assessment and validation of source and intermediate data, including checks to ensure consistency with other related data sources. Purposive samples are used in both indices and hence sampling errors are not available. Revision studies are not applicable, because the CPI and PPI are not revised.

24. Comprehensive and timely source data are provided from administrative systems for all levels of government. Beginning in 2002, all general government entities use the same chart of accounts. The information necessary for compiling consolidated statistics for the various levels of government is available. There are no systems to automatically derive **GFS** from budget items; compilers use electronic spreadsheets to derive GFS tables. Information published under financial accountability arrangements is fully reconcilable with GFS. Data are compiled following sound statistical techniques. Assessment and validation of source data are undertaken. Preliminary budget execution reports are available shortly after the end of the reference period, and are followed by final reports, based solely on accounting data. As to revision studies, the differences between preliminary and final data are tracked and used to improve the accuracy of the estimation process.

25. The source data for **monetary statistics** are derived from accounting records of the CBR and credit institutions, which provide the details needed for compiling sound monetary statistics. Statistical techniques are fully automated and data adjustment procedures are appropriate. Automated and manual assessments and validations of source and intermediate data, as well as statistical outputs, support reliable monetary statistics. The CBR has

procedures in place to investigate discrepancies in the intermediate data, and classification and sectorization errors. Revision studies are undertaken regularly by examining the nature and magnitude of differences between preliminary and final data. Results of these studies are taken into account in the compilation of data for future periods.

26. **Balance of payments** source data are derived from a comprehensive data collection program, which includes bank reporting, direct surveys, and data sharing agreements with government agencies. Ongoing initiatives to develop new data sources reflect a strong institutional commitment to closing data gaps and a keen awareness of the impact of economic developments on statistical compilation. Statistical techniques are sound and consistent with international practices. Regular assessment and validation of source and intermediate data are undertaken. Revision studies take the form of analyzing revisions to source data. These studies are then used to determine adjustment factors in the balance of payments, thereby helping to insulate the series from subsequent revisions in source data. This “anticipated revisions” approach is used particularly for customs-based trade data.

Serviceability

Serviceability focuses on practical aspects of how well a dataset meets users' needs. Elements refer to the extent to which data are relevant, produced, and disseminated in a timely fashion with appropriate periodicity, are consistent internally and with other datasets, and follow a predictable revisions policy.

27. The relevance of the **national accounts statistics** to users is not monitored. User surveys are not conducted. The periodicity and timeliness of the statistics meet the SDDS requirements. The data are consistent within the dataset and a consistent series is available from 1995 to 2002. The statistical discrepancy between the estimates by activity and expenditure component is consistently below two percent of GDP. The data are consistent with other major datasets such as the government finance statistics, balance of payments statistics, and monetary statistics. Quarterly and annual estimates are combined using sound benchmarking techniques. The revision cycle is predetermined and information about it is disseminated. Major revisions are explained along with the publication of the revised series.

28. There is no user group constituted to provide advice on the relevance of the **CPI** and **PPI**, and no user surveys have been conducted. There appears to be limited opportunity for user input from government through the Methodology Council. Timeliness and periodicity for the CPI and PPI exceed SDDS requirements. Both indices are consistent for at least five years and are checked against each other. Revision policies for both indices are publicized.

29. As regards relevance, budget execution data are available with sufficient timeliness and the detail needed for the monitoring and evaluation of fiscal policies. Feedback from users is not sought on a regular basis. The timeliness and periodicity of fiscal statistics meet SDDS requirements, except for the timeliness of data on central government operations. There is consistency in **GFS** and budget execution data within the dataset, but not over time. Previous series are not adjusted for changes in coverage or methodology. Fiscal statistics are

consistent with the national accounts, monetary, and balance of payments statistics. Revision policy and practice are well known, and the dissemination of preliminary and final data follows a regular schedule. However, preliminary and final data are identified by the name of the document and not through notations on the tables. Data correction is made in the period when the error is detected and not in the period in which it occurred. The coherence between preliminary and final data is sufficient to allow the former to be used with confidence.

30. The relevance of **monetary statistics** in meeting users' needs is maintained through regular consultations with CBR departments involved in the implementation of monetary policy. However, there is no established and regular process of consultation with users from other agencies of government and the private sector. The timeliness and periodicity of preliminary data for the banking sector meet the SDDS requirement. The timeliness of the analytical accounts of the monetary authorities falls short of the SDDS requirement by only two days.¹⁰ Statistics are reasonably consistent within the dataset. Consistency checks with balance of payments and government finance statistics are carried out regularly. The revisions policy and practice for monetary statistics are made public. Preliminary data are clearly identified, and reasons for data revisions are explained. Breaks in the time series are explained in detail in the methodological notes.

31. **Balance of payments statistics** have maintained their relevance by a statistical program responsive to the needs of government and international financial institutions. However, established processes to assess other users' needs do not exist. Timeliness and periodicity meet SDDS requirements. Data are consistent internally and over time, and are reconciled with merchandise trade statistics and the national accounts. Consistency with the external debt and international investment position (IIP) statistics result from the same data sources and reconciliation with other data sets are conducted. The revision policy is well established and transparent; tables identifying the cause of revisions, and providing a comparison of initial and revised estimates, are published each quarter. Investigations of unusual trends that result in data revisions and reclassifications are explained to data users.

Accessibility

Accessibility deals with the availability of information to users. Element refers to the extent to which data and metadata are clear and easily available and to which assistance to the users is adequate to help them find and use the data.

32. The **national accounts statistics** are accessible, the more detailed data for a fee and the other free of charge, on the Goskomstat website and in official publications. However, the data on the website are presented in html format only, which is not convenient for downloading into the electronic database or spreadsheets. A five-year series of detailed tables

¹⁰ Beginning with the October 2003 data, the CBR has disseminated the analytical accounts of the monetary authorities in the timeliness prescribed by the SDDS.

is published annually with accompanying charts and clearly labeled tables. The data are released according to a pre-announced schedule to all users at the same time. However, unpublished but non-confidential data are not available to users. Metadata are available, but do not provide sufficient information on the deviations from internationally accepted good practices and the nature of the source data. A publication on sources and methods is available. Assistance to users is provided through the identification of a contact person on the website and in the publications.

33. Data for **CPI** and **PPI** are generally accessible, but their utility is impaired by the fact that continuous index series on a given reference base are not presented in publications.¹¹ Data are first published through press releases and on the Goskomstat's website. However, simultaneous release is not achieved because lags of up to one day occur in posting data on the website. The Goskomstat publishes an advance release calendar. Metadata are available for both indices, but differences from international practices are not described. Assistance to users is hampered by incomplete contact information, and by the unavailability of a comprehensive catalog of publications.

34. Regarding data accessibility, the **GFS** and budget execution data are presented in a way that allows major aggregates and balancing items to be identified and related to underlying data. The presentation of budget execution data makes international comparison difficult. Time series are not provided. Monthly data are cumulative. There is no dedicated MOF publication for fiscal statistics; these are disseminated mainly through the MOF's website and Goskomstat publications. Budget execution data are released according to dates specified in government resolutions, and are made available to all users at the same time. Data in "SDDS format" are released according to an advance release calendar. Non-published (but non-confidential) data are made available, but their availability is not publicized. Metadata explaining concepts, sources, and methods are only available from legislation. Methodological notes are not disseminated. Assistance to users is provided only through the contact person publicized in the "SDDS" section of the MOF's website. A catalog of the statistical products and services by the MOF is not available.

35. Data accessibility to the **monetary statistics** is through the CBR website and *Bulletin of Banking Statistics*. The presentation of monetary statistics facilitates data interpretation. Monetary statistics are released simultaneously to all interested users according to an advance release calendar. Monthly time series from 1995 are disseminated. The CBR employs a proactive policy in the provision of data, leading to the dissemination of more detailed information in recent years. Comprehensive and updated metadata are disseminated. Assistance to users is facilitated by the identification of a contact person. Publications, documents, and unpublished but non-confidential data are provided free of charge. A list of publications is posted on the CBR website.

¹¹ After the mission, the Goskomstat has disseminated the price statistics in index format (1995=100) on its website.

36. **Balance of payments** statistics are accessible on the CBR's website and in hard copy publications. Data are released to all users at the same time, and in accordance with a pre-announced schedule. Quarterly releases in the *Vestnik Banka Rossii* feature comprehensive tables, seasonally adjusted data, and an analysis of external developments, while a "What's New" section draws user attention to new data tables. Metadata are accessible in the form of internet-based SDDS formats, methodological notes in the monthly statistical publication, and detailed appendices in quarterly releases. However, there is no comprehensive sources and methods publication (work on such publication is underway). Prompt assistance to users is a notable feature of the CBR's website, and staff or departmental contact information is identified in all dissemination formats.

Table 2. The Russian Federation: Data Quality Assessment Framework—Summary Presentation of Results

Element	National Accounts	Consumer Price Index	Producer Price Index	Government Finance Statistics	Monetary Statistics	Balance of Payments Statistics	Comments
0. Prerequisites of quality							
0.1 Legal and institutional environment	LNO	LNO	LNO	O	O	O	See paragraph 11
0.2 Resources	LNO	LO	LO	O	O	O	See paragraph 11
0.3 Quality awareness	O	O	O	O	O	O	See paragraph 11
1. Integrity							
1.1 Professionalism	O	O	O	O	O	O	
1.2 Transparency	O	LO	LO	O	O	LO	See paragraphs 14 and 16
1.3 Ethical standards	O	O	O	O	O	O	
2. Methodological soundness							
2.1 Concepts and definitions	O	LO	O	LNO	O	O	See paragraphs 18 and 19
2.2 Scope	O	LO	LO	LO	LO	O	See paragraphs 18, 19, and 20
2.3 Classification/sectorization	LNO	LO	LNO	LO	LO	LO	See paragraphs 17, 18, 19, 20, and 21
2.4 Basis for recording	O	LO	O	O	LO	O	See paragraphs 18 and 20
3. Accuracy and reliability							
3.1 Source data	LO	O	O	O	O	O	See paragraph 22
3.2 Statistical techniques	LO	O	O	O	O	O	See paragraph 22
3.3 Assessment and validation of source data	O	O	O	O	O	O	
3.4 Assessment and validation of intermediate data and statistical outputs	O	O	O	O	O	O	
3.5 Revision studies	O	NA	NA	O	O	O	
4. Serviceability							
4.1 Relevance	LO	LO	LO	LO	LO	LO	See paragraphs 27, 28, 29, 30, and 31
4.2 Timeliness and periodicity	O	O	O	LO	LO	O	See paragraphs 29 and 30
4.3 Consistency	O	O	O	LO	O	O	See paragraph 29
4.4 Revision policy and practice	O	O	O	LO	O	O	See paragraph 29
5. Accessibility							
5.1 Data accessibility	LO	LO	LO	LO	O	O	See paragraphs 32, 33, and 34
5.2 Metadata accessibility	LO	LO	LO	LNO	O	LO	See paragraphs 32, 33, 34, and 36
5.3 Assistance to users	O	LO	LO	LNO	O	O	See paragraphs 33 and 34

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed

IV. STAFF'S RECOMMENDATIONS

37. Based on the results of the data quality assessment, discussions with the Goskomstat, the MOF, and the CBR, and responses from data users,¹² the following measures are proposed to increase further Russia's adherence to international statistical standards.

General Recommendations

High priority

- Pursue vigorously an action plan to enable subscription to the SDDS (see paragraph 4).
- Pursue the passage of a Statistics Law that would, among other things, ensure confidentiality of individual responses.
- Establish a Statistical Advisory Council consisting of public and private sector representatives to advise the Goskomstat on statistical policies and priorities.
- The Goskomstat, the MOF, and the CBR to implement formal and regular mechanisms to solicit feedback from their data users.
- Disseminate data on the Goskomstat website in a format that is convenient for downloading into spreadsheets.
- Increase staff resources of the Goskomstat for national accounts and price statistics.

National Accounts

High priority

- Adopt internationally recommended classifications for government final consumption expenditure and household final consumption.
- Improve household budget survey and utilize results to derive estimates of household final consumption.
- Improve deflation techniques for exports and imports of goods and services. Compile trade price indices and indices of international services.
- Inform users of deviations from internationally recommended standards and explain implications of deviations.

Other key recommendations

- Derive the output of owner-occupied dwellings using estimated rental values.
- Compile financial accounts.

Consumer Price Index

High priority

- Disseminate CPI weighting pattern.
- Review and disseminate procedures for the release of data.

¹² See Appendix III for summary of results of data users' survey.

Other key recommendations

- Consider the inclusion of services from owner-occupied dwellings in the CPI.
- Reflect purchases less sales by households in the weight for used vehicles.

Producer Price Index

High priority

- Publish the PPI weighting pattern.

Other key recommendations

- Extend the coverage of the PPI to include exported goods.
- Adopt an international standard commodity classification, as soon as practicable.
- Review and disseminate procedures for the release of data.

Government Finance Statistics

High priority

- Disseminate on MOF website the GFS published in the IMF's *IFS* and *GFSY*.
- Introduce a new chart of accounts and budget classifications aligned with the guidelines of the *GFSM 2001*.
- Disseminate, on MOF website, discrete monthly time series on final federal budget execution and consolidated fiscal reports, including details of domestic debt.
- Disseminate, on MOF website, quarterly economic classification of federal government expenditure.
- Publish a detailed technical description of concepts, sources, and methods used in the compilation of budget execution data.

Other key recommendations

- Compile and disseminate financing and debt data on the basis of residency, as well as currency.
- Publicize a contact person for budget execution data.

Monetary Statistics

Key recommendations

- Adopt a plan for the full implementation of the *MFSM*.
- Expand the coverage of monetary data to include financial institutions that issue deposit substitutes.

Balance of Payments Statistics

Key recommendations

- Disseminate advance notices of changes in methodology and source data.
- Provide a further institutional breakdown of the banking sector to distinguish monetary authorities' portfolio and other investment transactions.
- Reclassify freight insurance under insurance services.

INTERNATIONAL MONETARY FUND

RUSSIAN FEDERATION

Report on the Observance of Standards and Codes (ROSC)—Data Module

Response by the Authorities

May 7, 2004

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I. INTRODUCTION

1. The Russian Federation highly esteems the IMF's effort to provide recommendations for further development of state statistics in Russia and for bringing them into conformity with international standards.
2. The Report on the Observance of Standards and Codes for the Russian Federation prepared by the IMF generally provides an objective reflection of the status of and prospects for development of state statistics in Russia; it contains a survey of data dissemination practices in the Russian Federation in comparison to the IMF's Special Data Dissemination Standard, as well as an assessment of the quality of national accounts statistics, statistics for price indices, government finance statistics, monetary statistics, and balance of payments statistics.
3. Regarding the conclusions and recommendations of IMF staff, we should provide the following comments.

II. RESPONSE TO SECTORAL RECOMMENDATIONS

A. National Accounts

4. The recommendations of IMF staff propose improving the household budget statistical survey and utilizing the results to derive estimates of household final consumption. The derivation of estimates of household final consumption is based on application of the results of the budgetary research on households. Data on volumes of turnover in retail trade and public catering and on volumes of commercial services provided to the public are used by Goskomstat as a primary source for adjusting the indicator. A mechanism for revising indicators for concealed and informal activities is applied to achieve balance in resources and use of goods and services designated for household final consumption.
5. Another recommendation of Fund staff is to derive the output of owner-occupied dwellings using market rental values. Calculation of the output of owner-occupied dwellings using methodology of Goskomstat relies on actual data of expenses on maintenance of the housing and is, effectively, not associated with the market rental value. First and foremost, this is because the housing and communal services sector in Russia is a subsidized economic sector (by almost 40 percent) and an assessment of housing services value on the basis of the market price incorporating subsidies will lead to a substantial change in the volumes and structure of household income and expenditure that will be difficult for users to interpret.

B. Consumer Price Index (CPI)

6. The Report proposes considering the inclusion in the CPI of services from owner-occupied dwellings. The recommendation cannot be implemented because the calculation of the CPI includes only those goods and services whose prices may be measured directly. In

addition, there is no need for the proposed adjustment because the CPI includes the heading “Rental of housing in the state and municipal stocks,” which characterizes movements in housing cost rates in privatized apartments. The ratio of expenditures for other types of owner-occupied housing within the structure of consumer expenditures of the public is insignificant, and therefore their inclusion in the calculation of the CPI is inadvisable. In this manner, the indicator is fully incorporated in formation of the CPI.

7. The Report recommends reflecting purchases less sales in the weight for used vehicles when calculating CPI. Currently the survey program for household budgets does not reflect income from the sale of vehicles, and therefore the recommended weight is not calculated. For full coordination of CPI concepts and definitions with international standards, the relevant changes will be made to the budget survey program.

C. Producer Price Index (PPI)

8. The Report proposes extending the coverage of the PPI to include exported goods. The principle currently applied by Goskomstat for calculating the producer price index for products sold on the domestic market and separately for exports corresponds to the statistical practices of Canada, Finland, and the U.S. Development of an International Guideline for PPI Calculations is currently being completed. Following its publication, Goskomstat will carry out the necessary procedures to bring Russian methodology for PPI calculation into correspondence with the International Guideline for PPI Calculations.

9. The Report recommends accelerating the adoption of an international standard commodity classification for formulating the PPI. Experimental PPI calculations have been made since January 2003 using the All-Russian Classification of Types of Economic Activity (the OKVED). The OKVED is formulated on the basis of harmonization with the Statistical Classification of Economic Activities in the European Community (NACE Rev. 1). Prior to adoption of the new classification, the “Nomenclature for small commodity groups and representative commodities for calculation of average prices and producer price indices using the OKVED” will be utilized.

D. Government Finance Statistics

10. The IMF Report recommends introducing a new chart of accounts and budget classification aligned with the guidelines of the *Government Finance Statistics Manual 2001 (GFSM 2001)*.

11. Recently the government of the Russian Federation approved a Conceptual Framework for Budget Process Reform, which stipulates the application in 2005 of an economic classification for operations of the general government sector corresponding to the provisions of the *GFSM 2001*.

12. In addition, work is currently underway to develop a Budgetary Chart of Accounts using the accrual basis and integrated with the budget classification, and also incorporating the provisions of the *GFSM 2001*. That document will enter into force as of January 1, 2005.

13. The Ministry of Finance posts on its website all materials associated with the development of the aforementioned Chart of Accounts and instructions for its application.

14. The IMF's recommendations propose carrying out publication of a detailed technical description of concepts, sources, and methods used in the compilation of budget execution data.

15. Currently the Ministry of Finance of the Russian Federation is working on formalizing a methodology for compiling government finance statistics data in accordance with the IMF's recommendations.

16. In the very near future the Ministry of Finance will implement the recommendation contained in the IMF's Report concerning the dissemination on the Ministry of Finance's website of a quarterly economic classification of federal government expenditures. In addition, the Ministry of Finance of the Russian Federation plans to publish government finance statistics data as well as basic approaches to their compilation.

E. Monetary Statistics

17. One of the mission's comments is that **timeliness of the data on analytical accounts of the monetary authorities does not meet SDDS requirements**. Before November 2003 the Bank of Russia compiled the preliminary data using the balance sheet data. It provided more accuracy and allowed to minimize discrepancies between the preliminary data and the final publication of the analytical accounts of monetary authorities but it took one or two days more than SDDS required. Taking into account mission's recommendations the Bank of Russia has changed the source of information for these data and beginning in November 2003 preliminary data on monetary authorities based on the operational data is disseminated within two weeks in line with SDDS requirements.

18. With respect to the mission's comment that **the data of nonoperating depository corporations should be included in the institutional coverage of monetary statistics**, the Bank of Russia has analysed the data on such types of depository corporations thoroughly and since November 2003 the Bank of Russia has expanded the institutional coverage of monetary statistics by including the data of nonoperating credit institutions with simultaneous revision of data from 1997 after announcing on official CBR's website.

19. Regarding the recommendation that **accrued interest should be incorporated into underlying sectors and financial instruments**, from the beginning of 2004 the Bank of Russia has begun to include the accrued interest on deposits in money aggregates.

20. Another mission's comment is that **the valuation of gold is not in line with the *MFSM***. In fact, the CBR monetary gold is valued at 300 US dollars per troy ounce. This approach is based on one of the IFRS's¹ principles—prudence, extremely important for central banks—the large holders of gold. Nevertheless, taking into account the statements of *MFSM* to value the gold on the basis of a market price, this issue will be given further consideration in the adaptation period of implementing the concepts and principles outlined in the *MFSM*.

21. In regard to the comment **that data on financial derivatives are not currently available to compilers of monetary data**. According to the Provision of the Central Bank of the Russian Federation No. 1363-U of December 25, 2003 «About compiling and providing the financial accounting of credit institutions» beginning with the reference period ended by September 30, 2004 credit institutions will start to compile financial accounting in accordance with the IFRS. This reporting information will include data on financial derivatives and it will be also available for the purpose of compiling monetary statistics that will provide the treatment of financial derivatives to put in line with the *MFSM* conception.

22. As regards the other IMF recommendations concerning the conformity to the main principles of the *MFSM* the Bank of Russia will consider them in further development of monetary statistics.

F. Balance of Payments

23. All the key recommendations were taken into account while preparing the next publication of the BOP after the visit of the mission:

Disseminate advance notices of changes in methodology and source data

24. A notice of major changes in methodology and source data for balance of payments for Q3, 2003 had been placed on the website of Bank of Russia in advance, before the official publication of the BOP. In future the CBR is going to keep to the same practice. Besides, the CBR tried to pay more attention to other items concerning cooperation and interaction with the users, namely:

- Efficient reaction on misinterpretation of BOP data in mass media (a press-release on unusual trends in direct investment was published before the official release of the analytical comment).
- Enhancing of direct contacts with users (it was made clear that all the interested users should not hesitate to contact BOP compilers and to ask any questions or make comments).

¹ International Financial Reporting System

- A note that all the BOP data are subject to revisions during the year have been added to all our presentations including those on the website.
- As it has been mentioned by the mission that the foreign trade statistics was in area where further improvement is required, the CBR has published the time series on volumes and prices of exports of energy goods.
- In order to assess the users` needs better the CBR started to conduct user surveys. For example, the dissemination of a new edition on foreign trade in services was supplemented by a questionnaire. Along with the annual publication of BOP the CBR is planning to carry out questioning of BOP data users.

Provide a further institutional breakdown of the banking sector to distinguish monetary authorities` portfolio and other investment transactions

25. The sector of monetary authorities has been shown separately with a recommended detailed breakdown starting with the publication for Q3, 2003, and the BOP time series have been revised back. This breakdown has also been introduced in the IIP and external debt tables.

26. As for the recommendation of the mission concerning the necessity of a unified presentation of external debt statistics, the table “External Debt of the Russian Federation by Maturity” with all required breakdowns (by sector, instrument, maturity), which is brought to maximum conformity with Table 4.1 of External Debt Statistics Guide, is published on the CBR’s website on a regular basis.

Reclassify freight insurance under insurance services

27. Freight insurance calculated on the basis of international transactions reporting system has been excluded from transportation and included in insurance services. The reclassified services have been published since December 2003 with simultaneous revision of time series. When the survey of customs declarations financed by the World Bank and aimed at determination of a CIF/FOB adjustment is done to the end, these figures could be improved further.

INTERNATIONAL MONETARY FUND

RUSSIAN FEDERATION

Detailed Assessments Using the Data Quality Assessment Framework (DQAF)

Prepared by the Statistics Department

Approved by Carol S. Carson and Michael C. Deppler

May 7, 2004

This document contains a detailed assessment by dataset of the elements and indicators that underlie the data quality dimensions discussed in Russian Federation's Report on the Observance of Standards and Codes (ROSC)—Data Module. It also includes as appendices the DQAF generic framework and the results of the users' survey.

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ACRONYMS

<i>1993 SNA</i>	<i>System of National Accounts 1993</i>
BIS	Bank for International Settlements
BOP	Balance of Payments
<i>BPM5</i>	<i>Balance of Payments Manual</i> , fifth edition
CPI	Consumer Price Index
DQAF	Data Quality Assessment Framework
GDP	Gross Domestic Production
GFS	Government Finance Statistics
<i>GFSM 1986</i>	<i>A Manual of Government Finance Statistics 1986</i>
<i>GFSM 2001</i>	<i>Government Financial Statistics Manual 2001</i>
HBS	Household Budget Survey
IMF	International Monetary Fund
MEDT	Ministry of Economic Development and Trade
<i>MFSM</i>	<i>Monetary and Financial Statistics Manual</i>
MOF	Ministry of Finance
NACE	Statistical Classification of Economic Activities in the European Communities
ODC	Other Depository Corporations
OECD	Organisation for Economic Co-operation and Development
OKONX	The Classification of Branches of the Economy
PPI	Producer Price Index
PSAs	Product Sharing Agreements
ROSC	Report on the Observance of Standards and Codes
SDDS	Special Data Dissemination Standard
SNA	System of National Accounts
VAT	Value Added Tax

DETAILED ASSESSMENT USING THE DATA QUALITY ASSESSMENT FRAMEWORK (DQAF)

The following detailed information on indicators of statistical practices in the areas of the national accounts, prices, government finance, money and banking, and balance of payments statistics was gathered from publicly available documents and information provided by the Russian officials. This information, which is organized along the lines of the generic DQAF (see Appendix II), was used to prepare the summary assessment of data quality elements, based on a four-part scale of observance, shown in Russian Federation's Report on the Observance of Standards and Codes (ROSC)—Data Module.

I. NATIONAL ACCOUNTS STATISTICS

0. Prerequisites of quality

0.1 Legal and institutional environment

0.1.1 The responsibility for collecting, processing, and disseminating statistics is clearly specified

There is no single statistical law in the Russian Federation. Rather, the authority for collecting, processing, and disseminating statistics is mandated through various pieces of legislation. However, the most critical piece of legislation is the Provisions on the Russian Federation State Statistics Committee adopted by resolution of the Russian Federation Government on February 2, 2001.

Article 10 (1) of the Provisions stipulates that the State Statistics Committee (the Goskomstat) shall provide official statistical information that constitutes part of government information resources on the country's social, economic, and demographic standing. Article 5 of the Provisions stipulates that the Goskomstat shall develop and submit a federal statistics work program to the Federal Government. The federal program, which outlines government activities for the upcoming fiscal year, includes the Agency's plans to compile national accounts statistics. The authority of the Goskomstat to collect statistics throughout the Russian Federation is also stipulated in this Article. It states that government authorities, organizations, and units engaged in entrepreneurial activity are liable to report information to the Agency to enable it to implement the federal program. Further, Article 6 states that the statistical methodology approved by the Goskomstat shall become mandatory for other government agencies, legal entities, and individuals when conducting state statistical surveys.

Article 9 of the Provisions assigns various tasks to the Agency that include (i) arranging the collection of accounting reports and providing reported data to users in compliance with prescribed procedures; (ii) ensuring adherence to national classification codes; and (iii) organizing the development and maintenance of these codes. These tasks are critical to the compilation of national accounts statistics. Thus, although the legislation does not state explicitly that the Goskomstat is responsible for compiling national accounts statistics, this is implied by the Agency's official status and its tradition as being the only agency compiling

such statistics. The Goskomstat has not established a statistical advisory council, or some other body to provide guidance on statistical policies and priorities, as mandated in the Provisions.

The authority to collect information on legal entities is also guided by the Law on Information, Informatization, and Informatics, No. 24-FZ of February 20, 1995.

0.1.2 Data sharing and coordination among data producing agencies are adequate

The role of the Goskomstat as the federal statistics coordinating agency is established in Article I of the Provisions, which states that the Goskomstat shall constitute a federal body executing cross-industry coordination and functional regulation in the government statistics domain. In addition, Article 8 (5) states that one of the major goals of the Agency is to coordinate the efforts of federal executive authorities aimed at shaping government information resources.

An annual timetable for providing data to the Goskomstat is agreed with the Ministry of Finance and the Ministry of Trade and Economic Development. The timetable is presented in the annual Federal Program. In addition, the Goskomstat has bilateral agreements with these agencies on the type and format of the data that it should receive. The Agency also provides feedback on the output of other agencies that may be used as source data in its statistics. The CBR may solicit comments from the Goskomstat on the annual balance of payments statistics.

0.1.3 Respondents' data are to be kept confidential and used for statistical purposes only

Article 9 (12) of the Provisions stipulates that the Goskomstat shall ensure the protection of statistical information, including data that constitute state secrets, or other classified items subject to protection by law, as well as confidential data. Survey questionnaires state clearly on the front page that all information collected by the agency will be kept confidential and used for statistical purposes only.

The Information Protection Department of the Goskomstat has established regulations for breach of confidentiality by staff. In addition, the Federal Law on the Civil Service stipulates that staff sign an oath of secrecy upon hiring. Staff are bound by these internal regulations by the General Principles of Workplace Behavior of Civil Servants (approved by Presidential Decree No. 885 on August 12, 2002), which states that staff must comply with the by-laws of their specific institutions (see also 1.3).

Article 8 (7) of the Provisions stipulates that a major goal of the Goskomstat is to ensure the storage and protection of official statistical information. The Agency has instituted numerous internal safeguards to ensure the confidentiality of the data. The Administration Department tracks the flow of confidential documents within the Goskomstat and access to these documents is limited to persons who may need to refer to them strictly for the purpose of compiling statistics. The documents are stored in secured premises with limited, monitored

access and computer programs with information on individual units are password protected. In addition, the Goskomstat has developed special software for aggregation of individual responses.

Most survey data are collected and collated at the regional level and submitted to the Goskomstat headquarters in summary form. However, this current decentralized process of data collection utilizing numerous regional agencies, effectively devolves responsibility for protecting data on individual units to the regional bodies. This suggests that the federal office may not be able to manage or monitor compliance to the strict confidentiality requirements.

The Provisions do not explicitly prohibit the Goskomstat from disseminating data from which information on individual units can be derived or mandate that the permission of the respondent is required before dissemination. Further, the criminal code overrides the terms of confidentiality in the Provisions; therefore, government investigators could request information on individual respondents and the Goskomstat may not have sufficient legal basis for refusing the request.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response

Article 10 (8) of the Provisions empowers the Goskomstat to impose sanctions on respondents for failure to comply with procedures for reporting statistics. However, the Provisions do not specify the sanctions or penalties to be imposed. These are imposed by the regional statistical offices based on specifications in the Administrative Code. The penalty is a fine ranging between 30 to 50 times the minimum monthly wage¹ and is levied on the individual in the enterprise who is responsible for reporting the statistics. Regional agencies submit an annual report to the Goskomstat on the violations of the code. In practice, the federal office does not impose sanctions or monitor compliance with the reporting procedures.

Individuals and households not engaged in business activity are not mandated to report any information to government agencies, therefore reporting is solely on a voluntary basis. Households are protected under Russia's privacy legislation and current legislation for collecting statistics does not override the laws safeguarding individual privacy. Since the response to household surveys is voluntary, the Goskomstat relies on moral suasion and needs to undertake effective public relations activities.

¹ The current minimum wage is 600 rubles.

0.2 Resources

0.2.1 Staff, financial, and computing resources are commensurate with statistical programs

Staff resources are below the optimum level. The National Accounts Department has 49 staff positions but currently employs 34 persons including four young professionals who have been attached to the Department for about two years. The staff complement also includes five persons who have reached retirement age but have stayed on with the Goskomstat. The Department expects an additional nine persons to reach retirement age over the next six years. The Goskomstat has been unable to fill the vacant positions or retain a cadre of young professionals because of the uncompetitive rates of remuneration. Staffing in the Department is normally supplemented by assigning five statisticians from other Departments to assist in compiling the GDP estimates.

The Goskomstat's capacity to maintain the current work program and undertake improvements is therefore hampered by the current staff shortage, impending turnover over the next few years, and the inability to hire new staff. This could result in a significant decline in the quality of the national accounts statistics over the next few years.

Computing resources are adequate as all staff have ready access to computers and updated software.

0.2.2 Measures to ensure efficient use of resources are implemented

All departments within the Goskomstat use consistent methodologies and classification systems, thereby averting the need for constant reviews and adjustments to the data. Survey instruments are streamlined to capture the information required by a cross-section of departments thus reducing the number of surveys and questionnaires that the Agency may have to administer. The instruments are reviewed annually by the Planning Department of the Goskomstat and adjustments are made, if required.

The survey fieldwork is conducted under the control of the regional agencies and the source data are collected, reviewed, and collated at the regional level. The collated data are submitted to the federal office in electronic format. This minimizes the cost of administering the survey and submitting the completed information.

0.3 Quality awareness

0.3.1 Processes are in place to focus on quality

The Board of Management of the Goskomstat (the collegium) meets twice a month to review the progress of the work program. Article 14 of the Provisions mandates that the board address major issues related to the statistics. Members of the board travel to the regional offices periodically to impress upon staff the need to uphold quality. Regular meetings are held with department heads to review the work program and assess the needs of the Agency.

The Goskomstat does not have a mission statement but staff are reminded regularly of the need to uphold quality and are often informed when established standards are compromised.

The Goskomstat has welcomed reviews of its work by international agencies and staff participate in international discussions on statistical techniques, where the Agency's statistical techniques and practices are discussed.

0.3.2 Processes are in place to monitor the quality of the collection, processing, and dissemination of statistics

The Planning Department of the Goskomstat is responsible for monitoring information quality. It reviews the quality of incoming and all outgoing information to determine whether they meet the minimum quality standards of the Goskomstat.

There may be some user input (though this may be limited to a small number of organizations) during the development of the federal statistics program. The agency does not conduct user surveys; however the collegium may invite some users to its bimonthly meetings and may receive some feedback on user needs.

The national accounts staff conduct comprehensive reviews of data received from other government agencies and provide feedback to these agencies on the accuracy of the data and the need for possible adjustments.

0.3.3 Processes are in place to deal with quality considerations, including tradeoffs within quality, and to guide planning for existing and emerging needs

The Goskomstat prepares a timetable for the receipt of source data and dissemination of statistics annually. The revision cycle for the national accounts statistics entails four revisions of the national accounts estimates over a two-year period following a timely release based on SDDS standards. This indicates the Goskomstat's recognition of the need for timely data and regular revisions to improve accuracy.

1. Integrity

1.1 Professionalism

1.1.1 Statistics are compiled on an impartial basis

The Provisions ensure the professional independence of the Goskomstat. Article 11 states that the Chairman and Deputies of the Goskomstat are appointed and dismissed by the Russian Government (Parliament). The Chairman has the full authority to appoint other staff, manage the activities of the Goskomstat, and allocate duties amongst staff. The Goskomstat also has full authority to decide on the surveys to be conducted and the methodology to be used to compile the statistics. Further, Article 6 of the Provisions stipulates that the official

statistical methodology approved by the Goskomstat shall be binding on all other government agencies.

Professionalism is exhibited and promoted through the publication of documents on methodology and staff attendance at international conferences where the work of the Goskomstat may be discussed. In addition, the Departments in the Goskomstat and regional committees for statistics meet regularly to review methodology and data collection issues. In some cases, the Goskomstat's proposals for changes in methodology are studied by experts from other agencies (when related to special technical issues) to maintain the professional reputation of the agency.

1.1.2 Choices of sources and statistical techniques are informed solely by statistical considerations

The choice of statistical techniques is determined solely by the Goskomstat in its efforts to meet the international standards for compiling the national accounts statistics. The Methodological and Scientific Council of the Goskomstat reviews the quality of statistical projects based on the relevance and practical significance of the activity. The Council is made up of a standing committee of representatives of the Ministry of Trade and Economic Development, the CBR, other government agencies, business, and academia. Experts from the National Accounts Department as well as experts from other departments in the Goskomstat also sit on the Council. Other persons are invited to participate in the council from time to time depending on their specific areas of expertise. Departments are expected to submit the proposals for major projects to the council for review. The Council may comment on methodological issues and recommend changes to the plan; however, these recommendations are not binding on the Goskomstat.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics

Article 9 (16) of the Provisions requires the Goskomstat to provide clarifications to the press on issues relating to the state statistical surveys and official statistics. The Goskomstat notes that there has been some criticism in the press regarding government prior access to statistics and the measurement of the informal economy. However, while the Agency acknowledges its responsibility in clarifying these issues, it notes that current resource constraints precludes management from responding to all criticism, which may arise from broad sections of the media.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public

The Provisions establish the terms and conditions under which the statistics are collected, processed, and disseminated. They are available on the website² of the Goskomstat in both Russian and English. The guidelines presented to survey respondents identify the relevant legislation under which the data are collected and highlight the purpose of the data collection exercise.

Hardcopy publications and the website provide the name, email address, and telephone number of a responsible individual who may be contacted for more information about the statistics. Publications also identify the members of the editorial board responsible for reviewing the Goskomstat publications.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified

There is no government access to the national accounts statistics prior to release. The agency notes that recent public concern and confusion about the apparent prior access may have stemmed from the availability of unofficial forecasts prepared by other government agencies.

1.2.3 Products of statistical agencies/units are clearly identified as such

Products of the Goskomstat are clearly identified by the agency's name and logo on the website and in publications. The Agency also endeavors to have its output identified in joint publications and publications produced by other government agencies.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques

The Goskomstat announces significant changes in methodology, source data, and compilation techniques in advance. The Agency provided two years advance notice of its intention to conduct a comprehensive review and rebase the national accounts series and has informed users of upcoming changes in the classification of activities, which it plans to introduce in 2005.

² <http://www.gks.ru>.

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff

Staff behavior is guided by current internal regulations and the regulations of the civil service (see also 0.1.3). The General Principles for Workplace Behavior of Civil Servants establishes guidelines for professional ethics. This includes the need for staff to be politically neutral and to perform their duties scrupulously and efficiently.

2. Methodological Soundness

2.1 Concepts and definitions

2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices

The national accounts statistics are compiled according to the guidelines of the *1993 SNA*. It replaced the Material Product System that was used in the Soviet Union and suited to measuring and analyzing centrally planned economies. In 1991, the Russian Government committed itself to reforming the statistical system and adopting international methods of economic measurement. The Goskomstat has a program for implementing the *1993 SNA* and expects to complete this process in 2005.

2.2 Scope

2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices

The Russian system of national accounts includes the following accounts and tables that are considered part of the *minimum requirements* for the implementation of the *1993 SNA* by the Inter-Secretariat Working Group on National Accounts (ISWGNA):

- Value added and GDP by type of economic activity at current and constant prices;
- Expenditure components of GDP at current and constant prices;
- Generation of income account;
- Allocation of primary income account;
- Secondary distribution of income account;
- Redistribution of income account;
- Use of disposable income account;
- Capital account;
- Rest of the world account.

The accounts are classified by institutional sector; however, units in the financial and non-financial sectors are included in the same institutional sector because of the difficulty in

delineating units in the financial sector. Non-profit institutions serving households are grouped with the household sector in the accounts from 1995 to 2000. The Goskomstat does not compile the financial account. It cites the difficulty in obtaining accurate and reliable financial data from enterprises.

The Goskomstat also produces annual regional GDP by type of activity as well as estimates of household final consumption expenditure and gross fixed capital formation for each of the 89 regions in the Federation. Input-output tables have been compiled for 1995 and 2000.

The following additional accounts and tables that the ISWGNA has determined as *recommended* for implementing the *1993 SNA* are compiled on a regular basis:

- Quarterly value added and GDP at current and constant prices by activity;
- Quarterly expenditures of GDP at current and constant prices;
- Annual supply and use tables.

The concept of residence used in the national accounts is consistent with the *1993 SNA* and the fifth edition of the balance of payments manual. In particular, the following are included as part of the Russian economy for national accounts compilation:

- Territorial enclaves in the rest of the world (such as embassies);
- Free zones/bonded warehouses/factories operated by offshore enterprises under customs control;
- Workers who work part of the year in another country.

The production boundary is broadly in accordance with the *1993 SNA*. The following items are in the scope of measurement of output:

- Own-account production of all goods for own final consumption;
- Research and development on own-account;
- Output of goods for own-account fixed capital formation;
- Mineral exploration;
- Production of entertainment, literary, and artistic originals;
- Production of computer software.

However, illegal output sold to willing are not in the scope of output measurement. The Goskomstat is reviewing the techniques used by other countries to measure illegal activity and plans to compile preliminary estimates of selected activities. However, a decision on including estimates of illegal activity in the national accounts will be considered only after the calculations are made. Currently, the Goskomstat deems that including illegal activities in the national accounts would distort the estimates.

The assets boundary is in broad conformity with the *1993 SNA*. The following items are included in scope for determining the assets boundary:

Among tangible assets:

- Defense related assets that can be used for civilian purposes;
- Valuables;
- Agricultural work-in-progress.

Among intangible assets:

- Mineral exploration;
- Systems and standard applications computer software;
- Entertainment, literary, or artistic materials;
- Patented entities.

Historical monuments and purchased goodwill are not included in the assets boundary.

2.3 Classification/sectorization

2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices

The classification of transactions, flows, and institutional units follow broadly the recommendations of the *1993 SNA*.

The Classification of Branches of the Economy (OKONX) is currently used to classify economic activity. Even at the most detailed level there is a one-to-one relationship with the International Standard Industrial classification for only about 50 per cent of the activity groups; therefore it is not possible to undertake a complete reconciliation with international industrial activity classifications. In the Russian classification, the group 'Industry' covers manufacturing and mining.

The Goskomstat has begun implementing a new activity classification system. The All Russian Classification of Types of Economic Activity is fully compatible with the second revision of General Industrial Classification of Economic Activities with the European Communities (NACE Rev. 2) and statistics based on this new classification, along with the old classification, will be disseminated from January 1, 2004.

The national classification of products is compatible with neither the Central Production Classification (CPC) nor the Classification of Products by Activity (CPA).

The classification of individual consumption by purpose (COICOP) is not used to classify consumption. The Goskomstat has begun a phased introduction of COICOP to classify consumption in the Household Budget Survey (HBS); however, it is not used to classify household consumption in the national accounts statistics.

Data on the execution of the state budget are not classified according to the Classification of the Functions of Government (COFOG). The Russian budget classification is used; however, it is not consistent with the COFOG.

2.4 Basis for recording

2.4.1 Market prices are used to value flows and stocks

The valuations rule are broadly in accordance with the 1993 SNA.

- Market prices are used to value goods and services;
- Output for own-use is valued at equivalent market prices;
- Excise taxes are included in the valuation of intermediate consumption;
- Deductible VAT is excluded from the valuation of final uses;
- Imports and exports are valued f.o.b. in line with the balance of payments statistics; however data on insurance and freight costs are not available.

2.4.2 Recording is done on an accrual basis

Most transactions and flows are recorded on an accrual basis. Capital formation is recorded in the period the production takes place; however, production of perennial agricultural crops is recorded at the time of harvest. Government revenue and expenditure is recorded in the government accounts on a cash basis but the data are adjusted for arrears to bring them in line with the accrual basis.

2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices

Transactions between establishments within the same enterprise are not recorded on a gross basis as data are compiled at the enterprise level only.

3. Accuracy and Reliability

3.1 Source data

3.1.1 Source data are collected from comprehensive data collection programs that take into account country-specific conditions

The source data for the national accounts statistics are derived from a combination of enterprise surveys (annual and quarterly), administrative data sources, and the annual (HBS). However, the compilation process is highly dependent on the enterprise survey data. Administrative data comprise primarily budget execution data. HBS data are used sparingly in the assessment and validation process and are not used to derive household consumption or production. Detailed merchandise trade statistics are not used because of the poor coverage and reliability of the data

(1) Enterprise Surveys

The annual and quarterly surveys cover all large and medium sized enterprises and a sample of small enterprises. They cover all regions and republics in the Russian Federation and are conducted according to the Russian national classification of economic activities. The surveys are conducted at the enterprise level and information is collected on subsidiaries that operate in regions other than the region where the enterprise headquarters is located. These data are required to compile the regional estimates of GDP.

The survey of small enterprises covers about 20 percent of these enterprises using simple random sampling techniques. The rate of nonresponse for large and medium sized enterprises is generally about 5 percent and for small enterprises about 20–30 percent.

The enterprise surveys compile comprehensive data on the current operations of enterprises and are sufficient to compile the national accounts statistics. They cover about 60 percent of gross value added.

The Business Register

The sample frame for the surveys is the statistical business register. The Goskomstat maintains both an administrative register and a statistical register. The administrative register is updated based on the information on the legal registration of businesses with the Ministry of Taxation and contains about 3.6 million enterprise listings (legal entities) and 4.5 million individual proprietors. Only enterprises that have been officially liquidated are deleted from the register; therefore, the register includes enterprises that are not active. The administrative register does not classify enterprises by size as the size of an enterprise is not recorded at the time of registration. The Goskomstat conducted a census of enterprises in 2001 to identify small enterprises based on the official criteria established by the Federal Law on Government Support to Small Businesses in the Russian Federation, No. 88-F2 of June 14, 1995. The Agency plans to conduct a new census of enterprises in 2004.

A small business is determined by the number of employees. The criteria are set out in the Law are as follows:

- Industry – less than 100 employees
- Construction – less than 100 employees
- Transport – less than 100 employees
- Agriculture – less than 60 employees
- Science and technology – less than 60 employees
- Wholesale trade – less than 50 employees
- Retail trade and services – less than 30 employees
- Other – less than 50 employees

The statistical register seeks to capture only enterprises that are active and identifies the size of the enterprise. It contains 2.2 million enterprises and excludes non-corporate entities. It is

derived from the administrative register and is updated annually by deleting enterprises that do not respond to two consecutive annual surveys.

(2) Household Budget Survey

The Goskomstat conducts an annual HBS using a two-stage stratified random sampling approach. The sample frame is the 1994 population census. The observation unit is the household and in 2002 the survey covered 49,175 households across all the Russian regions. It excludes institutions.

The data are collected through the diary method and through an annual survey of the household. The data collected through the diary method include data on purchases of consumer items, production for own consumption, and current transfers. Data derived from the annual survey include purchases of durable goods and production of livestock.

The initial refusal rate ranges between 15-20 percent; however, the refusals are replaced from three reserve subsamples therefore a final response rate of close to 100 percent is usually attained. The replacement method guarantees that there is no bias arising from the replacement of initial refusals.

High income households are excluded from the survey. There is no cut-off income level; however, interviewers are instructed to exclude such households based on their visual assessment of the quality of the dwelling. There are no specific guidelines for this assessment and it is therefore highly subjective.

(3) Administrative data sources

Data on government operations are obtained from the Ministry of Finance. The report on the execution of the State budget includes data for both the federal government and regional governments. However, the data are not fully compatible with the definitions, scope, and classifications required for compiling the national accounts statistics. Some adjustments are made by the Goskomstat. The report includes data on military spending but at a highly aggregated level. Reports on extra-budgetary operations such as the social security fund are also available.

The balance of payments statistics are received from the Central Bank of Russia (CBR). The estimates for external trade and travel in the balance of payments statistics are usually adjusted in consultation with the CBR.

Detailed foreign trade statistics from the State Customs Committee are not widely used in the national accounts compilation process, though the aggregate unit value indices of trade are used to derive the constant price estimates for exports and imports of goods.

(4) Ad hoc surveys

The Goskomstat conducts ad hoc surveys when required. A survey of non-profit institutions serving households was conducted in 2000 to derive benchmark estimates for this sector. Surveys are also conducted occasionally to derive data on capital stocks and as a basis to estimate consumption of fixed capital. The last such survey was conducted in 2000. However, the use of data from ad hoc surveys is not widespread and accounts for less than 10 percent of the estimates.

3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required

The data from the annual surveys are generally consistent with the definitions, scope, classifications, valuation and time of recording required. Annual data are compiled on a calendar year basis and quarterly data are compiled for the period being assessed. Survey data on transactions are compiled at current market prices and the detailed data are available to adjust output and intermediate consumption to basic and purchasers' prices, respectively.

3.1.3 Source data are timely

The source data from surveys and administrative sources are received on a timely basis. The Goskomstat has bilateral agreements with other agencies on the timetable for providing data, which is agreed on at the beginning of the year. The timetable is consistent with the schedule for compiling the national accounts statistics and is generally adhered to by these agencies (see also 0.1.2). The data from the annual surveys are collated at the regional level and submitted to the Goskomstat headquarters.

3.2 Statistical techniques

3.2.1 Data compilation employs sound statistical techniques

Production Approach Procedures

The estimation of output and intermediate consumption, and hence value added, is undertaken at a highly aggregated level. The estimates are derived at the 1-digit level of the Russian classification of activities.

Specific issues related to the production approach

Owner-occupied dwellings

The output of owner-occupied dwellings is estimated as the cost of repairs, maintenance, and consumption of fixed capital. This process underestimates the output of owner-occupied dwellings, which should be derived as the estimated rental value of the dwellings. The cost of repairs and maintenance should be considered intermediate consumption. The Goskomstat

cites the difficulty in obtaining data on rental values because of the low ratio of property rental to ownership. In addition, the data on dwelling rentals may not be representative of the quality of dwellings as most of the rented properties are at the high end of the market.

Work-in-progress

Estimation of work-in-progress is broadly in accordance with the *1993 SNA*. Data derived from the enterprise surveys are used to estimate output of large construction projects spanning more than one period. Estimates of standing timber, livestock reared for food, and stocks of fish are derived from surveys of agricultural holdings. However, perennial crops are not estimated as work-in-progress and the total output is allocated the period of the harvest.

Inventory valuation adjustment

Estimates of inventories are available for the large enterprises included in the survey. The estimates of inventories are adjusted for holding gains when used in deriving output and intermediate consumption.

Consumption of fixed capital

The perpetual inventory method (PIM) is used to estimate consumption of fixed capital (CFC).

Cash vs. accrual recording

Data are recorded on an accrual basis. Data on the transactions of government are adjusted from cash to accruals basis (*see also 2.4.2*).

Specific Issues Relating to Volume Measures of GDP

Double deflation techniques are not used to derive the volume estimates of GDP. The estimates are derived using a combination of single indicator extrapolation and single deflation methods (for the latter, output at current prices is deflated using a price index, and the resulting volume indicator is used to extrapolate value added). Value added is not deflated directly.

The constant price series for 1995 – 2000 are derived using fixed based indices (1995=100). The Goskomstat introduced annual chain index methods for annual and quarterly estimates from 2000.

**Production Account: Methods Used to Derive Constant Price Estimates
(Russian Classification of Branches of the Economy)**

Economic Activity	Method Used
Agriculture	Extrapolation using volume index of agricultural output
Industry	Extrapolation using volume index of production
Freight Transport	Extrapolation using a volume index of cargo transported (tons per kilometer)
Passenger Transport	Extrapolation using a volume index of passenger movement (persons per kilometer)
Communication	
(i) Enterprises	(i) Deflation using price index of communication services provided to legal entities
(ii) Private consumers	(ii) Deflation using price index of communication services provided to private consumers
Wholesale Trade	Extrapolation using a volume index of wholesale trade turnover
Retail Trade	Extrapolation using a volume index of retail trade turnover
Agricultural Services	Market services: Deflation using the index of tariffs for respective services
	Non-market services: Extrapolation using number of employees
Real Estate transactions	Extrapolation using a volume index of fixed capital rented out on long term
General Commercial Activities	Deflation using the consumer price index
Exploration	Extrapolation using a volume index of number of employees in exploration activity
Roads	Deflation using price index of construction (from PPI)
Housing	Extrapolation using index of change in the volume of housing stock
	Owner-occupied dwellings: Deflation using the cost of repair and maintenance
Communal Services (electricity; water; gas)	Extrapolation using volume indices of production
Personal Services	Deflation using price index of services
Finance; credit; and insurance	Extrapolation using number of employees
Science	Extrapolation using the number of employees
Health care	Deflation using price index of health services
General Administration	Extrapolation using number of employees

The volume estimates are derived at a highly aggregated level and some of the indicators may not be representative of the underlying price changes. This is reflected in the following examples:

- The widespread use of the overall CPI in estimating volumes of private final consumption expenditure and some estimates of production;
- The use of the ruble/dollar exchange rate to deflate exports and imports of services;
- The unreliability of the unit value indices used to deflate exports and imports of goods.

Expenditure Approach Measures

All components of GDP by expenditure are derived independently; however, the components are estimated at a highly aggregated level. Household final consumption expenditure is estimated for the broad groups of goods and services and not by type of consumption and not according to purpose. Government final consumption expenditure is also compiled as two broad groups of compensation of employees and other goods and services and not according to function.

Household final consumption expenditure is estimated using primarily data on retail sales. Own-account agricultural production is included in the estimates. It is derived as a balance between the total production (including production on household farms) and total sales. Data on goods and services in kind to households is derived from surveys of enterprises.

Expenses of residents abroad are included in household final consumption expenditure and expenditures of nonresidents in the domestic economy are excluded. This is consistent with the balance of payments statistics.

Government final consumption expenditure excludes incidental sales.

Gross fixed capital formation is calculated on the basis of data from the investment survey, which collects information on new construction activity as well as purchases of machinery and equipment. It is compared with estimates derived using a commodity flow approach using data on domestic production and imports.

Data on inventories are derived from special surveys of stocks of materials, finished goods, and other inventories. The estimates are adjusted for holding gains.

The deflators used to derive expenditure on GDP at constant prices are detailed in Table 2.

Expenditure on GDP: Methods Used to Derive Constant Price Estimates

GDP Component	Method Used
Private Final Consumption Expenditure	Consumer price index
Government Final Consumption Expenditure	i) Goods: Deflation using consumer price index ii) Services: Extrapolation using volume index of government employment
Gross Fixed Capital Formation	i) Construction: Deflation using producer price index for construction ii) Machinery and Equipment: Deflation using producer price index of machinery and equipment
Change in inventories	Producer price indices for industry and agriculture
Exports and Imports of Goods	Deflation using unit value trade indices
Exports and Imports of Services	Deflation using ruble/dollar exchange rate

Specific quarterly GDP compilation techniques

The estimates for quarterly GDP are based on the same broad methodology as the annual GDP. The estimates are derived using both the production approach and the expenditure approach. The Denton method is used to benchmark the quarterly and annual estimates and seasonal adjustment is undertaken using X-12 ARIMA. The quarterly chain-linking is derived using the annual overlap technique.

3.2.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques

Grossing-up techniques are used to improve the estimates from the sample surveys of small enterprises. For non-respondents, the data are grossed up using the number of employees in the industry. To account for underreporting, the reported data are compared with data from administrative sources and of sales revenue.

The Goskomstat also makes estimates to cover the legal activities undertaken in the nonobserved economy. These comprise broadly activities that are not reported or are underreported by the producing units to evade official charges, taxes, and administrative controls. It also covers underreporting due to deficiencies in the formal data collection process.

The estimation process is based on balancing approaches or using data from indirect sources. The estimation processes are more comprehensive for the production account; however, the Goskomstat attempts to achieve exhaustiveness for all areas of the system including exports and imports.

Comprehensive estimation of nonobserved activities is undertaken for the following main activities: retail trade; construction, and agriculture. The computation of retail trade is based

on the assumption that the average revenue from trade per employee for large and medium sized enterprises is equivalent to average revenue for small enterprises (coverage of large and medium sized enterprises is complete). The estimated number of employees for small enterprises is obtained from the business register.

For construction, estimates based commodity flow techniques using data on imports and domestic production of construction goods are compared with the estimates derived using data from the annual enterprise survey.

The output of agricultural activity undertaken by households is estimated based on a rural survey of households, which yields information on average production per hectare and the total area under cultivation.

The adjustment to account for the nonobserved economy ranges between 22-25 percent of GDP. However, the adjustment process does not take account of personal services and other services provided by unincorporated enterprises to households.

3.3 *Assessment and validation of source data*

3.3.1 Source data—including censuses, sample surveys and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide planning

Sampling errors, responses errors, and nonsampling errors are routinely assessed; however the information is not made available to users. The information is used internally to assist the Goskomstat in improving the estimation process. Data are checked for errors and inconsistencies through the use of range checks and benchmarks. The Goskomstat is in the process of introducing software survey processing and data editing that would be used for crosschecking survey responses.

3.4 *Assessment and validation of intermediate data and statistical outputs*

3.4.1 Main intermediate data are validated against other information where applicable

Data derived from the enterprise surveys are assessed against data on output derived from other primary and secondary sources including administrative statistics and selected data from the annual household budget survey.

3.4.2 Statistical discrepancies in intermediate data are assessed and investigated

Discrepancies in intermediate data are assessed and major differences are investigated and corrected by adjusting the data derived from the enterprise survey.

3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated

The Goskomstat compiles an annual supply and use table, which is used to revise the annual and quarterly GDP estimates.

Unofficial estimates compiled by private institutions are reviewed by the Goskomstat; however, the Agency does not attempt to validate its estimates against these unofficial estimates. It notes that unofficial estimates are derived using less rigorous compilation procedures and data sources and are therefore less accurate. It notes that the institutions compiling the unofficial estimates acknowledge that their estimates are derived using rudimentary techniques that are not based on international standards. Further, the Goskomstat national accounts time series is normally used in econometric models to derive the unofficial preliminary estimates.

3.5 Revision studies

3.5.1 Studies and analyses of revisions are carried out routinely and used to inform statistical processes

In 2003, the Goskomstat disseminated revised national accounts statistics based on the most extensive revision process that it has employed since adopting the *1993 SNA*. These revisions were conducted following a comprehensive investigation of the nature of discrepancies in the statistics and the weaknesses in the methodology being used.

An assessment of the differences between resources and uses in the annual supply and use tables has provided useful information for improving the estimates of the nonobserved economy.

4. Serviceability

4.1 Relevance

4.1.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

The relevance and practical utility of the data in meeting user needs is not routinely assessed. The Goskomstat has not conducted user surveys and does not have a mechanism in place to monitor user feedback on the statistics. The Agency has not established a user advisory group though some private users may be invited to attend the bimonthly meetings of the board (see also 0.3.2). The Agency notes that although it publicizes contact information for the statistics, it does not receive feedback on possible weaknesses or additional user requirements.

National accounts staff regularly attend seminars and conferences organized by international organizations, especially within the European Union and present papers on the compilation practices and research conducted by the Goskomstat.

4.2 *Timeliness and periodicity*

4.2.1 Timeliness follows dissemination standards

The national accounts statistics meet the timeliness standard of the SDDS. The first set of quarterly estimates is disseminated 50 working days after the end of the quarter and the first revised estimates are disseminated 80 working days after the end of the period.

4.2.2 Periodicity follows dissemination standards

The GDP estimates are disseminated quarterly, thereby meeting the SDDS minimum periodicity requirement.

4.3 *Consistency*

4.3.1 Statistics are consistent within the dataset

The statistical discrepancy between the final estimates of GDP by type of activity and expenditure components has been low; averaging less than two percent of GDP, and similar growth rates are obtained for the estimates derived using the two approaches.

The data sources and compilation techniques are similar for quarterly and annual estimates, with differences being due primarily to accuracy of source data; therefore the estimates of quarterly GDP and annual GDP are consistent.

The estimates at current prices, volume measures, and implicit deflators are consistent within the “value=volume×price” framework.

4.3.2 Statistics are consistent or reconcilable over a reasonable period of time

Consistent time series of annual and quarterly estimates are available from 1995. When changes are made to statistical techniques and methodology, or new data sources are introduced, the series are revised backwards as is reasonably possible. In 2003, the Goskomstat disseminated a revised series from 1995 onwards. However, the agency has not undertaken revisions to the estimates before 1995 because of differences in the methodology and the source data used to derive the estimates for the earlier periods.

4.3.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks

There may be differences between the national accounts statistics and other major datasets such as the merchandise trade statistics and government finance statistics. The national accounts compilers may undertake adjustments to these data to improve coverage and ensure consistency with national accounts methodology. For example, the government finance statistics may be different from the national accounts statistics since the latter are derived on an accrual basis and balance of payments statistics are adjusted to improve coverage of trade in goods and services.

4.4 Revision policy and practice

4.4.1 Revisions follow a regular, well-established, and transparent schedule

A schedule for the dissemination of the preliminary and revised estimates of the national accounts statistics is published by the Goskomstat at the beginning of the calendar year as part of the Federal Program on Statistics. The data are revised four times. The preliminary set of annual estimates are disseminated on the final working day of the month following the end of the period and are finalized 24 months after the end of the period. The first set of preliminary quarterly estimates are disseminated 50 working days after the end of the period and revised 80 working days after the end of the period. The set of quarterly estimates for a given calendar year are finalized 24 months after the end of that calendar year, along with the annual estimates for that year.

4.4.2 Preliminary data are clearly identified

Preliminary data are clearly identified as such in press releases and publications disseminated by the Goskomstat.

4.4.3 Studies and analyses of revisions are made public

The nature of the revisions of the national accounts series for 1995-2001 is explained in the national accounts publication for 2003 and in a special commentary available on the Goskomstat website. The commentary explains the major changes to the methodology and its implications for the national accounts statistics.

5. Accessibility

5.1 Data accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)

The national accounts data are published in a clear manner; charts and tables are disseminated with the data to facilitate the analysis. The publications include notes on methodology and comparative summary indicators for other major economies.

Datasets are published with varying levels of detail in different publications that target diverse user groups. The Handbook of National Accounts Statistics is a comprehensive publication that contains detailed tables of the full set of accounts compiled by the Goskomstat. Other publications and the website provide summary data for key accounts and aggregates. The accounts and aggregates are presented in a time series format with annual data for at least five years.

The quarterly estimates are presented in both seasonally adjusted and unadjusted form.

5.1.2 Dissemination media and formats are adequate

Dissemination practices are generally sound. The data are disseminated through press releases, on the official website of the Goskomstat, and in the annual and quarterly publications. The website presents the information in both Russian and English. In addition, the Agency prepares both Russian and English publications, though the latter are normally disseminated with some delay.

Detailed data disseminated on the website are available only to subscribers. The data on the website are provided only in html format, which is inconvenient for users wishing to download the data into a spreadsheet or database. Though a dissemination schedule exists, a schedule of the release of hardcopy publications is not available. Delays may occur due to production difficulties, especially for the annual publication.

5.1.3 Statistics are released on a preannounced schedule

The data are disseminated according to an advance release calendar disseminated by the Goskomstat at the beginning of the calendar year. The advance release calendar is published on the Agency's website and in the Federal Program of Statistics.

5.1.4 Statistics are made available to all users at the same time

The data are available to all users at the same time; however there may be some delay in publishing the data on the website.

5.1.5 Nonpublished (but nonconfidential) subaggregates are made available upon request

Nonpublished (but nonconfidential) data are not normally made available to users. The Goskomstat asserts that its publications are sufficiently detailed to meet the needs of users. All requests for nonpublished data must be presented in writing to the chairperson of the Goskomstat, who considers all requests on a case-by-case basis.

5.2 Metadata accessibility

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated

The Goskomstat has produced a document on sources and methods for compiling the national accounts statistics. In addition, notes in the publications and on the website explain the national accounts concepts and methodology used. However, the metadata do not highlight the differences and deviations from internationally accepted standards or guidelines. The classification of activities uses some of the same nomenclature as other international activity classifications but the coverage is different. This may be misleading to users not familiar with the Russian classification of activities and who may assume the coverage to be similar to that of international classifications.

The information on data sources is sparse. The metadata do not highlight the biases in the source data, the rates of non-response, or provide information on sampling techniques for surveys.

The website of the Goskomstat includes metadata compiled according to SDDS guidelines. However, the document on sources and methods is only available in hardcopy from the Goskomstat and is only in Russian.

5.2.2 Levels of detail are adapted to the needs of the intended audience

Metadata available on the Goskomstat website and in the national accounts publications reflect the levels of detail and the degree of aggregation of the data disseminated in these media. Thus, the non-fee section of the website, which hosts highly aggregated data on the production accounts, reflects only summary methodologies on these accounts.

5.3 Assistance to users

5.3.1 Contact person for each subject field is publicized

The internet and email address of the Goskomstat are clearly stated on the national accounts publications. The website provides the name, email address, and telephone number of the individual responsible for responding to queries on national accounts statistics.

5.3.2 *Catalogs of publications, documents, and other services, including information on any charges, are widely available*

A catalog of publications is available on the Goskomstat website and is updated annually. It provides an overview of the contents of each publication, the frequency, language of publication, and the dissemination format. The website also provides information for ordering publications.

The Goskomstat also operates a center that coordinates the publication and sale of the Agency's material. *The Information and Publishing Centre – Statistics of Russia*, is located on the ground floor of the Goskomstat headquarters building. The prices of the publications are not quoted in the catalogs because of price differentials based on users and other factors.

Table 1. The Russian Federation: Data Quality Assessment Framework—Summary of Results for National Accounts
(Russia: State Statistics Committee)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
0. Prerequisites of quality						
0.1 Legal and institutional environment				X		Current legislation does not guarantee nondisclosure by Goskomstat. No legal mandate to collect data from households and individuals. Staff resources are critically below required level.
0.2 Resources				X		
0.3 Quality awareness		X				
1. Integrity						
1.1 Professionalism		X				
1.2 Transparency		X				
1.3 Ethical standards		X				
2. Methodological soundness						
2.1 Concepts and definitions		X				National classifications are not consistent with international classifications.
2.2 Scope		X				
2.3 Classification/sectorization				X		
2.4 Basis for recording		X				
3. Accuracy and reliability						
3.1 Source data			X			Source data not comprehensive. Annual household budget survey data not used in estimation. Merchandise trade statistics and unit value indices unreliable. Constant price estimates derived at a highly aggregated level. Services for owner occupied dwellings not derived as estimated rental values.
3.2 Statistical techniques			X			
3.3 Assessment and validation of source data		X				
3.4 Assessment and validation of intermediate data and statistical outputs		X				
3.5 Revision studies		X				

Table 1. The Russian Federation: Data Quality Assessment Framework—Summary of Results for National Accounts
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Element	NA	Assessment				Comments
		O	LO	LNO	NO	
4. Serviceability						
4.1 Relevance			X			User feedback not actively solicited. User surveys not conducted.
4.2 Timeliness and periodicity		X				
4.3 Consistency		X				
4.4 Revision policy and practice		X				
5. Accessibility						
5.1 Data accessibility			X			Non-published but non-confidential data not available upon request. Deviations from international standards not highlighted and explained in metadata.
5.2 Metadata accessibility			X			
5.3 Assistance to users		X				

II. CONSUMER PRICE INDEX

0. Prerequisites of quality

0.1 *Legal and institutional environment*

0.1.1 *The responsibility for collecting, processing, and disseminating statistics is clearly specified*

There is no single statistical law in the Russian Federation. Rather, the authority for collecting, processing, and disseminating statistics is mandated through various pieces of legislation. However, the most critical piece of legislation is the Provisions on the Russian Federation State Statistics Committee adopted by resolution of the Russian Federation Government on February 2, 2001.

Article 10 (1) of the Provisions stipulates that the State Statistics Committee (the Goskomstat) shall provide official statistical information that constitutes part of government information resources on the country's social, economic, and demographic standing. Article 5 of the Provisions stipulates that the Goskomstat shall develop and submit a federal statistics work program to the Federal Government. The federal program, which outlines government activities for the upcoming fiscal year in statistics, includes the Agency's plans to compile prices statistics. The authority of the Goskomstat to collect statistics throughout the Russian Federation is also stipulated in this Article. It states that government authorities, organizations, and units engaged in entrepreneurial activity are liable to report information to the Agency to enable it to implement the federal program. Further, Article 6 states that the statistical methodology approved by the Goskomstat shall become mandatory for other government agencies, legal entities, and individuals when conducting state statistical surveys.

Article 9 of the Provisions assigns various tasks to the Agency that include (i) arranging the collection of accounting reports and providing reported data to users in compliance with prescribed procedures; (ii) ensuring adherence to national classification codes; and (iii) organizing the development and maintenance of these codes. These tasks are critical to the compilation of prices statistics. Thus, although the legislation does not state explicitly that the Goskomstat is responsible for compiling prices statistics, this is implied by the Agency's official status and its tradition as being the only agency compiling such statistics.

The authority to collect information on legal entities is also guided by the Law on Information, Informatization, and Information Protection (No. 24-FZ of February 20, 1995) and the Law on Accounting.

The enactment of a new statistical law would be of considerable value in strengthening the legal and institutional framework for the Goskomstat, including clarification of the requirement to maintain the confidentiality of individual data, and addressing the issue of reporting requirements for individual persons and households.

0.1.2 Data sharing and coordination among data producing agencies are adequate

The role of the Goskomstat as the federal statistics coordinating agency is established in Article I of the Provisions, which states that the Goskomstat shall constitute a federal body executing cross-industry coordination and functional regulation in the government statistics domain. In addition, Article 8 (5) states that one of the major goals of the Agency is to coordinate the efforts of federal executive authorities aimed at shaping government information resources.

An annual timetable for providing data to the Goskomstat is agreed with the Ministry of Finance and the Ministry of Trade and Economic Development. The timetable is presented in the annual Federal Program. In addition, the Goskomstat has bilateral agreements with these agencies on the type and format of the data that it should receive. The Agency also provides feedback on the output of other agencies that may be used as source data in its statistics. The Goskomstat is invited to provide feedback on the balance of payments statistics prepared by the Central Bank of Russia (CBR) and the trade indices prepared by the State Customs Committee before these estimates are finalized and disseminated.

0.1.3 Respondents' data are to be kept confidential and used for statistical purposes only

Article 9 (12) of the Provisions stipulates that the Goskomstat shall ensure the protection of statistical information, including data that constitute state secrets, or other classified items subject to protection by law, as well as confidential data. Survey questionnaires state clearly on the front page that all information collected by the agency will be kept confidential and used for statistical purposes only.

The Information Protection Department of the Goskomstat has established regulations for breach of confidentiality by staff. In addition, Federal Law on the Civil Service stipulates that staff are expected to sign an oath of secrecy upon hiring. Staff are bound by these internal regulations by the General Principles of Workplace Behavior of Civil Servants (approved by Presidential Decree No. 885 on August 12, 2002), which states that staff must comply with the by-laws of their specific institutions (see also 1.3).

Article 8 (7) of the Provisions stipulates that a major goal of the Goskomstat is ensuring the storage and protection of official statistical information. The Agency has instituted numerous internal safeguards to ensure the confidentiality of the data. The Administration Department tracks the flow of confidential documents within the Goskomstat. Access to these documents is limited to persons who may need to refer to them during the course of the statistical compilation process. The documents are stored in secured premises with limited, monitored access and computer programs with information on individual units are password protected. In addition, the Goskomstat has developed special software for aggregation of individual responses.

Most survey data are collected and collated at the regional level and submitted to the Goskomstat headquarters in summary form. However, this current decentralized process of

data collection utilizing numerous regional agencies, effectively devolves responsibility for protecting data on individual units to the regional bodies. This suggests that the federal office may not be able to manage or monitor compliance to the strict confidentiality requirements.

However, the Provisions do not appear to explicitly prohibit the Goskomstat from disseminating data from which information on individual units can be derived or mandate that the permission of the respondent is required before dissemination. Further, the criminal code overrides the terms of confidentiality in the Provisions; therefore, government investigators could request information on individual respondents and the Goskomstat may not have sufficient legal basis for refusing the request.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response

Article 10 (8) of the Provisions empowers the Goskomstat to impose sanctions on respondents for failure to comply with procedures for reporting statistics. However, the Provisions do not specify the sanctions or penalties to be imposed. These are imposed by the regional statistical offices based on specifications in the Administrative Code. The penalty is a fine ranging between 30 to 50 times the minimum monthly wage³ and is levied on the individual in the enterprise responsible for reporting the statistics. Regional agencies submit an annual report to the Goskomstat on the violations of the code. In practice, the federal office does not impose sanctions or monitor compliance with the reporting procedures.

Individuals and households not engaged in business activity are not mandated to report any information to government agencies, therefore reporting is solely on a voluntary basis. Households are protected under current privacy legislation; however, current legislation for collecting information and statistics does not override the laws safeguarding individual privacy. Since the response to some of its surveys is voluntary, the Goskomstat relies on moral suasion and needs to undertake effective public relations activities for many of its surveys and censuses. However, respondent cooperation does not appear to be a problem in the CPI surveys.

0.2 Resources

0.2.1 Staff, financial, and computing resources are commensurate with statistical programs

There are 10 members of staff working on the CPI, nine of whom are university graduates. Eight of the 10 staff have joined the Goskomstat in the last five years. This is not a robust staffing and organization arrangement, in view of the significance and high public visibility of the CPI work and the need for staff to keep abreast of significant changes in household consumption and retailing, as well as methodological developments. There appears to be

³ The current minimum wage is 600 rubles.

little scope for CPI staff to meet additional demands and to make further progress on the implementation of international standards.

There are 1120 full time equivalent staff engaged in CPI work at the regional and local office levels. About 950 (85 percent) of these are in the regional offices engaged in a range of CPI work including processing, querying, data dissemination and overall supervision. The balance (about 170) are engaged as price collectors in district offices.

If the Goskomstat is unable to allocate additional staffing to the CPI work it would be desirable to examine the possibility of cross funding through the achievement of some further efficiencies and cost savings at regional and local levels.

The CPI staff have adequate computing resources at headquarters and an excellent computing capability at the regional/ local level. This has arisen through technical assistance and funding for the allocation of over 600 hand-held computers to price collectors. These are used to capture the pricing information at the selected outlets and transmit it to the regional computers. Advantages from this development include: significant cost savings (e.g., in printing and distribution of questionnaires); improved efficiency in collection and editing (e.g., input edits can generate queries that can be handled while the collector is still at the outlet); and improved timeliness of the whole operation. There is some sharing of these hand-held computers, making them available for use by about 1000 price collectors. These computers are still effective in temperatures down to at least minus 15 degrees Celsius and, while some have required maintenance, overall performance is reliable.

0.2.2 Measures to ensure efficient use of resources are implemented

All departments within the Goskomstat use consistent methodologies and classification systems, thereby averting the need for constant reviews and adjustments to the data. Survey instruments are streamlined to capture the information required by a cross-section of departments thus reducing the number of surveys and questionnaires that the Agency may have to administer. The instruments are reviewed annually by the Statistical Planning and Statistical Observations Department of the Goskomstat and adjustments are made if required.

The survey fieldwork is conducted under the control of the regional agencies and the source data are collected, reviewed, and collated at the regional level. The collated data for regions of Russia are submitted to the federal office in electronic format. This minimizes the cost of administering the survey and submitting the completed information.

0.3 Quality awareness

0.3.1 Processes are in place to focus on quality

The Board of Management of the Goskomstat (the collegium) meets twice a month to review the progress of the work program. Article 14 of the Provisions mandates that the board address major issues related to the statistics. Members of the board travel to the regional

offices periodically to impress upon staff the need to uphold quality. Regular meetings are held with department heads to review the work program and assess the needs of the Agency.

The Goskomstat does not have a mission statement but staff are reminded regularly of the need to give proper attention to data quality and are often informed when established standards have been compromised.

The Goskomstat has welcomed reviews of its work by international agencies and staff participate in international discussions on statistical techniques, where the Agency's statistical techniques and practices are discussed.

0.3.2 Processes are in place to monitor the quality of the collection, processing, and dissemination of statistics

The Statistical Planning and Statistical Observations Department of the Goskomstat is responsible for monitoring statistical observations in keeping with approved standards. The section reviews the quality of incoming and all outgoing information to determine whether they meet the minimum quality standards of the Goskomstat.

Individual staff performance is monitored for CPI staff, including at regional and district levels, regarding basic functions such as data collection and editing, and feedback is provided to staff regarding their performance.

There may be some user input (although limited to a small number of organizations) during the development of the annual federal statistics program. The Goskomstat does not conduct user surveys; however, the collegium may invite some users to its bi-monthly meetings and may receive some feedback on user needs.

0.3.3 Processes are in place to deal with quality considerations, including tradeoffs within quality, and to guide planning for existing and emerging needs

The Goskomstat prepares an annual timetable for the receipt of source data and dissemination of statistics. This indicates the Goskomstat's recognition of the need for timely data and regular revisions to improve accuracy.

1. Integrity

1.1 Professionalism

1.1.1 Statistics are compiled on an impartial basis

The Provisions ensure the professional independence of the Goskomstat. Article 11 states that the Chairman and Deputies of the Goskomstat are appointed and dismissed by the Russian Government (Parliament). The Chairman has the full authority to appoint other staff, manage the activities of the Goskomstat, and allocate duties amongst staff. The Goskomstat

also has full authority to decide on the surveys to be conducted and the methodology to be used to compile the statistics. Further, Article 6 of the Provisions stipulates that the official statistical methodology approved by the Goskomstat shall be binding on all other government agencies.

Professionalism is exhibited and promoted through the publication of documents on methodology and staff attendance at international conferences where the work of the Goskomstat may be discussed. In addition, the Departments in the Goskomstat and regional committees for statistics meet regularly to review methodology and data collection issues. In some cases, the Goskomstat's proposals for changes in methodology are studied by experts from other agencies (when related to special technical issues) to maintain the professional reputation of the agency.

1.1.2 Choices of sources and statistical techniques are informed solely by statistical considerations

The choice of statistical techniques is determined solely by the Goskomstat in its efforts to meet the international standards for compiling prices statistics. The Scientific and Methodological Council of the Goskomstat reviews the quality of statistical projects based on the relevance and practical significance of the activity. The Council is made up of a standing committee of representatives of the Ministry of Trade and Economic Development, the CBR, other government agencies, business, and academia. Experts from the Department of Price and Financial Statistics, as well as experts from other departments in the Goskomstat, also sit on the Council. Other persons are invited to participate in the council from time to time depending on their specific areas of expertise. In addition, there are various groups within the Council that meet on specific areas of statistics; one of these is the Price and Financial Statistics Group. The Council may comment on methodological issues and recommend changes to the plan; however, these recommendations are not binding on the Goskomstat.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics

Article 9 (16) of the Provisions requires the Goskomstat to provide clarifications to the press on issues relating to the state statistical surveys and official statistics. The Goskomstat notes that there has been some criticism in the press regarding government prior access to statistics, including reference to early release of the CPI. However, while the Goskomstat acknowledges its responsibility in clarifying these issues, it states that current resource constraints preclude management from responding to all criticism arising in the media.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public

The Provisions establish the terms and conditions under which the statistics are collected, processed, and disseminated. They are available on the website⁴ of the Goskomstat in both Russian and English. The guidelines presented to respondents completing the enterprise surveys questionnaire identify the relevant legislation under which the data are collected and highlights the purpose of the data collection exercise.

Publications and the website provide the name of a responsible individual who may be contacted for more information about the statistics. Publications also identify the members of the editorial board responsible for reviewing the Goskomstat publications.

The weights for the CPI are not released as a matter of the Goskomstat policy. This detracts significantly from the value of the metadata because the weighting pattern is vital to a complete understanding of the nature of a price index and is a valuable supplement to the published data series.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified

There is no government access to the CPI data prior to release. The agency notes that recent public concern and confusion about the apparent prior access may have stemmed from the availability of forecasts prepared by other government agencies. The processes by which data are released following approval by the Chairman of the Goskomstat need to be clarified and publicized.

1.2.3 Products of statistical agencies/units are clearly identified as such

Products of the Goskomstat are clearly identified through the use of the Goskomstat's name and logo on the website and in its publications. The Goskomstat also endeavors to have its output identified in joint publications and publications produced by other government agencies. Further, it requires that users quoting the Goskomstat data should indicate that the Goskomstat is the source.

⁴ <http://www.gks.ru>.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques

The Goskomstat announces significant changes in methodology, source data, and compilation techniques in advance; for example, plans to introduce new classifications and revised weights for the CPI.

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff

Staff behavior is guided by current internal regulations and the regulations of the civil service (see also 0.1.3). The General Principles for Workplace Behavior of Civil Servants establishes guidelines for professional ethics. This includes the need for staff to be politically neutral and to perform their duties scrupulously and efficiently.

2. Methodological Soundness

2.1 Concepts and definitions

2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices

Practices followed in the CPI are generally in accordance with international practices, with some exceptions that are detailed in this report. Attention is paid to consumer price index manuals that have been translated into Russian. The draft CPI manual has not been used by CPI staff as a Russian version is not yet available.

The methodology used for the CPI is in accordance with the Statute on the Goskomstat of Russia adopted by the Decree of the Government of the Russian Federation on February 2, 2001 (No. 85). The methodology is established by the Goskomstat and takes account of the official statistical standards of the Russian Federation. The above statute is published in Russian on the official the Goskomstat website.

Items are included in the CPI where they exceed 0.1 percent of total household consumption expenditure. There are 411 items in the CPI and the weights are fixed at the item level. The weights (and the HBS data) exclude expenditures in Russia by nonresidents, consistent with international practice.

The CPI excludes owner-occupied dwelling services⁵. The Goskomstat considers that if a weight were to be calculated for owner-occupied dwelling services it would be below the

⁵ The CPI includes rents, maintenance and repair costs for municipal housing and privatized apartments.

0.1 percent threshold. The mission recognizes that such costs are not currently of great significance in Russia compared with most countries but it is clear that the rate of dwelling ownership is increasing steadily from year to year and it is therefore important that the Goskomstat monitors developments and considers the inclusion of owner-occupied dwelling services in the CPI in future.

2.2 Scope

2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices

Most types of household are included in the CPI weights. Non-urban households are included in the index weights but are not represented in the prices; that is, the selection of population centers for pricing does not include non-urban areas although a number of small towns with population of around 5,000-15,000 are included. Households in institutions are excluded (for example, persons residing in hospitals, prisons, etc.), as is done in most countries. Households headed by foreigners are not covered, but these are relatively insignificant.

The consumption activity of households who are also producers is included, but only their purchases, and not their own-account consumption. Allowance for the non-observed economy is not made in compiling the HBS estimates, or in estimating the CPI weights. Imputed rents for owner-occupied dwellings are also excluded.

In summary, there are some limitations on the CPI scope but it is generally consistent with that adopted in many countries. A deficiency is the exclusion of prices paid by households in non-urban areas. The population of the selected population centers accounts for 55 percent of the total population for the Russian Federation. It is recognized that price collection in non-urban areas is problematic (because a limited range of goods and services are generally available) and expensive. However non-urban and urban inflation may well be quite different. It would be useful for the Goskomstat to review the need for, and feasibility of, including some non-urban centers in its CPI sample.⁶

2.3 Classification/sectorization

2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices

The CPI and its weights are not at present classified according to the COICOP, the standard international classification for household expenditure. This will occur on an experimental basis as from 2004. The Goskomstat plans to compile the CPI on both the existing

⁶ If non-urban households purchase some of their goods and services from other population centers the prices charged in these centers would be reflected in the CPI under this approach.

classification and COICOP in 2004 and until such time as COICOP is finally adopted as the classification for CPI purposes. The Chairman of the Goskomstat will determine such timing, taking account of the views of major users in the Ministry of Economic Development and Trade, the MOF and the Ministry of Labor. All users will be informed in advance when COICOP is to become the prime classification used in the CPI.⁷

2.4 Basis for recording

2.4.1 Market prices are used to value flows and stocks

The CPI weights are based on the prices actually paid by consumers, including trade margins and applicable taxes (VAT, excise, sales tax, and other indirect taxes) and distribution costs incorporated in the price.

Collected prices are those actually charged by sellers. Discounts applicable to consumers generally are taken into account when they are applied to selected goods and services. Discounts applicable to pensioners are not taken into account as they do not apply to the general public. The Goskomstat indicates that price bargaining, involving negotiations between the seller and buyer to establish discounts, is not normal commercial practice at retail level in Russia.

The recording of market prices is generally consistent with international practice.

2.4.2 Recording is done on an accrual basis

The prices collected for the CPI fully accord with international standards. The prices are those actually charged at the date of collection, which is between the 23rd and 25th of the month. In some circumstances where there are no major prices changes occurring, prices may be collected one or two days earlier.

2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices

The weight for motor vehicles is calculated with reference to production statistics, retail trade statistics, and Customs Office and other data. It appears that the weight for used cars does not explicitly take account of sales of such vehicles; that is, sales are not netted off⁸. Insurance of

⁷ A slightly modified version of COICOP was adopted as the classification for the 2003 HBS.

⁸ It might be argued that there are relatively few sales of used vehicles by households but this is likely to change with a growing incidence of vehicle ownership.

goods is not at present included in the CPI⁹ so there is no issue relating to netting claims from premiums paid.

3. Accuracy and Reliability

3.1 Source data

3.1.1 Source data are collected from comprehensive data collection programs that take into account country-specific conditions

Weights are calculated with reference to annual HBS data and some other data sources. The HBS is a sample survey that employs both diary (for a two-week period) and annual expenditure questionnaire approaches. The survey obtains expenditures. There are 49,000 households in the sample representing about 0.1 percent of all households in Russia. The survey covers the whole population apart from collectives and people in institutions. All republics and selected regions are covered.

As from 2003, the HBS has adopted a slightly modified Russian version of COICOP as its basis for the classification of goods and services and for publication of such data. For an interim period HBS data will be presented on both the former classification and on the COICOP basis.

A stratified random sampling approach is used, involving a two-stage probability sample. The first stage is a geographical selection (including urban/ rural) and the second stage is a sub-stratification based on social, economic, and demographic characteristics. Standard errors are calculated for Russia and for regions. These are published for Russia and used to guide survey planning.

Participation in the HBS is voluntary but the effective response rate is 100 percent because of the system of replacement households adopted in the case of refusals. Affluent households (judged as such by the Goskomstat interviewers based on observation from outside the dwelling) are automatically excluded from the sample and no attempts are made to adjust estimates to compensate for this.

The weights for the CPI are mainly obtained from the HBS data. However, the estimation of CPI weights also takes account of retail trade data, production data and some other data sources as a check against HBS data. A notable example is expenditure on items tobacco and alcohol which are under-reported in HBSs in most countries. These other data sources are also used to determining weights at more detailed levels. This is necessary because HBS data, based on sample surveys, cannot be expected to provide reliable expenditure estimates for very detailed levels.

⁹ The Goskomstat plans to include dwelling and car insurance items from January 2004.

HBS data, together with other data sources, are also used to determine separate weights for use in compiling the regional CPIs, reflecting household expenditure patterns in individual regions.

The CPI weights are revised annually. Weight revisions are introduced in January of each year. The weights reflect expenditures in the 12 months ended the previous September. For example, the weights used in 2003 reflect expenditures in the 12 months ended September 2002.

Weights are generally not revised during the course of a year but in 1998, during the financial crisis, an interim weight revision was made, following discussion with the IMF and its Multisector Statistics Advisor.

266 population centers are included in the CPI. These are selected as being representative of each of the 89 regions. Every regional capital is automatically selected. Other major cities, towns and urban communities are selected to provide adequate representation for each region. However cities close to each other and to the regional capital city are not selected. Selected centers must have well-established and sustainable consumer markets. Selected centers must, in combination, represent at least 35 percent of the population of each region. The population weights relate to population numbers at the end of the previous year. For instance, the indices for 2003 reflect population weights calculated from population estimates as at the end of 2002.

Price collectors are required to select and precisely specify the most popular variety, for which prices will then be collected on a continuing basis. Prices are collected monthly for 411 CPI items in 266 population centers covering all regions of the Russian Federation. Prices are collected between the 23rd and 25th of each month with some adjustments to pricing dates when those days fall on a weekend. No prices are collected on an average monthly basis. About 500,000 prices and tariffs are collected from about 30,000 selected respondents.

The outlets from which the prices are collected are selected by purposive sample based on sales data and the range of products sold. The selection ensures that all types and sizes of outlets are covered. Household consumption items are included in the CPI if they account for at least 0.1 percent of total consumer spending.

3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required

All source data are specifically collected for the CPI and the data collection systems have been designed to fully meet the requirements of the CPI, in all respects. Prices are obtained for a large number of representative goods and services.

Prices staff in regional and district offices are responsible for selecting outlets and specifications for pricing, and for determining appropriate weights for specifications and respondents within each CPI item. They are also responsible for obtaining, recording and checking prices, validating prices data, calculation of average prices and price indices, and validation of indices. Finally, regional offices are responsible for publication of indices for each region.

Collectors visit the representative sampled outlets, which include both fixed premises and mobile trade (stalls, kiosks, booths etc.), to obtain prices actually charged to consumers for the selected goods and services. All forms of ownership are covered, including individual vendors. Charges for a range of market services are also obtained from various sources. The specific outlets for inclusion in the CPI are selected using statistical data, tax data, data from retail management boards and government data sources.

Adjustments are made to specification and respondent samples on an ongoing basis to take account of changes occurring in the market place; for instance, the closing down of a store, a significant change in a store's nature of activity, and the establishment of a large new store such as a hypermarket. Prices staff are also responsible for periodic reviews of the samples of specifications and respondents to ensure their appropriateness in the light of subsequent changes. Prices staff maintain close contact with local retail management boards which are a very useful source of information on retailing developments.

The Goskomstat has produced a very comprehensive set of instructions for CPI collectors, which includes the purposes of the CPI, selection of respondents and specifications for pricing, establishment of weighting systems, methods of observing price changes, calculation of average prices and indices, and dissemination of indices.

3.1.3 Source data are timely

Source data are supplied on a timely basis. The HBS data are supplied in good time for use in deriving weights for annual revisions. The prices data are collected and processed promptly to allow the CPI publication to be released on about the fourth day after the end of the quarter.

3.2 Statistical techniques

3.2.1 Data compilation employs sound statistical techniques

The level of detail for price indices of goods and services is quite sufficient for detailed analysis of price movement. The weights calculations are consistent with the definition of household consumption expenditure in the *1993 SNA*. The value of goods and services represents the economic cost to the household at time of purchase.

At the lowest level of the index, the geometric mean is used as the approach for calculating average prices for selected specifications.¹⁰ Individual price indices are then calculated as price relatives based on the corresponding price in the previous month. Aggregate price indices are then compiled, using the appropriate weights, for each good and service item for the 89 regions, seven federal regions, and Russia as a whole. The modified Laspeyres index formula is used at these stages, with the base period being the previous month. In calculating price indices for Russia, population weights are applied to the individual regional indices.

Prices of temporarily missing items are imputed based on price movements for similar products or product groups. Products that become permanently unavailable are replaced by a similar item as soon as practicable. When a product is replaced during the year an overlap price is obtained whenever possible. Assessments are not made to take account of changes in quality.

In the case of fresh fruit and vegetables, where supplies of old season crops gradually diminish during the year and new season crops gradually appear on the market, the practice is to collect prices of both old and new season produce during an overlapping period and to apply appropriate weights to the old and new season prices at district level to obtain weighted average prices.

Seasonally adjusted CPI data are calculated using a package based on ARIMA 12 and monthly seasonally adjusted series are published annually. Publication of the seasonally adjusted series usually occurs in February each year but in 2003 compilation and publication was not completed until June.

3.2.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques

Adjustments are made by CPI staff for some known shortcomings in the HBS data. Use is also made of other data sources in establishing CPI weights including at detailed levels of expenditure and for regions. The proportion of household final expenditure for the economy not covered by the CPI weights is minimal.

If a particular CPI item undergoes a quality change, the usual practice is to regard the difference between the prices of the former and new products as an indicator of the difference in quality.

¹⁰ The use of the geometric mean was introduced in 2003. Prior to this the simple arithmetic mean was used.

3.3 Assessment and validation of source data

3.3.1 Source data—including censuses, sample surveys and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide planning

Sampling errors are available for HBS data. Sampling errors for the CPI cannot be ascertained because the respondent samples are selected using purposive sampling.

3.4 Assessment and validation of intermediate data and statistical outputs

3.4.1 Main intermediate data are validated against other information where applicable

The CPI is checked against relevant components of the PPI for industrial products and also PPI series for agriculture products.

3.4.2 Statistical discrepancies in intermediate data are assessed and investigated

Unusual movements in components of the CPI are identified using a range of control edits supported by computer programs. These are investigated in regional and district offices, and also at headquarters during validation stages.

3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated

The published CPI is structured in such a way as to avoid discrepancies.

3.5 Revision studies

3.5.1 Studies and analyses of revisions are carried out routinely and used to inform statistical processes

In practice, CPI data have never been revised and revision studies are therefore not applicable.

4. Serviceability

4.1 Relevance

4.1.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

Article 15 in the Provisions of the Goskomstat states that the Goskomstat “shall set up a statistical council to be composed of representatives from government authorities, business

circles, academic community, mass media which shall constitute a deliberative body to address problems of coordinating cross-industry activities in government statistics, enhancing statistical methodological, and meeting users' demands in official statistics". However, no such council has been established and there is no specific forum that facilitates discussions with a range of users to provide advice and feedback to the Goskomstat on the CPI program. Users may be consulted in the course of developing the annual federal statistics program but such consultations would appear to be restricted to a small number of major government users.

There is a group on prices and financial statistics constituted under the auspices of the Scientific and Methodological Council. This group is chaired by the Central Bank of Russia and its membership includes representatives of MEDT, the Moscow City Statistics Committee, and a number of research institutes. The Goskomstat is represented by the relevant experts from the Department of Price and Financial Statistics (DPFS) and other Departments of the Goskomstat as appropriate. This group meets about four times per year and focuses mainly on methodological issues referred to it by the Goskomstat. However, it is not an advisory body to the Goskomstat regarding users' needs for price statistics, reactions to the present price statistics programs, or priorities for further development. The group examines methodological issues and makes comments. The Goskomstat is not bound to accept the comments made by the group but in the event of disagreement, a compromise is usually found.

4.2 *Timeliness and periodicity*

4.2.1 Timeliness follows dissemination standards

The CPI is normally published on the fourth day following the end of the quarter or on the following Monday when this falls on a weekend. This is well within the requirements of the SDDS.

4.2.2 Periodicity follows dissemination standards

The CPI is published every month, in conformity with the requirements of the SDDS.

4.3 *Consistency*

4.3.1 Statistics are consistent within the dataset

Only one official series of the CPI is published and data are consistent with this dataset.

4.3.2 Statistics are consistent or reconcilable over a reasonable period of time

Major improvements to the CPI in recent years have included: an extension to the list of population centers covered by the CPI (from 2002) and the use of the geometric mean approach in calculation of elementary aggregate. It was not possible to compile back series

on these new bases. However, the new data have been linked to the old for the purpose of calculating price indices.

4.3.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks

CPIs are compiled for income decile groups. In addition, a CPI is compiled in respect of core, or underlying, inflation; this measure shows movements in the CPI after exclusion of seasonal goods (mainly fresh fruit and vegetables) and certain administered prices. Checks are made to ensure the consistency of the official CPI with these other measures.

In addition, checks are also made with the relevant elements of the PPI for industrial products, and also with relevant agricultural prices series to ensure that there is general consistency.

4.4 Revision policy and practice

4.4.1 Revisions follow a regular, well-established, and transparent schedule

The weights for the CPI are revised on a regular annual basis, with revised weights being introduced in the index for January each year. Documentation about weights revisions is available to users but not the actual weights used. The CPI data have never been revised although documentation for users refers to this as a possibility.

4.4.2 Preliminary data are clearly identified

Since the CPI is not revised, there is no need to identify and data as preliminary.

4.4.3 Studies and analyses of revisions are made public

Revisions to weights and methodologies are explained to users. Revisions to data do not occur.

5. Accessibility

5.1 Data accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)

Monthly CPI data are published in the monthly report entitled *Social and Economic Situation in Russia*. CPI data are also published in the following publications: *Russian Statistical Yearbook*, *Social Status and Living Standards of Population in Russia*, *Russia in Figures*, *Regions of Russia*, the *Russian Newspaper* and the *Current Statistical Survey*.

The range and amount of detail for CPI data varies from publication to publication. For example, the annual publication *Russia in Figures* shows price indices for about 120 items for each month of the reference year for that publication. Data are shown as percentage changes from the previous period. Some graphs are included in most publications.

When COICOP is introduced, the Goskomstat plans to publish CPI series at the COICOP four-digit level in general publications, at five-digit level in more specific prices publications, and at six-digit level in very specialized and detailed prices publications. Seasonally adjusted monthly series have been calculated since 1997. These series are published once per year, usually around February although the publication was delayed until June in 2003. These series are subject to re-analysis each year as more data become available and monthly seasonally adjusted series are therefore also subject to revision.

Regional CPI data are also published by the various regional offices of the Goskomstat; these offices determine the nature and scope of publication of prices data in their regions.

While the CPI series are compiled on a consistent basis over time, the Goskomstat publications do not present the series as a continuous index series on a common reference base, in accordance with established international practice¹¹. The Russian CPI series are usually expressed in terms of the movement from the previous month, from the previous December, and from the corresponding month of the previous year. Continuous index series referenced to a common base period, on the other hand, facilitate comparisons between any number of discrete periods. For example, a user can readily calculate the movement between February 2000 and May 2003 from a continuous series, but a number of calculations are required in order to make this comparison from the index movements as presently published.

While it is claimed by the Goskomstat that all users understand the present approach it is quite inconsistent with the general approach adopted in most countries throughout the world. In the context of increasing globalization, the Goskomstat approach is especially confusing to many users of Russian statistics who are also users of statistics from other countries.

5.1.2 Dissemination media and formats are adequate

As mentioned above, CPI data are published in a number of paper publications. CPI data are also disseminated on the Goskomstat website, in other electronic forms (diskette, CD-ROM, and email) and in hard copy printout. Prices data are only published in English in *Russia in Figures* and the *Current Statistical Survey*, and on the website.

¹¹ However, the Goskomstat reports indices in continuous index series form to the IMF and to other international organizations.

5.1.3 Statistics are released on a preannounced schedule

The precise release dates for the upcoming four months are published on the Goskomstat website. Deadlines have not been missed. The CPI is normally released before midday on the prescribed day of release.

5.1.4 Statistics are made available to all users at the same time

While the CPI data are normally released before midday on the prescribed day of release, they are not usually posted on the Goskomstat website until the day following release, and are sent to users and the media by various means on the day of release, including fax, courier, and email. Simultaneous receipt by all users therefore does not occur in practice.

5.1.5 Nonpublished (but nonconfidential) subaggregates are made available upon request

The CPI is published in varying amounts of detail in the Goskomstat publications. Nonpublished but nonconfidential CPI data are available on request. These data are free of charge to users in the list contained in the federal statistical program and are also free of charge, on an occasional basis, for other users. The latter may establish an account for purchase of nonconfidential data if these are desired on a regular basis.

5.2 Metadata accessibility

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated

Provision 10 (6) requires the Goskomstat to provide explanations on methodological issues and arrangements for state statistical surveys and official statistical information. The Goskomstat has produced four volumes of methodological provisions covering a range of statistics. These have been approved by the Goskomstat management and are available for purchase at the Goskomstat bookstore.

Descriptions of CPI methodology are included in various the Goskomstat publications. However, as noted in 1.2.1, CPI weights are not included in any of these documents because weights are not released to users as a matter of policy. In addition, no specific mention is made of differences from internationally accepted standards and practices.

5.2.2 Levels of detail are adapted to the needs of the intended audience

Different versions of the CPI methodology are contained in the Goskomstat publications, designed to meet the needs of different audiences. The methodology for the CPI is described on the Goskomstat website in a format that resembles the Data Standards Bulletin Board. A two-page description of the CPI methodology is contained in the monthly report *Social and Economic Situation of Russia*. The Goskomstat has produced a detailed and comprehensive

methodological guide for the CPI that includes descriptions of the selection of samples of outlets and specifications, price collection procedures, replacement methods, treatment of seasonal goods, and calculation of indices. However, as noted, CPI weights are not included in any of these documents as a matter of policy.

5.3 Assistance to users

5.3.1 Contact person for each subject field is publicized

All publications give the names of members of staff who are available to provide any necessary assistance to users, and some publications give their telephone numbers. It would be helpful if telephone numbers and email addresses were provided in all publications.

5.3.2 Catalogues of publications, documents, and other services, including information on any charges, are widely available

The Goskomstat does not produce a catalogue of publications and other data products. The federal statistical program includes a simple list of publications planned for issue during the coming year, but this does not include a brief description of the contents of each publication, or prices (where applicable). The Goskomstat website includes descriptions of the contents for some publications but not for prices publications.

The Goskomstat operates a bookshop on the first floor of the Goskomstat headquarters. The Goskomstat publications may be ordered at the bookshop and users may receive information about statistics and access the website of the Goskomstat's Information and Publications Centre. Users may also access the Goskomstat publications in the Goskomstat library located on the second floor of the Goskomstat headquarters.

Table 2. The Russian Federation: Data Quality Assessment Framework: Summary of Results for the Consumer Price Index
(Compiling Agency: The Goskomstat)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed;						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
0. Prerequisites of quality						
0.1 Legal and institutional environment				X		Statistics law over-ridden by other laws; voluntary response for individuals
0.2 Resources			X			Limited headquarters staff numbers/ experience
0.3 Quality Awareness			X			Limited user feedback
1. Integrity						
1.1 Professionalism		X				Weights not released
1.2 Transparency			X			
1.3 Ethical standards		X				
2. Methodological soundness						
2.1 Concepts and definitions			X			Owner-occupied dwelling services excluded
2.2 Scope			X			Non-urban households excluded from prices
2.3 Classification/Sectorization			X			COICOP on trial basis
2.4 Basis for recording			X			Used vehicle weight not on strict net basis
3. Accuracy and reliability						
3.1 Source data		X				
3.2 Statistical techniques		X				
3.3 Assessment and validation of source data		X				
3.4 Assessment and validation of intermediate data and statistical outputs		X				
3.5 Revision studies	X					
4. Serviceability						
4.1 Relevance			X			No user group
4.2 Timeliness and periodicity		X				
4.3 Consistency		X				
4.4 Revision policy and practice		X				
5. Accessibility						
5.1 Data accessibility			X			No continuous series published on common base; delays in posting data on website Excludes international practices differences No catalogue, limited publication list
5.2 Metadata accessibility			X			
5.3 Assistance to users			X			

III. PRODUCER PRICE INDEX

0. Prerequisites of quality

0.1 *Legal and institutional environment*

0.1.1 *The responsibility for collecting, processing, and disseminating statistics is clearly specified*

There is no single statistical law in the Russian Federation. Rather, the authority for collecting, processing, and disseminating statistics is mandated through various pieces of legislation. However, the most critical piece of legislation is the Provisions on the Russian Federation State Statistics Committee adopted by resolution of the Russian Federation Government on February 2, 2001.

Article 10 (1) of the Provisions stipulates that the Goskomstat shall provide official statistical information that constitutes part of government information resources on the country's social, economic, and demographic standing. Article 5 of the Provisions stipulates that the Goskomstat shall develop and submit a federal statistics work program to the Federal Government. The federal program, which outlines government activities for the upcoming fiscal year in statistics, includes the Agency's plans to provide prices statistics. The authority of the Goskomstat to collect statistics throughout the Russian Federation is also stipulated in this Article. It states that government authorities, organizations, and units engaged in entrepreneurial activity are liable to report information to the Agency to enable it to implement the federal program. Further, Article 6 states that the statistical methodology approved by the Goskomstat shall become mandatory for other government agencies, legal entities, and individuals when conducting state statistical surveys.

Article 9 of the Provisions assigns various tasks to the Agency that include (i) arranging the collection of accounting reports and providing reported data to users in compliance with prescribed procedures; (ii) ensuring adherence to national classification codes; and (iii) organizing the development and maintenance of these codes. These tasks are critical to the compilation of prices statistics.

The authority to collect information on legal entities is also guided by the Law on Information, Informatization, and Information Protection (No. 24-FZ of February 20, 1995) and the Law on Accounting.

The enactment of a new statistical law would be of considerable value in strengthening the legal and institutional framework for the Goskomstat, including clarification of the requirement to maintain the confidentiality of individual data, and addressing the issue of reporting requirements for individual persons and households.

0.1.2 Data sharing and coordination among data producing agencies are adequate

The role of the Goskomstat as the federal statistics coordinating agency is established in Article I of the Provisions, which states that the Goskomstat shall constitute a federal body executing cross-industry coordination and functional regulation in the government statistics domain. In addition, Article 8 (5) states that one of the major goals of the Agency is to coordinate the efforts of federal executive authorities aimed at shaping government information resources.

An annual timetable for providing data to the Goskomstat is agreed with the Ministry of Finance and the Ministry of Trade and Economic Development. The timetable is presented in the annual Federal Program. In addition, the Goskomstat has bilateral agreements with these agencies on the type and format of the data that it should receive. The Agency also provides feedback on the output of other agencies that may be used as source data in its statistics. The Goskomstat is invited to provide feedback on the balance of payments statistics prepared by the CBR and the trade indices prepared by the State Customs Committee before these estimates are finalized and disseminated.

0.1.3 Respondents' data are to be kept confidential and used for statistical purposes only

Article 9 (12) of the Provisions stipulates that the Goskomstat shall ensure the protection of statistical information, including data that constitute state secrets, or other classified items subject to protection by law, as well as confidential data. Survey questionnaires state clearly on the front page that all information collected by the agency will be kept confidential and used for statistical purposes only.

The Information Protection Department of the Goskomstat has established regulations for breach of confidentiality by staff. In addition, Federal Law on the Civil Service stipulates that staff be expected to sign an oath of secrecy upon hiring. Staff are bound by these internal regulations by the General Principles of Workplace Behavior of Civil Servants (approved by Presidential Decree No. 885 on August 12, 2002), which states that staff must comply with the by-laws of their specific institutions (see also 1.3).

Article 8 (7) of the Provisions stipulates that a major goal of the Goskomstat is ensuring the storage and protection of official statistical information. The Agency has instituted numerous internal safeguards to ensure the confidentiality of the data. The Administration Department tracks the flow of confidential documents within the Goskomstat. Access to these documents is limited to persons who may need to refer to them during the course of the statistical compilation process. The documents are stored in secured premises with limited, monitored access and computer programs with information on individual units are password protected. In addition, the Goskomstat has developed special software for aggregation of individual responses.

Most survey data are collected and collated at the regional level and submitted to the Goskomstat headquarters in summary form. However, this current decentralized process of data collection utilizing numerous regional agencies, effectively devolves responsibility for

protecting data on individual units to the regional bodies. This suggests that the federal office may not be able to manage or monitor compliance to the strict confidentiality requirements.

However, the Provisions do not appear to explicitly prohibit the Goskomstat from disseminating data from which information on individual units can be derived or mandate that the permission of the respondent is required before dissemination. Further, the criminal code overrides the terms of confidentiality in the Provisions; therefore, government investigators could request information on individual respondents and the Goskomstat may not have sufficient legal basis for refusing the request.

In the case of the PPI, the Goskomstat protects the confidentiality of individual prices reported but publishes price movement (index) data for cells where there is only one producer, or where one producer predominates. The Goskomstat considers that it is required to protect the confidentiality of reported price data and that this is the undertaking made on its collection questionnaires, but that this does not extend to the protection of derived data in index form.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response

Article 10 (8) of the Provisions empowers the Goskomstat to impose sanctions on respondents for failure to comply with procedures for reporting statistics. However, the provisions do not specify the sanctions or penalties to be imposed. These are imposed by the regional statistical offices based on specifications in the Administrative Code. The penalty is a fine ranging between 30 to 50 times the minimum monthly wage¹² and is levied on the individual in the enterprise responsible for reporting the statistics. Regional agencies submit an annual report to the Goskomstat on the violations of the code. In practice, the federal office does not impose sanctions or monitor compliance with the reporting procedures.

Individuals and households not engaged in business activity are not mandated to report any information to government agencies, therefore reporting is solely on a voluntary basis. Households are protected under current privacy legislation; however, current legislation for collecting information and statistics does not override the laws safeguarding individual privacy. Since the response to some of its surveys is voluntary, the Goskomstat relies on moral suasion and needs to undertake effective public relations activities for many of its surveys and censuses. However, respondent cooperation does not appear to be a problem in the PPI surveys.

¹² The current minimum wage is 600 rubles.

0.2 Resources

0.2.1 Staff, financial, and computing resources are commensurate with statistical programs

There are four members of staff working on the PPI at headquarters, three of whom joined the Goskomstat in the past five years. One of the four is expected to retire within the next five years. Three of the four staff have tertiary qualifications. This is not a robust staffing and organization arrangement, in view of the importance of the PPI work and the need for staff to keep abreast of significant changes in industry, as well as methodological developments. There appears to be little scope for PPI staff to meet additional demands, improve the range and quality of PPI data, and make further progress on the implementation of international standards. In addition, salaries are unattractive and there are significant losses from price statistics work to other employment, especially in the private sector where much greater salaries can be commanded.

There are approximately 150 full time equivalent PPI staff in the regional offices, and these work not only on the industrial PPI but on other PPI work and other statistical work as well. The number of PPI staff vary from region to region; for example, three or four PPI staff for the Moscow region, down to one PPI staff in a number of regions. Some regions do not have an established prices unit and this reduces the level of supervision for PPI work in these offices. There is a reasonable amount of staff turnover (partly reflecting the low salaries paid to collectors), requiring continuing attention to the training of new staff. Training courses are held in Moscow at approximate two-yearly intervals to train new collectors and to reinforce procedures for existing collectors. However attendance depends to some extent on the availability of travel funds at regional office level and from donor organizations.

Computing resources for PPI work at headquarters appear to be adequate. Each staff member has a computer. Internet access is more limited and appears to require some improvement through an increase in the number of staff with authorized access. The amount of computing resources in the regional offices varies. Typically, staff are required to share access to a computer although there has been some improvement in recent years.

0.2.2 Measures to ensure efficient use of resources are implemented

All departments within the Goskomstat use consistent methodologies and classification systems, thereby averting the need for constant reviews and adjustments to the data. Survey instruments are streamlined to capture the information required by a cross-section of departments thus reducing the number of surveys and questionnaires that the Goskomstat may have to administer. The instruments are reviewed annually by the Statistical Planning and Statistical Observations Department of the Goskomstat and adjustments are made if required.

The survey fieldwork is conducted under the control of the regional agencies and the source data are collected, reviewed, and collated at the regional level. The collated data are

submitted to the federal office in electronic format. This minimizes the cost of administering the survey and submitting the completed information.

0.3 *Quality awareness*

0.3.1 Processes are in place to focus on quality

The Board of Management of the Goskomstat (the collegium) meets twice a month to review the progress of the work program. Article 14 of the provisions mandates that the board address major issues related to the statistics. Members of the board travel to the regional offices periodically to impress upon staff the need to uphold quality. Regular meetings are held with department heads to review the work program and assess the needs of the Goskomstat.

The Goskomstat does not have a mission statement but staff are reminded regularly on the need to give proper attention to data quality and are often informed when established standards have been compromised.

The Goskomstat has welcomed reviews of its work by international agencies and staff participate in international discussions on statistical techniques, where the Goskomstat's statistical techniques and practices are discussed.

0.3.2 Processes are in place to monitor the quality of the collection, processing, and dissemination of statistics

The Statistical Planning and Statistical Observations Department of the Goskomstat is responsible for monitoring statistical observations in keeping with approved standards. The section reviews the quality of incoming and all outgoing information to determine whether they meet the minimum quality standards of the Goskomstat.

Performances of individual PPI staff are monitored including at regional level, on basic functions such as data collection and editing, and feedback is provided to staff regarding their performance.

There may be some user input (although limited to a small number of organizations) during the development of the annual federal statistics program. The Goskomstat does not conduct user surveys; however, the collegium may invite some users to its bi-monthly meetings and may receive some feedback on user needs.

0.3.3 Processes are in place to deal with quality considerations, including tradeoffs within quality, and to guide planning for existing and emerging needs

The Goskomstat prepares an annual timetable for the receipt of source data and dissemination of statistics. This indicates the Goskomstat's recognition of the need for timely data and regular revisions to improve accuracy.

1. Integrity

1.1 Professionalism

1.1.1 Statistics are compiled on an impartial basis

The Provisions ensures the professional independence of the Goskomstat. Article 11 states that the Chairman and Deputies of the Goskomstat are appointed and dismissed by the Russian Government (Parliament). The Chairman has the full authority to appoint other staff, manage the activities of the Goskomstat, and allocate duties amongst staff. The Goskomstat also has full authority to decide on the surveys to be conducted and the methodology to be used to compile the statistics. Further, Article 6 of the Provisions stipulates that the official statistical methodology approved by the Goskomstat shall be binding on all other government agencies.

Professionalism is exhibited and promoted through the publication of documents on methodology and staff attendance at international conferences where the work of the Goskomstat may be discussed. In addition, the Departments in the Goskomstat and regional committees for statistics meet regularly to review methodology and data collection issues. In some cases, the Goskomstat's proposals for changes in methodology are studied by experts from other agencies (when related to special technical issues) to maintain the professional reputation of the agency.

1.1.2 Choices of sources and statistical techniques are informed solely by statistical considerations

The choice of statistical techniques is determined solely by the Goskomstat in its efforts to meet the international standards for compiling PPI statistics. The Scientific and Methodological Council of the Goskomstat reviews the quality of statistical projects based on the relevance and practical significance of the activity. The Council is made up of a standing committee of representatives of the Ministry of Trade and Economic Development, the CBR, other government agencies, business, and academia. Experts from the Department of Price and Financial Statistics, as well as experts from other departments in the Goskomstat, also sit on the Council. Other persons are invited to participate in the council from time to time depending on their specific areas of expertise. In addition, there are various groups within the Council that meet on specific areas of statistics; one of these is the Price and Financial Statistics Group. The Council may comment on methodological issues and recommend changes to the plan; however, these recommendations are not binding on the Goskomstat.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics

Article 9 (16) of the Provisions requires the Goskomstat to provide clarifications to the press on issues relating to the state statistical surveys and official statistics. The Goskomstat notes that there has been some criticism in the press regarding government prior access to statistics. However, while the Agency acknowledges its responsibility in clarifying these issues, its

states that current resource constraints precludes management from responding to criticism, arising in the media.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public

The Provisions establish the terms and conditions under which the statistics are collected, processed, and disseminated. They are available on the website¹³ of the Goskomstat in both Russian and English. The guidelines presented to respondents completing the enterprise surveys questionnaire identify the relevant legislation under which the data are collected and highlights the purpose of the data collection exercise.

Publications and the website provide the name of a responsible individual who may be contacted for more information about the statistics. Publications also identify the members of the editorial board responsible for reviewing the Goskomstat publications.

The weights for the PPI are not released as a matter of the Goskomstat policy. This detracts significantly from the value of the metadata because the weighting pattern is vital to a complete understanding of the nature of a price index and is a valuable supplement to the published data series.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified

There is no government access to the PPI data prior to release. The agency notes that recent public concern and confusion about apparent prior access may have stemmed from the availability of forecasts prepared by other government agencies. The processes by which data are released following approval by the Chairman of the Goskomstat need to be clarified and publicized.

1.2.3 Products of statistical agencies/units are clearly identified as such

Products of the Goskomstat are clearly identified by the Goskomstat's name and logo on the website and in publications. The Goskomstat also endeavors to have its output identified in joint publications and publications produced by other government agencies. Further, it requires that users quoting the Goskomstat data should indicate that the Goskomstat is the source.

¹³ <http://www.gks.ru>.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques

The Goskomstat announces significant changes in methodology, source data, and compilation techniques in advance; for example, plans to introduce new classifications and revised weights for the PPI.

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff

Staff behavior is guided by current internal regulations and the regulations of the civil service (see also 0.1.3). The General Principles for Workplace Behavior of Civil Servants establishes guidelines for professional ethics. This includes the need for staff to be politically neutral and to perform their duties scrupulously and efficiently.

2. Methodological Soundness

2.1 Concepts and definitions

2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices

The overall structure of PPI is generally in accordance with international practices, with some exceptions that are detailed in this report. Attention is paid by the Goskomstat to international producer price manuals that have been translated into Russian. The draft PPI manual has not been used by PPI staff a Russian version is not yet available.

The methodology used for the PPI is in accordance with the Statute on the Goskomstat of Russia adopted by the Decree of the Government of the Russian Federation on February 2, 2001 (No. 85). The methodology is established by the Goskomstat and takes account of the official statistical standards of the Russian Federation. The above statute is published in Russian on the official the Goskomstat website.

2.2 Scope

2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices

The present PPI is based on the OKONX and covers the mining, manufacturing and energy industries, and also forestry and fishing. Work is well advanced on transition to NACE Rev. 1, at which time the PPI will cover all of the mining, manufacturing and energy

industries (that is, Sections C, D and E of NACE,¹⁴ Rev.1) but no other sections of NACE.¹⁵ The PPI will then adhere to international standards in this respect.

The PPI relates to all market producers in these industries. Only goods produced for sale are included in the weights and the prices; this is the approach taken by many countries. The weights for the PPI do not take account of estimated production in the non-observed economy.

Exported goods are excluded from the index. This is not consistent with general international practice. Furthermore, no export price index and no export unit values indices are produced for Russia, but some unit value series are produced by the State Customs Committee. There has been some demand for indices showing prices of exported goods separately but the Goskomstat is unable to develop these with existing resources. It is clear that the inclusion of exported goods would require some increase in staff resources.

2.3 Classification/sectorization

2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices

Statistical classifications in Russia are subject to the final approval of the Ministry of Economic Development and Trade (MEDT), in close cooperation with the Goskomstat and the State Committee on Standards. MEDT is responsible for approving classifications and determining when they should be implemented. MEDT has developed a Russian version of NACE Rev.1 and this will be implemented throughout the Goskomstat during a two-year transition period. (Only slight modifications have been made to NACE Rev. 1).

At present, there has been no adoption of an international product classification such as the CPC or the CPA. The MEDT is expected to complete development of a product classification for use in Russia by the end of 2003. In the meantime, DPFS is re-assigning the price quotations data from the old classification (OKONX) to accord with the new classification (NACE), in order to compile pilot product indices according to NACE. When the product classification has been finally determined by MEDT, DPFS may need to make some adjustments to its product lists to accord with the new product classification determined.

¹⁴ Nomenclature Générale des Activités Économiques dans les Communautés Européennes (in English: Statistical Classification of Economic Activities in the European Communities).

¹⁵ The Goskomstat also produces other producer price indices, including, agricultural products, construction, and cargo transportation but these adopt methods that are largely similar to the PPI for industrial products and are not further discussed in this report.

DPFS has compiled PPI data according to NACE from January 2003 in a pilot study which is expected to take two years. Publication on the new basis has not yet occurred; this must first be approved by the Goskomstat management.

PPI series continue to be compiled and published using the former classification (OKONX) in the meantime. DPFS is using this parallel operation as a further check on the validity of the PPI series.

2.4 Basis for recording

2.4.1 Market prices are used to value flows and stocks

The weights and price quotations are based on the prices actually charged by the producers, excluding value added and excise taxes. Transport costs are also excluded. The prices are therefore at the “factory gate” and fully accord with international standards.

2.4.2 Recording is done on an accrual basis

Prices are those actually charged on the 20th day of the reference month and this approach conforms to accrual accounting principles. If the 20th falls on a weekend, prices are collected as at the nearest regular working day. There are no attempts to calculate average monthly prices for any product, nor are any prices collected more frequently than once a month.

Prices are collected mainly by mailed questionnaires, but a variety of other methods are also adopted, including telephone, personal visit to the office, and email. However, in all cases the Goskomstat insists on receiving a completed and signed questionnaire, to be submitted by the responsible officer in each respondent organization.

The PPI collection, processing and publication phase is completed promptly so that PPI series are published on the 10th day of the following month. Cases of refusal are followed up and this may include a visit by a Goskomstat official from Moscow. Effective response rates are claimed to be close to 100 percent, after allowance is made for businesses that have ceased or changed the nature of their operations.

2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices

There are no grossing/ netting issues to be resolved. Stage of processing indices are not produced and the business surveys, which form the main basis for PPI weights, obtain data from the legal entity (basically the enterprise) and there are therefore no problems with transactions between establishments of the same enterprise.

3. Accuracy and Reliability

3.1 Source data

3.1.1 Source data are collected from comprehensive data collection programs that take into account country-specific conditions

The weights for the PPI are based on product data obtained from the business surveys conducted by the Goskomstat. The business surveys cover all large- and medium-sized enterprises and a sample of small enterprises. Response rates are acceptable for these surveys.

The business surveys are conducted using a sample frame based on the statistical business register. The Goskomstat maintains both the statistical register and an administrative register. The administrative register is updated based on information from the legal registration of businesses with the Ministry of Taxation and Revenues. It contains 3.6 million legal entities and 4.5 million individual proprietors. Only businesses that have been officially liquidated are deleted from the register; therefore the register includes enterprises that are inactive.

The statistical register seeks to capture only enterprises that are active. It contains 2.2 million legal entities. Individual proprietors are not included in the statistical register. It is derived from the administrative register and is updated annually by deleting enterprises that do not respond to two consecutive annual surveys.

Enterprises are not identified by size at the time of registration but the Goskomstat conducted a census of enterprises in 2001 to identify these small enterprises. “Small enterprises” is defined differently from sector to sector. For industry, small enterprises are those with less than 100 employees.

The Department of Price and Financial Statistics (DPFS) uses the business surveys data without adjustment when calculating PPI weights. The weights are based on values of production of the various commodities and industries.¹⁶ Unique products and works in progress (e.g., ships, aircraft, turbines and other major components of power stations) are included in the weights but not in the prices because of the practical difficulties in collecting such prices. This is not regarded as a significant problem as the selected specifications represent a minimum of 50 percent of production in each industry category.

¹⁶ Respondents report values of production; these are not derived.

3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required

All source data on prices are specifically collected for the PPI, and the data collection systems have been designed to fully meet the requirements of the PPI. A list of product groups common to all regions is specified to the regional offices by headquarters staff following examination of business surveys data. Regional staff are advised to meet with representatives of producers to initiate price collections for each of the selected product groups. Selected enterprises for the PPI surveys are asked to provide product prices and production volumes. For some products they are then asked to supply a detailed specification of the most important variety that they consider will be produced on a regular basis. The enterprises are asked to report the price of the selected product specifications each month.

The reporting basis (that is, excluding value added and excise taxes and transport charges) and the date for recording the price are specified on the collection questionnaires. Emphasis is placed on determining representative product specifications that are sold in significant amounts on a continuing basis. Product specifications include technical details (size, weight, volume, power, model, class, grade, and class of customer).

There is a comprehensive manual to guide price collectors and this includes instructions on: selection of representative products; selection of representative producers; price collection procedures; handling quality changes; goods temporarily discontinued; determining appropriate weights for combining prices; and calculation of indices. Special cases such as production on commission, seasonal products, energy, and household durables are also discussed.

The intention throughout is to obtain representative regional indices (for product groups, industry categories, and for the region as a whole), as well as representative national indices for product groups and industry categories.

3.1.3 Source data are timely

Price quotations are received from respondents in accordance with acceptable timetables that allow publication of PPI series by the 10th business day of the following month. The effective response rate is close to 100 percent.

3.2 Statistical techniques

3.2.1 Data compilation employs sound statistical techniques

The weights are compiled using data from the business surveys on values of goods produced, as reported by the respondents to this survey. The weights are revised annually and introduced into the index in January of each year with a one-year lag; for example, the index for 2003 is based on weights reflecting values of production in 2001 and these weights were introduced into the index in January 2003. New weights are introduced by the normal linking process.

The sample of respondents is adjusted annually in January of each year. If a respondent ceases business during the first half of the year, the index for the elementary aggregate is recalculated to exclude that respondent, and this may occasionally result in a revision to the appropriate index series at the region/ product group levels. If a significant business commences production of a representative product during the second half of the year, the normal practice is to defer introduction of that business to the PPI survey until the following year.

The industrial classification currently used for this survey is the OKONX; this specifies 110 industries. However, DPFS has used the business survey data to calculate weights and trial indices based on NACE Rev.1 as from the year 2002. PPIs continue to be published using the old OKONX. The Goskomstat plans to inform users in advance about the introduction of indices based on NACE.

There are more than 800 product groups used in the PPI and not all product groups are represented in each region. The indices are calculated on the basis of prices reported by approximately 7,500 enterprises, involving about 30,000 price quotations each month.

Elementary aggregates are calculated for each relevant product group within each region by the weighted arithmetic mean of price ratios. Indices are then calculated for regions, and for industry categories and product groups for Russia as a whole, using the modified Laspeyres index approach. Separate weighting patterns are used for each region.

3.2.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques

If a particular item undergoes a quality change, the usual practice is to regard the difference between the prices of the former and new products as an indicator of the difference in quality.

3.3 Assessment and validation of source data

3.3.1 Source data—including censuses, sample surveys and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide planning

Purposive samples are used and hence there is no information available on sampling errors. Response rates are effectively 100 percent, so no adjustments are required for non-response.

Price quotations are carefully checked at regional level and are compared both over time and with related products. Computer systems identify price changes that fall outside prescribed limits and price levels that are significantly different from averages. Any unusual figures are queried with respondents. Further extensive validation checks are carried out at headquarters.

3.4 Assessment and validation of intermediate data and statistical outputs

3.4.1 Main intermediate data are validated against other information where applicable

The PPI is checked against relevant components of the CPI.

3.4.2 Statistical discrepancies in intermediate data are assessed and investigated

Unusual movements in components of the PPI are investigated at all stages of compilation, both in regional offices and in headquarters. These are identified through edits supported by appropriate computer systems. The causes of any significant changes in the published data are explained to users.

3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated

The PPI is compiled by both product group and by industry. Careful checks are made to ensure consistency between the two datasets. In addition, comparisons are made at present between indices based on the OKONX and those based on the NACE.

3.5 Revision studies

3.5.1 Studies and analyses of revisions are carried out routinely and used to inform statistical processes

Occasional revisions to PPI data series may occur for other reasons but these tend to be restricted to indices at regional level. Revisions that do occur are made only in the month following initial publication. Revised data are identified by footnote in publications. No special studies of data revisions have been carried out.

4. Serviceability

4.1 Relevance

4.1.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

Article 15 in the Provisions of the Goskomstat states that the Goskomstat “shall set up a statistical council to be composed of representatives from government authorities, business circles, academic community, mass media which shall constitute a deliberative body to address problems of coordinating cross-industry activities in government statistics, enhancing statistical methodological, and meeting users' demands in official statistics”. However, no such council has been established and there is no specific forum that provides opportunities for a range of users to comment on the relevance and practical utility of price statistics. Users may be consulted in the course of developing the annual federal statistics program but such consultations would appear to be restricted to a small number of major government users.

There is a group on prices and financial statistics constituted under the auspices of the Scientific and Methodological Council. This group is chaired by the CBR and its membership includes representatives of MEDT, the Moscow City Statistics Committee, and a number of research institutes. The Goskomstat is represented by the relevant experts from DPFS and other departments of the Goskomstat as appropriate. This group meets about four times per year and focuses mainly on methodological issues referred to it by the Goskomstat. However, it is not an advisory body to the Goskomstat regarding users' needs for price statistics, reactions to the present price statistics programs, or priorities for further development. The group examines methodological issues and makes comments. The Goskomstat is not bound to accept the comments made by the group but in the event of disagreement, a compromise is usually found.

4.2 *Timeliness and periodicity*

4.2.1 Timeliness follows dissemination standards

The PPI is published on the 10th business day after the end of the month, without exception. This is within the requirements of the SDDS.

4.2.2 Periodicity follows dissemination standards

The PPI is published every month, in conformity with the requirements of the SDDS.

4.3 *Consistency*

4.3.1 Statistics are consistent within the dataset

PPI series are published for industry and product dissections and these are carefully checked for consistency. In addition, checks are made to ensure consistency between the series based on the existing industry classification (OKONX) and the experimental series based on the new classification (NACE, Rev. 1)

4.3.2 Statistics are consistent or reconcilable over a reasonable period of time

There has been consistency in terms of PPI scope, definitions and pricing approach since the establishment of the PPI series in 1992. However, the number of products directly represented in the PPI was increased substantially during the years 1992 to 1996 in order to improve the overall coverage and reliability of the indices.

PPI data are published by industry using OKONX, and in respect of a list of products. Consistent price series for these are available for a number of years. DPFS is now also compiling PPI data according to NACE Rev. 1 on a trial basis, including retrospective compilation for a period yet to be finally determined. This will enable users to make comparisons of price levels and movements according to NACE over recent years.

Further, with the assistance of scientists from various organizations, DPFS plans to compile extensive back series for the PPI according to NACE, perhaps to the year 1992, to the extent that resources allow. These back series will be published.

The Goskomstat intends to inform users in advance about the introduction of PPI series based on the NACE Rev. 1. It plans to publish PPI series according to NACE at the three- and four-digit levels during the pilot phase and ultimately at the six-digit level.

4.3.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks

Checks are made with the relevant elements of the CPI to ensure that the two series are consistent.

4.4 Revision policy and practice

4.4.1 Revisions follow a regular, well-established, and transparent schedule

Revisions to weights are made on a regular annual basis. Occasional revisions are made to data in order to take account of changes occurring as a result of the cessation of a business during the year. Such revisions can only occur in the index for the following month and may affect series for individual regions and products but are of little if any significance at national level.

4.4.2 Preliminary data are clearly identified

When first published, PPI data are noted in publications as being preliminary and subject to revision.

4.4.3 Studies and analyses of revisions are made public

Revisions to weights and methodologies are explained to users. Reasons for revisions to data series are published, but systematic analyses of revisions are not carried out.

5. Accessibility

5.1 Data accessibility

5.1.1 *Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)*

The PPI is published for Russia as a whole and dissected by industries, products and regions. The PPI is first published in an abbreviated version of the Goskomstat's *Monthly Report*. This abbreviated version, which is published on the 12th to 14th business day after the end of the month, also contains data for wages and private debt. The PPI data published in the abbreviated *Monthly Report* cover three major commodities (energy, oil and gas) and 14 industry categories.

PPI data are also published in the *Russian Statistical Yearbook*, the *Current Statistical Survey*, *Prices in Russia*, *Russia in Figures*, *Regions of Russia*, the *Monthly Report*, and in a range of specific publications on topics such as industrial statistics. None of the publications are in English, apart from *Russia in Figures* and the *Current Statistical Survey* which are available in both languages. These publications contain a varying amount of product and industry detail depending on the overall scope of the publication.

While the PPI series are compiled on a consistent basis over time, the Goskomstat publications do not present the series as a continuous index series on a common reference base, in accordance with established international practice¹⁷. The Russian PPI series are usually expressed in terms of the movement from the previous month, from the previous December, and from the corresponding month of the previous year. Continuous index series referenced to a common base period, on the other hand, facilitate comparisons between any number of discrete periods. For example, a user can readily calculate the movement between February 2000 and May 2003 from a continuous series, but a number of calculations are required in order to make this comparison from the index movements as presently published.

While it is claimed that all users understand the present approach it is quite inconsistent with the general approach adopted in most countries throughout the world. In the context of increasing globalization, the Goskomstat approach is especially confusing to many users of Russian statistics who are also users of statistics from other countries.

¹⁷ However, the Goskomstat reports indices in continuous index series form to the IMF and to other international organizations.

5.1.2 Dissemination media and formats are adequate

Apart from publication in a range of specific and general publications, PPI data are accessible on the Goskomstat website, in various other electronic forms (diskette, CD-ROM, and email), and on hard-copy printout.

5.1.3 Statistics are released on a preannounced schedule

There is a preannounced release schedule on the Goskomstat website that specifies precise release dates for the upcoming four months. In the case of the PPI, the data are released, without exception, on the 10th business day following the end of the month, usually about midday.

5.1.4 Statistics are made available to all users at the same time

The PPI is made available to users on the Goskomstat website and in the abbreviated version of the Goskomstat's *Monthly Report* (also known as *Socio-Economic Position in Russia*). In practice, however, PPI data are often placed on the website on the day following release, and are sent to users and the media by various means on the day of release, including fax, courier, and email. Simultaneous receipt therefore does not occur in practice.

5.1.5 Nonpublished (but nonconfidential) subaggregates are made available upon request

The PPI is published by industry and by product group at various levels of disaggregation. More detailed dissections are supplied to users on request, provided they are not confidential. (As noted in 0.1.3, price movements relating to an individual producer are not regarded as confidential although the corresponding prices (that is, price levels) are treated as strictly confidential.) Nonpublished data are free of charge to users in the list contained in the federal statistical program and are free of charge, on an occasional basis, for other users. The latter may establish an account for purchase of nonconfidential data if these are desired on a regular basis.

5.2 Metadata accessibility

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated

Provision 10 (6) requires the Goskomstat to provide explanations on methodological issues and arrangements for state statistical surveys and official statistical information. The Goskomstat has produced four volumes of methodological provisions covering a range of statistics. These have been approved by the Goskomstat management and are available for purchase at the Goskomstat bookstore.

Descriptions of PPI methodology are included in various the Goskomstat publications. However, as noted in 1.2.1, PPI weights are not included in any of these documents because

weights are not released to users as a matter of policy. In addition, no specific mention is made of differences from internationally accepted standards and practices.

5.2.2 Levels of detail are adapted to the needs of the intended audience

The Goskomstat has produced a detailed description of the PPI for the benefit of users. This includes: the purpose of the PPI; stages in PPI compilation; selection of representative products; selection of representative respondents; price collection procedures; handling quality changes; goods temporarily discontinued; weighting systems; and index calculation and formulae. Different versions of the PPI methodology are contained in the Goskomstat publications, designed to meet the needs of different audiences. However, as noted, PPI weights are not included in any of these documents as a matter of policy

5.3 Assistance to users

5.3.1 Contact person for each subject field is publicized

All publications give the names of members of staff who are available to provide any necessary assistance to users, and some publications provide telephone numbers. It would be helpful if telephone numbers and email addresses were also provided in all prices publications.

5.3.2 Catalogues of publications, documents, and other services, including information on any charges, are widely available

The Goskomstat does not produce a catalogue of publications and other data products. The federal statistical program includes a simple list of publications planned for issue during the coming year, but does not include a brief description of the contents of each publication, or prices (where applicable). The Goskomstat website includes descriptions of the contents for some publications but not for prices publications.

The Goskomstat operates a bookshop on the first floor of the Goskomstat headquarters. The Goskomstat publications may be ordered at the bookshop and users may receive information about statistics and access the website of the Goskomstat's Information and Publications Centre. Users may also access the Goskomstat publications in the Goskomstat library located on the second floor of the Goskomstat headquarters.

Table 3. The Russian Federation: Data Quality Assessment Framework: Summary of Results for the Producer Price Index
(Compiling Agency: The Goskomstat)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed;						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
0. Prerequisites of quality						
0.1 Legal and institutional environment				X		Statistics law over-ridden by other laws; voluntary response for individuals
0.2 Resources			X			Limited headquarters staff numbers/ experience
0.3 Quality Awareness			X			Limited user feedback
1. Integrity						
1.1 Professionalism		X				Weights not released
1.2 Transparency			X			
1.3 Ethical standards		X				
2. Methodological soundness						
2.1 Concepts and definitions		X				Exported goods excluded No international product classification approved; NACE not fully adopted
2.2 Scope			X			
2.3 Classification/Sectorization				X		
2.4 Basis for recording		X				
3. Accuracy and reliability						
3.1 Source data		X				
3.2 Statistical techniques		X				
3.3 Assessment and validation of source data		X				
3.4 Assessment and validation of intermediate data and statistical outputs		X				
3.5 Revision studies	X					
4. Serviceability						
4.1 Relevance			X			No user group
4.2 Timeliness and periodicity		X				
4.3 Consistency		X				
4.4 Revision policy and practice		X				
5. Accessibility						
5.1 Data accessibility			X			No continuous series published on common base; delays in posting data on website Excludes international practices differences No catalogue, limited publication list
5.2 Metadata accessibility			X			
5.3 Assistance to users			X			

IV. GOVERNMENT FINANCE STATISTICS

0. Prerequisites of quality

0.1 *Legal and institutional environment*

0.1.1 *The responsibility for collecting, processing, and disseminating statistics is clearly specified*

Government finance statistics (GFS) on the central government and general government operations are compiled and disseminated by the GFS Unit of the Federal Treasury (Treasury) in the Ministry of Finance (MOF). These statistics are sent to the International Monetary Fund (IMF) for publication in the *International Financial Statistics (IFS)* and the *Government Finance Statistics Yearbook (GFSY)*, but are not disseminated by the MOF in any of its publications nor on its website. The fiscal statistics disseminated by the MOF correspond exclusively to budget execution data.

The responsibility for compiling and disseminating GFS is clearly specified in two executive orders of the MOF's Minister: one assigns to the Treasury the function of compiling and disseminating GFS, and reporting them to the Fund; the other establishes the GFS Unit to carry-out the function. The GFS Unit has as one of its tasks to compile, on a timely and regular basis, GFS data for Russian and international users. To carry-out this task it has the right to request and receive from the units of the MOF and other federal organizations the necessary information.

The compilation and dissemination of budget execution data is conducted in accordance with the terms and conditions established in the following laws and regulations: (a) the Budgetary Code of the Russian Federation, adopted by Law #145-FZ on July 31, 1998; (b) the Government Resolution #273 on the provisions for the operation of the MOF, dated March 6, 1998; (c) the Presidential Decree #1556 on the Federal Treasury of the Russian Federation, dated December 8, 1992; (d) the annual Budget Law; (e) the annual Law on Budget Execution; (f) the Law on Budget Classification #115-FZ, dated August 15, 1996 and its annual updates; (g) the Government Resolution #695 on the reporting of budgetary data, dated September 15, 2000; and (h) executive orders of the MOF's Minister.

The Budgetary Code, describes the budgetary system and establishes the general procedures for budget execution and reporting. The resolution on the MOF states in Article 5, that the main tasks of the MOF include, among other, compilation of the report on execution of the federal and subnational governments. Article 6 states that the functions of the MOF include, among other, setting the procedures for the accounting and reporting on budget execution. A proposal has been made to include in the Government Resolution on the MOF a sentence assigning to the institution the responsibility for GFS. The decree on the Treasury states in Article 2 that the main tasks of the institution include, among other, the collection, processing and analysis of the information on state government finances, and the reporting on the

financial operations of the government and on the budgetary system of the Russian federation, to the supreme legislative and executive authorities.

The annual Budget Law sets out the fiscal policies and the allocation of resources for the upcoming year. The annual Law on Budget Execution approves the final budget execution report for the previous fiscal year. The Law on Budget Classification determines the budget classifications to be followed by budgetary units. The Government Resolution on reporting details the information to be provided on the quarterly and annual budget execution reports, as well as the terms and conditions under which it should be submitted. Finally, the executive orders of the MOF's Minister delegate functions to specific units within the MOF.

The task of compiling and disseminating GFS and budget execution data on the central government and general government operations, is assigned to various MOF units (of which a, b, c and d are part of the Treasury): (a) the GFS Unit; (b) the Accounting Unit, which prepares all budget execution tables based on accounting data; (c) the Unit of Analysis of Budget Execution, which provides explanatory notes for all federal budget execution reports; (d) the Unit of Budgetary Accounting and Reporting, which collects and consolidates the budget execution reports for all regions; (e) the Department of International Cooperation and Management of External Debt, which prepares reports on the external debt; (f) the Department of Management of State Domestic Debt, which prepares reports on the domestic debt, and (g) the Macroeconomic Policy and Banking Activities Department, which prepares the data in SDDS format. Working arrangements are consistent with the assignment of responsibility.

0.1.2 Data sharing and coordination among data producing agencies are adequate

Most of the data needed to compile fiscal statistics are available within the MOF. There are close communications and information flows among the MOF units responsible for compiling GFS and budget execution data. There is close coordination between the MOF and the Central Bank at the level of accounting units. There is also coordination between the two institutions concerning financing data. The Federal Program for Statistical Work, approved every year, specifies the data to be provided by the MOF to Goskomstat. In general, there is good coordination with internal (government) users of the statistics. However, there are no mechanisms to maintain close liaison between compilers and external users of the statistics, which is limited to a few selected users, such as international organizations.

The MOF is the only entity authorized to collect data on budget execution, which it provides to other agencies as requested. Executive orders of the MOF's Minister determine what information is reported to what unit of the MOF. There is an Executive Department within the MOF responsible for the control and management of information exchange within the institution. Each draft executive order aimed at collecting data goes through several departments to ensure the information to be requested is needed and not already available.

0.1.3 Respondents' data are to be kept confidential and used for statistical purposes only

The Law on State Secrets #5485-1, dated July 21, 1993, identifies data that is considered confidential, and applies to both the private and public sectors. The sanctions for revealing confidential information are established in the Criminal Code, and include jail sentences. Civil servants are well aware of the provisions of the law. In general, aggregated data is not confidential. An example of confidential data is the economic classification of defense expenditure. The MOF does not collect data from public corporations. This task is undertaken by Goskomstat. There is no national statistics law. Thus, all regulations pertaining to statistics are contained in a variety of legal norms.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage voluntary response

For the central and general government, there are legal and administrative provisions for collecting the information necessary for the compilation of budget execution reports. In particular, Article 7 of the resolution on the MOF, states that the institution has the right to request from the federal and regional executive authorities the information necessary for the compilation of budget execution reports. According to these provisions, it is mandatory to report any information requested, within the stipulated deadlines and according to the pertinent established procedures. There are no problems with access to data. Agencies that do not comply are subject to sanctions. For example, financing to regional governments that did not provide the relevant information was temporarily stopped.

0.2 Resources

0.2.1 Staff, financial, and computing resources are commensurate with statistical programs

The human resources allocated to compiling GFS and budget execution data are adequate. Most staff hold university degrees in economic, finance, or accounting. The necessary resources are available in computer hardware and other modern technologies that facilitate the timely compilation and dissemination of fiscal statistics. Each staff member has a computer. Training is strongly supported by top management. Internal and external training, as well as participation in international conferences and institutional visits, are encouraged and pursued. Wages are low and personnel turnover is an issue of concern. No specific measures are in place to encourage retention of experienced staff, except promotion on the basis of performance and scholarships to pursue higher education.

0.2.2 Measures to ensure efficient use of resources are implemented

The costs associated with compiling GFS and budget execution data are not calculated, and there is no confirmed information on whether the available resources are used as efficiently as possible. A government wide program of administrative reform is under way. It seeks to identify unnecessary functions and improve cost efficiency.

0.3 Quality awareness

0.3.1 Processes are in place to focus on quality

The Treasury is fully aware of the importance of the quality of data, which is regularly emphasized by management in discussions with staff and in speeches of MOF management. Particular attention is placed on the quality of accounting data. In this connection, a major effort is well advanced to update accounting standards and procedures to international standards and best practice, including the adoption of accrual accounting and a new chart of accounts aligned with the guidelines of the *Government Finance Statistics Manual 2001 (GFSM 2001)*. A comprehensive draft document has already been prepared and will soon be reviewed by international experts and organizations. It is expected that a final version of the document will be approved in 2004, and will become operational in 2005. In addition, the Chamber of Accounts audits various aspects of the budget process, including the annual report.

0.3.2 Processes are in place to monitor the quality of the collection, processing, and dissemination of statistics

Processes to monitor the quality of data exist, but are mostly unwritten, except for the cross-checking of data in budget execution reports. The Treasury approves the accounting rules applicable to all central and general government units. All budgetary units use the same chart of accounts and, since 2002, federal and subnational extrabudgetary funds also use the same chart of accounts. The GFS and budget execution data are compiled and cross-checked in accordance with prevailing national accounting standards. National accounting standards do not follow international standards in some aspects (e.g., valuation). There are no systematic arrangements in place to obtain feedback from users of fiscal statistics, although there is regular contact with selected users, such as rating agencies and international organizations.

0.3.3 Processes are in place to deal with quality considerations, including tradeoffs within quality, and to guide planning for existing and emerging needs

The tradeoff between quality and timeliness is fully acknowledged and incorporated into the compilation and dissemination of budget execution reports. Operational reports that combine accounting data and estimates are prepared and disseminated shortly after the end of reference periods (month, quarter, year). These reports are followed by final reports with more detailed information, which are fully based on accounting data. Users are aware of this practice.

As indicated under 0.3.1, a medium term plan to improve data quality is well advanced. The implementation of the plan will lead to a significant improvement in the quality of fiscal statistics, as well as the ability to meet the requirements of users. At present, there is regular coordination with internal users to meet their data requirements, but there is only limited coordination with external users.

1. Integrity

1.1 Professionalism

1.1.1 Statistics are compiled on an impartial basis

GFS compilation and dissemination are not supported by specific laws affording professional independence to the unit responsible for compiling GFS. However, the executive order that created the GFS Division establishes its functions, responsibilities, and rights. It also establishes that GFS are to be based on accounting data and must be compiled in accordance with international standards. Thus, the possibility for interference is severely constrained. Budget execution data are compiled on the basis of accounting records, which follow an official charts of accounts and budgetary rules derived from the legal framework.

Continuous efforts to promote professionalism are made. Staff is strongly encouraged to pursue internal and external training. There is a policy of regular attendance to international conferences on relevant accounting and methodological issues, as well as visits to other data compiling agencies.

1.1.2 Choices of sources and statistical techniques are informed solely by statistical considerations

Statisticians are free of political influence in the choice of the most appropriate data sources and methods for compiling the GFS and budget execution reports, and changes in the statistical procedures are made on the basis of technical rather than political criteria. Data sources are selected according to both the basis of recording and the availability of the information needed to compile and disseminate fiscal statistics.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics

Budget execution reports are disseminated through coordination between the relevant unit and the MOF's Information and Technology Department. Compilers are authorized to provide expert advise on technical aspects of budget execution reports. Press releases are issued in cases of misinterpretation of data by external users. Budget execution reports include explanatory notes to assist in the interpretation of statistics. In addition, the speeches of the members of the MOF's Board related to the internal discussion of the reports are made publicly available.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public

The laws and regulations governing the compilation and dissemination of GFS and budget execution data are available to the public. The MOF's internal executive orders are not disseminated, but are not considered secret. There are no explicit restrictions on the aggregate information produced by the MOF.

1.2.2 Internal government access to statistics prior to their release is publicly identified

No official or public agency outside of the MOF has access to GFS and budget execution data prior to their dissemination. Budget execution data are released simultaneously to the general public, through the MOF's website. During the mission the MOF updated the metadata published for potential subscription to the SDDS, which previously stated that there was prior access to the data by government.

The Budget Code and other legislation describe the approval process for reporting and disseminating budget execution data. The MOF procedures authorizing the dissemination of GFS and budget execution data are deemed internal arrangements and are not published.

1.2.3 Products of statistical agencies/units are clearly identified as such

The tables disseminated by the MOF identify the department responsible for their compilation. The tables disseminated by Goskomstat identify the MOF as their source.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques

Methodological changes are usually described in the Budget Law and other laws for the corresponding year. Notes are included in quarterly and annual reports explaining other major changes, at the time the changes are introduced. Changes which cause a break in the time series are identified in footnotes (e.g., changes in coverage).

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and are well known to staff

The compilation and dissemination of GFS and budget execution data are governed by the provisions of the Law on the Foundations of Civil Service #199-FZ, dated July 31, 1995 (and amended May 25, 2003), and the Presidential Decree No. 885, "General Principles for Workplace Behavior of Civil Servants," dated August 12, 2002. Article 11 of the law states that state servants are not allowed to use financial information for purposes other than performance of their duties. Article 2 of the decree states, among other, that civil servants

must scrupulously perform their duties, at a high professional level, with a view to ensuring the efficient work of their institution. The same article also states that civil servants must comply with the rules for public presentations and for provision of business information established by their institution.

The above mentioned legal norms are publicly available. The Human Resources Department of the MOF points out the existence of these legislation and the need to observe it to new employees. The Administrative Code establishes sanctions for violations of the law. Staff are reminded periodically of the provisions of the legislation.

2. Methodological soundness

2.1 *Concepts and definitions*

2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices

The GFS reported to the IMF for publication in *IFS* and the *GFSY* are compiled in accordance with the guidelines of *A Manual on Government Finance Statistics 1986 (GFSM 1986)*. These GFS are not disseminated in MOF publications nor website. The data in budget execution reports are compiled in accordance with national concepts and definitions. The data in these reports can be reclassified to follow *GFSM 1986* methodology, but the reclassification requires access to information not publicly available and knowledge of the methodology.

The GFS reported for publication in the *GFSY 2003* have been presented following the format of the *GFSM 2001*. The data reported include information on stocks of nonfinancial assets and financial assets and liabilities. Furthermore, as indicated in 0.3.1, the new chart of accounts to be introduced in 2005 will be aligned with the guidelines of the *GFSM 2001*. Thus, the authorities are taking significant steps towards the adoption of the *GFSM 2001* framework.

2.2 *Scope*

2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices

To facilitate understanding of the coverage of fiscal statistics, the institutional structure of the public sector is set out below.

Public Sector

I. Federal Government

1. Executive, legislature, judiciary

- II. Federal Extrabudgetary Funds
 - 1. Pension Fund
 - 2. Social Insurance Fund
 - 3. Federal Medical Insurance Fund
- III. Subnational Governments
 - 1. Regional governments (89)
 - 2. Local governments (12,215)
- IV. Subnational Extrabudgetary Funds
 - 1. Territorial Medical Insurance Funds
- V. Government-owned state unitary enterprises
 - 1. More than 22,000 enterprises (not legally incorporated as corporations)
- VI. Open-joint stock companies
 - 1. As majority shareholder (2,239)
 - 2. As minority shareholder (4,022)

The following definitions related to the institutional coverage of the GFS and budget execution data are used by the Russian authorities:

- Subnational governments: Regional governments plus local governments (III.1+III.2)
- Enlarged government/Consolidated general government: Federal government, plus federal extrabudgetary funds, plus subnational governments, plus subnational extrabudgetary funds (I+II+III+III+IV);
- Public Sector: Consolidated general government, plus state unitary enterprises, plus open-joint stock companies as majority shareholder (I+II+III+IV+V+VI.1).

In GFS terminology, the budgetary central government would correspond to I, the social security funds would correspond to II, the consolidated central government would correspond to I+II, the local governments would be III+IV, the general government would be I+II+III+IV, and the public sector would be I+II+III+IV+V+VI.1. It is possible that some state unitary enterprises belong to the general government sector, although most are likely to be classified as quasicorporations under the GFSM 2001 methodology. An examination and decision on a case by case basis would be needed to determine their proper classification. It is important to note that both federal and subnational budgetary entities have own-resource accounts (ORAs). The funds that flow into ORAs are generated from the sale of goods and services in the market by off-budget units. The Budget Code states that these funds should be included in the budget, however, the Civil Code states that these funds should be accounted for separately. At present, these funds are outside the budget. Off-budget units would likely be classified as market establishments under the GFSM 2001 methodology.

There are monthly, quarterly, and annual budget execution reports for the federal government and for subnational governments. These reports can be operational/preliminary or final. Operational/preliminary reports include some estimated data, whereas final reports are solely based on accounting data. The federal budget execution reports only include data for the budgetary central government, i.e., do not include data for the federal extrabudgetary funds. The subnational budget execution reports only include data for the budgetary regional governments (consolidated with local governments), i.e., do not include data for the subnational extrabudgetary funds.

Monthly operational/preliminary reports for the federal budget are available 3-4 days after the end of the month, and are published in the MOF website (www.minfin.ru) and the official gazette (Rossiyskaya Gazeta). Data in these reports are presented on a cumulative basis. Final, more detailed monthly reports, are available with a 25-30 day lag. These final monthly reports are not published anywhere. There are also monthly reports on domestic and external debt, but these are not published. The quarterly operational/preliminary reports are the monthly reports for the last month of the quarter, i.e., there are no separate quarterly operational/preliminary reports. The monthly operational/preliminary reports for the last month of each quarter are more detailed than for other months. Final, detailed quarterly reports, are available with a 45 day lag. These final reports include data on domestic and external debt, but only the latter is published. These final quarterly reports are partially disseminated in the government website (www.gov.ru), and a summary is posted in the MOF website. The quarterly external debt report is disseminated in the MOF website, although the domestic debt report is not.

The annual operational report for the federal government is the monthly report for the last month of the year, i.e., there is no separate annual operational report. The annual operational report is even more detailed than the quarterly reports, and is available with a 5-10 day lag. However, there is a separate preliminary annual report discussed by the MOF's Board in late March/early April. An earlier preliminary consolidated annual report is also available at the end of January, which is sent to Goskomstat. The draft final annual report is submitted to government on May 20 of each year. It is revised by the MOF after receiving comments from the budgetary units and resubmitted to government in August. It is officially approved by Congress (Law on Budget Execution) around December. The tables of the final annual report are disseminated in the MOF website and government website. The final annual report includes an annex with data for the ORAs of both federal and subnational governments; these data are also available quarterly, but are not published.

Monthly reports for each region are available with a 15 day lag, and are disseminated in the MOF website. Consolidated data for all regions are prepared monthly, but are not published. The quarterly reports are the monthly reports for the last month of the quarter. There is also an annual report, available by the end of March of the following year. Consolidated data for the federal and subnational governments are also prepared monthly and sent to Goskomstat, but are not published by the MOF.

Federal and subnational extrabudgetary funds have separate reports (quarterly and annual) that are sent to and published by Goskomstat. This institution also publishes data on federal and subnational budget execution, based on the monthly consolidated reports and the final annual report.

In addition, data in SDDS format are also published in the MOF website. It includes monthly information on the budget execution of the federal government (i.e., budgetary central government), annual information on the budget execution of the general government, and quarterly information on the federal government debt (both domestic and external). These data are released according to a quarterly advance release calendar (ARC).

The data in SDDS format for the central government come from a combination of sources. The revenues and interest expenditure data are obtained from the monthly final reports for the federal government. The financing data, domestic and external, are obtained not from budget execution data, but instead are calculated using the methodology established in the past to calculate financing for purposes of monitoring the program with the IMF. The calculation uses data from the CBR, obtained both directly from the institution and through indirect sources, and data from various MOF units. Finally, expenditures are obtained as the difference between financing and revenues, and non-interest expenditures as the difference between expenditures and interest expenditure. The data are presented on a monthly cumulative basis.

The mission recommended that financing data from budget execution reports be used instead, with any differences from international methodology explained in the metadata. Complementary information for disaggregating financing into its bank and non-bank components could be obtained from CBR data. The mission also pointed out the need to present the data on a non-cumulative basis. The information is available 30 days after the end of the reference month, except for the breakdown of financing into its bank and non-bank components, which is available with a 40 day lag. As the timeliness of central government operations does not meet the SDDS requirement the MOF may have to request a flexibility option for the timeliness of central government operations

The data in SDDS format for general government operations come from the final consolidated annual budget execution report, and from the reports for federal extrabudgetary funds. The data for the general government is presented on a consolidated basis. In addition, data for central government operations, local government operations, and federal extrabudgetary funds are also presented, but on a non-consolidated basis. As a result, the sum of the three components differs from the total for general government. The mission stated that the SDDS requirement could be met by publishing the data for general government operations on a consolidated or an amalgamated (unconsolidated sum of its components) basis. The information is available within two quarters after the end of the reference year.

The data in SDDS format for central government debt come from reports and additional information provided by the Domestic Debt Department and the External Debt Department of the MOF. The data on external debt is converted into rubles and the total debt is presented in rubles. The exchange rate used for the conversion is also published. The data include a

breakdown by maturity for the domestic and external components. The data presented include the debt guaranteed by the central government. The mission noted that if the guaranteed debt component exceeds 5 percent of the total debt, it should be presented separately. If the amount is less than 5 percent, a footnote stating that such is the case is required in the SDDS.

The monthly GFS reported for publication in IFS are based on the final monthly federal budget execution reports, and on monthly domestic and external debt reports; while the annual GFS reported for publication in the GFSY are based on the final annual report for the federal government and subnational governments, complemented by the separate reports for federal and subnational extrabudgetary funds, and by information on ORAs. Thus, the data coverage of annual GFS for central government, local governments, and general government is comprehensive.

A summary of the above discussion is as follows: (a) budget execution reports for the federal and subnational governments, excluding extrabudgetary funds and ORAs, are published monthly, quarterly, and annually by the MOF; (b) budget execution reports for extrabudgetary funds are published quarterly by Goskomstat; (c) information in SDDS format is published by the MOF; and (d) monthly GFS for the federal government (budgetary central government) and annual GFS for the enlarged government (consolidated general government), are sent to the IMF for publication.

The data available and published on monthly and quarterly budget execution reports include revenues by type of tax and collecting agency, expenditures by function, financing by a mix of instrument and holder, and gross debt by currency. The annual reports also include data on expenditures by economic classification. A discussion of budget classifications and their relationship to international standards is presented in 2.3.1 below.

2.3 Classification/sectorization

2.3.1 *Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices*

The budget classifications to be followed in the compilation of budget execution reports are contained in Ministry of Finance Order N127n of December 11, 2002. In general, the classifications follow national concepts and definitions. However, the data can be reclassified to follow the guidelines of the *GFSM 1986*, as illustrated by the GFS data reported to the IMF for publication in *IFS* and the *GFSY*.

The national presentation of revenues is similar to the GFS classification, and can be directly reclassified, with only minor adjustments for sales of assets and precious stones that are included in the financing data. The presentation of expenditures by function follows a national functional classification different from the Classification of the Functions of Government (COFOG) published by the United Nations, and adopted in the *GFSM 1986*. A proper reclassification of expenditures by function requires access to information by program/subprogram. The presentation of expenditures by economic classification is similar to

the GFS classification, and can be directly reclassified, except for lending minus repayments, which must be obtained partially from financing data. It should be highlighted that an economic classification of expenditures is only published annually (with a long lag), although it is available quarterly for the federal government and monthly for subnational governments.

The presentation of financing is a mix of debt instrument and debt holder, with emphasis on the former. The presentation of external debt data is similar to financing data. For domestic debt, the total amount and a breakdown of its main component (securities, which account for 96% of total domestic debt) are published. A breakdown of financing and debt by monetary authority, deposit money banks, and other financial institutions is not available. The criterion for classifying debt is currency, as stipulated by legislation. The valuation changes resulting from exchange rate movements are considered domestic financing, again as stipulated by legislation.

GFS are compiled and reported to the IMF for publication, monthly for the federal government (budgetary central government), and annually for the federal government, federal and subnational extrabudgetary funds (social security funds), consolidated central government, subnational governments (local governments), and consolidated general government. Budget execution data are compiled and disseminated monthly, quarterly and annually, for the federal government, subnational governments, consolidated federal and subnational governments, federal extrabudgetary funds, and subnational extrabudgetary funds.

2.4 *Basis of recording*

2.4.1 Market prices are used to value flows and stocks

Revenue, expenditure, financing, and the overall balance are presented on a modified cash basis. For budget execution purposes, these include: (a) cash transactions; and (b) offset operations, which do not involve cash movements, although the corresponding entries for the transactions are effectively made (i.e., the transactions are not netted-out).

Debt is shown on a modified cash basis. In addition to cash transactions, the revaluation of foreign currency denominated debt and debt restructuring operations are also included. All transactions are recorded in domestic currency. Foreign currency denominated transactions are converted to domestic currency using the exchange rate established by the CBR for accounting purposes. This rate is market-based, and it is a single rate (not buying and selling rates). Gross domestic and external debt are recorded at face value.

2.4.2 Recording is done on an accrual basis

Transactions are recorded at a time close to payment. More specifically, at the time money flows in or out of the Treasury account according to the corresponding bank statement.

2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices

All transactions are expressed in gross values, except for financing transactions, which are shown in both gross and net values.

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data are collected from comprehensive data collection programs that take account of country-specific conditions

Data covering the full range of economic flows and stocks are provided from administrative systems. The main sources of information for the compilation of fiscal statistics on the federal government are the following: (a) the daily statements from the CBR and other state-owned banks for cash transactions, and the reports from various departments of the MOF involved in non-cash transactions; (b) the monthly reports of regional treasuries, also based on bank statements, which are submitted electronically; and (c) the quarterly reports submitted by budgetary units, which include information on ORAs. All these data are collected and processed by the Accounting Unit of the Treasury.

The main source of information for subnational governments are the monthly reports from the regional ministries of finance, based on accounting data, which are submitted electronically to the Treasury. The main source for federal and subnational extrabudgetary funds are the reports submitted by these entities to Goskomstat.

Data are available to allow consolidation for the central government sector, local governments sector, and general government sector.

3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required

Beginning in 2002, all general government entities use the same chart of accounts and budget classifications. The chart of accounts provides sufficient detail to allow the reclassification of data to align with GFS categories. There is no automated mechanism for generating GFS items directly from budgetary items, which is done separately using electronic spreadsheets. Compilers are aware of the differences between source data and GFS concepts. The time of recording and valuation are in general conformity with GFS methodology. Finally, GFS are

fully reconcilable with budget execution data, as the latter are the source data for compiling GFS.

3.1.3 Source data are timely

Accounting and administrative records provide comprehensive, up-to-date data on the execution of the federal budget. The information is available daily, operational reports are prepared with a 3-4 day lag, and final reports with a 25-30 day lag. Data on the execution of subnational budgets are available with a 30 day lag. Data for extrabudgetary funds are available quarterly with a 90 day lag.

3.2 Statistical techniques

3.2.1 Data compilation employs sound statistical techniques

GFS data are based on comprehensive information; as a result, procedures have not been established to allow for the estimation of omissions in the data. Even the data for GFS on local governments are based on comprehensive information. Budget execution reports are also based on comprehensive information.

3.2.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques

Generally accepted statistical methods are used to adjust GFS.

3.3 Assessment and validation of source data

3.3.1 Source data—including censuses, sample surveys, and administrative records—are routinely assessed, for example, for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide planning

There are no material gaps in the coverage or completeness of data collection. As pointed out above, GFS and budget execution reports are compiled on the basis of comprehensive information. There is an appropriate balance between accuracy and timeliness.

Operational/preliminary reports based partially on estimated data are available with a very short lag after the end of the reference period. Final reports based solely on accounting data are available some time later. The accuracy of accounting data is continuously assessed.

GFS and budget execution reports follow a regular cycle. GFS are compiled based only on final data. Preliminary budget execution reports are replaced by final reports. The status of the data used for each period is identified by the name of the document. The name “operational” or “preliminary” denotes the use of preliminary data, the name “report” denotes the use of final data. All data are corrected when an error is found.

3.4 *Assessment and validation of intermediate data and final statistical outputs*

3.4.1 *Main intermediate data are validated against other information where applicable*

All federal budget execution data are carefully checked by each unit of the MOF and again by the Accounting Unit. In particular, bank statements are reconciled against payment orders. The data received from the regions on subnational budget execution are also carefully checked upon receipt.

3.4.2 *Statistical discrepancies in intermediate data are assessed and investigated*

Significant discrepancies are investigated, and the pertinent data are adjusted or corrected, depending on the result.

3.4.3 *Statistical discrepancies and other potential indicators of problems in final statistical outputs are investigated*

Data are checked at the accounting level. The resulting statistics (e.g. financing, external debt) are not checked.

3.5 *Revision studies*

3.5.1 *Studies and analyses of revisions are carried out routinely and used to improve statistical processes*

Revisions incorporate all material changes resulting from available up-to-date data. The reasons for the revisions, as well as the details of the revisions are known. Reliability of source data is continuously assessed. The differences between preliminary and final data are analyzed to improve the accuracy of estimates. There are no revisions to GFS, because they are based on final data. Revisions to final budget execution data are rare, and occur only when an accounting error is detected.

4. *Serviceability*

4.1 *Relevance*

4.1.1 *The relevance and practical utility of existing statistics in meeting users' needs are regularly assessed*

GFS are not compiled in the same timeframe as budget preparation and monitoring, and are not used to monitor and inform fiscal policy decision making. GFS are compiled only when final budget execution data become available. The budget execution data are used for all aspects of the budget process. These data are available with sufficient timeliness and detail to assess the effectiveness of fiscal policy in meeting its stated objectives. The methodological

basis and the classification structure of the GFS and budget execution data are generally suitable to meet users' needs. The feedback of users is not sought on a regular basis.

4.2 *Timeliness and periodicity*

4.2.1 Timeliness follows dissemination standards

Monthly operational/preliminary data on central government operations are released 3-4 days after the end of the reference month, while final data are released with a 25-30 day lag, i.e., within the one month period stipulated by the SDDS. However, the breakdown of financing into its bank and non-bank components is only available with a 40 day lag. For this reason, Russia may need to take a flexibility option for the timeliness of the GFS for central government operations.

Annual preliminary data on general government operations are available two quarters after the end of the reference period, i.e., within the period stipulated in the SDDS. Final data are available with an 8 month lag.

Quarterly preliminary data on central government debt are available one quarter after the end of the reference quarter, i.e., within the period stipulated in the SDDS.

4.2.2 Periodicity follows dissemination standards

Data on central government operations are disseminated monthly, quarterly, and annually; data on general government operations are disseminated annually; and data on central government debt are disseminated quarterly. SDDS periodicity requirements for the fiscal sector are met.

4.3 *Consistency*

4.3.1 Statistics are consistent within the dataset (e.g., they conform with accounting identities)

The various accounting identities (deficit/surplus = financing, major aggregates (revenue, expenditure, financing) = sum of the components, functional expenditure = expenditure by economic type, domestic financing = change in domestic debt, external financing = change in external debt, transfers paid = transfers received between levels of government) are observed in the GFS. The same holds true for budget execution data.

4.3.2 Statistics are consistent or reconcilable over a reasonable period of time

Statistics are consistent with expected trends and reflect discretionary changes, external shocks, and economic activity. Previous series are not adjusted to account for discontinuities arising from changes in coverage or methodological developments. Breaks in the time series and the reasons for them are identified.

4.3.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks

Budget execution data are used in the compilation of national accounts. Thus, GFS and budget execution data are consistent with related national accounts aggregates. GFS and budget execution data are consistent with banking data. The reconciliation is done at the accounting level, although not at the statistics level. GFS foreign debt data are consistent with balance of payments data. However, the statistics differ because the CBR reclassifies the MOF debt data on a residence criterion.

4.4 Revision policy and practice

4.4.1 Revisions follow a regular, well-established, and transparent schedule

GFS are not revised, because they are based on final data. Budget execution data are not revised. The operational/preliminary data are replaced by the final data. The publication of the reports follow a regular cycle known to users, and in several cases follow a schedule established by law.

4.4.2 Preliminary data are clearly identified

Preliminary data and final data are identified by name as detailed in 3.3.1. Final data are disseminated by the same media and with more detail than operational/preliminary data. There is sufficient consistency between the operational/preliminary data and the final data, so that preliminary data can be used confidently in policy formulation and analysis.

4.4.3 Studies and analyses of revisions are made public

No studies of revisions are conducted. Corrections are made in the period when the error is detected and not in the period in which it occurred.

5. Accessibility

5.1 Data accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of texts, tables, and charts)

The GFS and budget execution data are presented in a way that allows major aggregates and balancing items to be identified and related to detailed underlying data. The budget execution data are used in the process of budget preparation and tracking, and in the formulation of other government economic and fiscal policies; although the published data are complemented by unpublished data for such purposes.

GFS provide the coverage and detail set out in the *GFSM 1986* tables. Budget execution data provide similar levels of coverage, but the classifications used differ, as discussed in 2.3.1. As a result, the current presentation of budget execution data is not conducive to international comparison. These data can be reclassified to follow the *GFSM 1986* format, but as indicated in 2.1.1, the reclassification requires access to information not publicly available and knowledge of the methodology. Time series are provided for GFS, but not for budget execution data.

5.1.2 Dissemination media and formats are adequate

The GFS are only published in IMF publications (*IFS* and *GFSY*). There is no dedicated MOF annual budget execution data publication, although some annual and sub-annual (monthly and quarterly) data are published in Goskomstat publications. Budget execution data are disseminated through the MOF website and the government website.

5.1.3 Statistics are released on a preannounced schedule

GFS are disseminated only through IMF publications. Budget execution data are released according to dates specified in government resolutions. Data disseminated in SDDS format are released according to an ARC with information for the current month and the following quarter. The publication date for SDDS format data usually coincides with the pre-announced date, although on occasion, there is a delay due to technical reasons. The delay is not announced in the ARC.

5.1.4 Statistics are made available to all users at the same time

The budget execution data are released at the same time to all parties concerned, through the MOF website, without preferential treatment to any user. However, concerns were expressed at a meeting with users, because on occasion the lag between the time data is authorized for release and the time it is disseminated, results in some users having access to the data before its dissemination to the public.

5.1.5 Nonpublished (and nonconfidential) subaggregates are made available upon request

Nonpublished, nonconfidential disaggregated data are supplied on request. To this end, users usually send a letter to the MOF. The availability of nonpublished data, and the terms and conditions on which it is made available, are not publicized.

5.2 Metadata accessibility

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated

Many of the concepts, scope, and classifications, used in the compilation of budget execution data are contained in legislation that is publicly available. However, no methodological notes with concepts, sources, and methods are posted on the MOF website. The differences with internationally accepted standards are not identified. The metadata disseminated for purposes of future SDDS subscription are not detailed enough. Finally, no request has ever been received for bridge tables showing the links between budget execution data and GFS, but such information is not considered secret and could be made available.

5.2.2 Levels of detail are adapted to the needs of the intended audience

No methodological notes with general or detailed descriptions of concepts, sources, and methods are published.

5.3 Assistance to users

5.3.1 Contact person for each subject field is publicized

No contact person for GFS or budget execution data is publicized. Users interested in obtaining information usually send letters to the MOF. Only the name, telephone number, fax number, and e-mail address of the person who can be consulted regarding SDDS format data are posted on the website. This person often receives calls for other information, which are referred to the corresponding unit.

5.3.2 Catalogues of publications, documents, and other services, including information on any charges, are widely available

No catalogue of statistical products and services provided by the MOF is posted on the MOF website.

Table 4. The Russian Federation: Data Quality Assessment Framework—Summary of Results for
(Government Finance Statistics)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
0. Prerequisites of quality						
0.1 Legal and institutional environment		X				
0.2 Resources		X				
0.3 Quality awareness		X				
1. Integrity						
1.1 Professionalism		X				
1.2 Transparency		X				
1.3 Ethical standards		X				
2. Methodological soundness						
2.1 Concepts and definitions				X		No GFS published in MOF publication nor website. Budget execution data compiled in accordance with national concepts and definitions, which can be reclassified to follow <i>GFSM 1986</i> methodology only by having access to non-published information and knowledge of the methodology. Detailed monthly budget execution data not published. Economic classification of expenditure only published annually and with long lag. The classification of expenditure by function of government, financing and debt does not follow <i>GFSM 1986</i> classifications. No details of domestic debt are published.
2.2 Scope			X			
2.3 Classification/sectorization			X			
2.4 Basis for recording		X				
3. Accuracy and reliability						
3.1 Source data		X				
3.2 Statistical techniques		X				
3.3 Assessment and validation of source data		X				
3.4 Assessment and validation of intermediate data and statistical outputs		X				
3.5 Revision studies		X				

Table 4. The Russian Federation: Data Quality Assessment Framework—Summary of Results for
(Government Finance Statistics)

Element	NA	Assessment				Comments
		O	LO	LNO	NO	
4. Serviceability						
4.1 Relevance			X			The feedback of users is not sought on a regular basis.
4.2 Timeliness and periodicity			X			Timeliness of central government operations does not meet SDDS requirements.
4.3 Consistency			X			Previous series not adjusted to account for discontinuities arising from methodological developments.
4.4 Revision policy and practice			X			Preliminary data sometimes identified only by name of document and not notation on tables. No studies of revisions are made public. Corrections made in period detected, not when error occurred.
5. Accessibility						
5.1 Data accessibility			X			Time series not provided for budget execution data. Presentation does not follow <i>GFSM/1986</i> . No dedicated MOF annual GFS publication. Concerns about simultaneous data release expressed at meeting with users. Availability of non-published data not publicized.
5.2 Metadata accessibility				X		Concepts, sources and methods only available from legislation, not methodological notes posted on MOF website. Differences from international standards not annotated. No general or detailed description of concepts, sources, and methods are published.
5.3 Assistance to users					X	No contact person for budget execution data is publicized. No catalogue of statistical products and services is available.

V. MONETARY STATISTICS

0. Prerequisites of quality

0.1 *Legal and institutional environment*

0.1.1 *The responsibility for collecting, processing, and disseminating statistics is clearly specified*

The CBR is the sole official agency in charge of the compilation of monetary statistics. The CBR responsibility for collecting, processing, and disseminating monetary statistics is established by the Federal Law of the Russian Federation No. 86-FZ of July 10, 2002 “On the Central Bank of the Russian Federation (Bank of Russia),” as amended on January 10, 2003, and directly related to the basic functions and powers vested to the CBR by the Constitution of the Russian Federation, Article 75.

Article 4 in Chapter I “General provisions” of the law “On the Central Bank of the Russian Federation (Bank of Russia)” describes the CBR functions, which include the analysis and forecasting of economic conditions in the Russian Federation as a whole and by regions, primarily in respect of monetary, currency and financial and price relations, as well as the publication of corresponding documents and statistical data (paragraph 18). Article 57 of the law provides the authority of the CBR to set binding rules for credit institutions and bank groups regarding the compilation and submission of financial and statistical reports, as well as other information specified in Federal laws. This article also states that “the CBR is authorized to request and receive the necessary information free of charge from federal executive authorities, their territorial offices, and legal entities for purposes of the compilation of banking and monetary statistics, the balance of payments of the Russian Federation, and analysis of the economic situation.” The relations between the CBR and credit institutions with regard to the compilation and submission of reports are also governed by the Federal Law “On Banks and Banking Activity” as amended by the Federal Law “On changes and additions to the RSFSR¹⁸ Law “On Banks and Banking Activity in the RSFSR” of February 3, 1996, No. 17-FZ (as amended on July 31, 1998; July 5 and 8, 1999; June 19 and August 7, 2001; March 21, 2002; and June 30, 2003), as well as CBR regulations.

The General Economic Department of the CBR is responsible for improvements in the statistical methodology, data collection and compilation, verification, processing, and dissemination of monetary and financial statistics, and for making the information public.

¹⁸ The RSFSR refers to the Russian Soviet Federal Socialist Republic.

0.1.2 Data sharing and coordination among data producing agencies are adequate

The organization of information flows between departments of the CBR for purposes of the compilation and dissemination of monetary statistics is regulated by CBR internal instructions. The Monetary Survey Compilation Subdivision of the Division for Organization of Statistical Work and the Monetary Policy Division receive the accounting data on the CBR and credit institutions from the Main Informatization Centre. In addition, the General Economic Department receives supplementary information from various CBR departments that is also utilized in the compilation of monetary statistics.

A written agreement between the CBR and the Goskomstat regulates their collaboration in exchanging statistical data. In addition, in preparing and disseminating data with regard to possible subscription to the SDDS, the CBR also coordinates with the MOF. Meetings are held between the various agencies when necessary.

0.1.3 Respondents' data are to be kept confidential and used for statistical purposes only

Monetary statistics do not disclose data of individual institutions and transactions. Confidentiality is an important aspect of statistical work and it is strictly followed at the CBR. Its employees are prohibited from disclosing internal information on the CBR activities by Article 92 of the Federal Law "On the Central Bank of the Russian Federation (the Bank of Russia)." The official responsibilities of the CBR staff regarding preservation of confidentiality are also set forth in their employment contracts, job descriptions, and other CBR internal documents pertaining to issues of information in support of the bank's activities.

The confidentiality of respondent's data is stipulated in Article 57 of the law: "... information received from legal persons on concrete operations is not subject to disclosure without the consent of the relevant legal person, except in cases stipulated by federal laws ..." ¹⁹ as well as in Article 21 "Protection of information" of the Federal Law "On Information, Information Support, and Protection of Information" No. 24-FZ of February 20, 1995 (with changes dated January 10, 2003). Article 21 states that any documented information, whose wrongful use can cause damage to its proprietor, holder, user, or any other person, is subject to protection. On the basis of the present law, the protection status is assigned to confidential information by the owner of information resources or an authorized person. The proprietor or holder of the information has the right to request from public authorities an assessment of measures to ensure compliance with rules and regulations for protection of his/her information in information systems.

¹⁹ These cases do not relate to statistical information, but rather apply to data collected for banking supervision purposes that could be requested by the court under the laws on bankruptcy of credit institutions and foreign exchange regulation and control, as well as for criminal case proceedings.

In addition, Article 26 of the Law “On Banks and Banking Activity” establishes that a credit institution and the CBR shall guarantee secrecy of operations, accounts, and deposits of their customers and correspondents.

Access to disaggregated data, i.e. to the entire database, at the CBR is available only to authorized users. Confidentiality of reported information is ensured through the use of cryptographic security. Access to computers and network resources by CBR employees can be gained only after passing procedures of identification and authentication. The procedure for accessing premises, in which technical facilities for processing and transfer of information are located, complies with the requirements of CBR regulations on maintenance of information security of electronic technologies for processing, storage, and transfer of information containing restricted data within the bank’s system.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response

Article 57 of the law “On the Central Bank of the Russian Federation (Bank of Russia),” the law “On Banks and Banking Activity,” as well as CBR provisions and instructions form the legal basis for collection of information and the compilation of monetary statistics. In the execution of its functions, the CBR is authorized to establish obligatory rules for credit institutions and bank groups in conducting banking operations, accounting and reporting, organization of internal control, drawing up and submission of accounting and statistical reports, as well as other information stipulated by Federal laws. The CBR has the right to request and receive from credit institutions the necessary information on their activity and to require explanations of the information received.

The CBR employs rigorous control procedures to ensure compliance with the requirements and timely receipt of data from credit institutions. Paragraph 2 of the CBR directive of October 24, 1997, No. 7 “On the Procedure for Drawing up and Submission of Reports by Credit Institutions to the Central Bank of the Russian Federation” states that reporting forms are official documents of a credit institution, which according to the current legislation bears responsibility for their accuracy, correct preparation, and timely submission. In cases of infringement by a credit institution of the Federal laws, CBR regulations and instructions, failure to submit information, submission of incomplete or inaccurate information, Article 74 of the law “On the Central Bank of the Russian Federation (Bank of Russia)” empowers the CBR to demand credit institutions to eliminate the revealed infringements, to impose a fine,²⁰ or to restrict the right of credit institutions to engage in specific operations for up to six months.

²⁰ In amount of up to 0.1 per cent of the minimum assigned capital for every case of infringement.

The CBR issues appropriate provisions and instructions on the preparation of statistical reporting and its submission to the CBR. Working meetings, seminars, and consultations with respondents are conducted on an ad-hoc basis for the purpose of responding to questions pertaining to the completion and submission of reporting forms, to ensure that data are reported in accordance with specified requirements. Compilers of monetary data also participate in regular meetings (according to a predetermined schedule for each year) of the Banking Regulation and Supervision Department with credit institutions to receive feedback on statistical reporting requirements and to clarify data reporting issues.

0.2 Resources

0.2.1 Staff, financial, and computing resources are commensurate with statistical programs

The compilation and dissemination of monetary statistics is the responsibility of the General Economic Department. The Monetary Survey Compilation Subdivision of the Division for Organization of Statistical Work is responsible for the compilation of monthly data on the analytical accounts of the monetary authorities, the analytical accounts of credit institutions, and the monetary survey. The Monetary Policy Division is responsible for the compilation of operational daily and weekly data and aggregates related to the implementation of the CBR monetary program. These units have 23 staff, with higher education degrees in economics or technical disciplines, devoted to the compilation of monetary data. Staff responsible for the preparation of monetary statistics have taken training courses organized by the IMF (in monetary and financial statistics) and participate in seminars conducted by other central banks and international institutions. Staffing is relatively stable. The CBR Personnel Department draws up annual plans for improvement of professional skills of CBR employees and organizes seminars to enhance the professional qualifications of the staff.

Computer resources of the units engaged in the preparation of monetary and financial statistics are adequate for their designated tasks. The information collection system is computerized. The system of reporting and processing of data used in the compilation of monetary statistics is based on monthly balance sheet data of the CBR and credit institutions. All incoming data are tabulated at the Main Informatization Centre where reported information is checked for accuracy before processing. In addition to monthly reported data, a system of the daily collection of operational information is organized for monitoring the basic parameters of the CBR's activities.

Statistical compilers employ modern report preparation techniques. Hardware is appropriately allocated to ensure effective data processing and database management.

Financial resources available for the compilation of monetary statistics are sufficient for the required tasks. Plans are drawn up annually for needed computer resources for collecting and processing data on the banking system, taking into account the requirements of monetary statistics development.

0.2.2 Measures to ensure efficient use of resources are implemented

The managers of the General Economic Department hold regular meetings with the staff on issues that need to be addressed to implement effectively the vision of CBR management.

In general, all activities in the CBR are subject to CBR expense budget considerations and performance assessments. Within the framework of a specially created CBR commission, a procedure has been established for the discussion and coordination of financial resources needed for the forthcoming year, including funds for the work related to the collection and dissemination of monetary data. The CBR expense budget is approved by the CBR Board of Directors.

There is an ongoing effort to maintain data consistency through the application in various CBR structural units of concepts and methodologies appropriate to the needs of monetary statistics compilation. The CBR management supervises all new programs in the collection of data and makes effort to streamline reporting procedures.

The General Economic Department participates in discussions concerning changes in accounting procedures of the CBR and credit institutions at the drafting stage, which allows for the consideration of monetary statistics needs. In order to minimize if not eliminate errors, methods of arithmetic and logic control of incoming data are used.

0.3 Quality awareness

0.3.1 Processes are in place to focus on quality

The CBR recognizes that official statistics must have the confidence of their users. The CBR management and senior staff concentrate on compliance with the key parameters of quality of statistical information such as integrity, methodological soundness, accuracy and reliability, serviceability, and accessibility as integral part of compiling monetary statistics.

The CBR verifies information at each stage of the collection, processing, and dissemination of data. The General Economic Department works with the Accounting Department, the Balance of Payments Department, and other CBR departments and units to conduct data reconciliation.

Financial statements of the CBR and credit institutions are audited by reputable external audit companies. Moreover, monetary data disseminated in the CBR Annual Report are covered in the annual audit of the CBR.

0.3.2 Processes are in place to monitor the quality of the collection, processing, and dissemination of statistics

Quality control in the process of collecting, processing, and verifying data is performed through cross-checks and, in the event of discrepancies, through follow-ups by staff of the General Economic Department, Accounting Department, the Balance of Payments

Department, and the Banking Regulation and Supervision Department. Validation procedures for assessing the plausibility or reasonableness of reported data are undertaken visually on a bank-by-bank basis.

The CBR does not conduct regular, formal surveys of users of monetary statistics, but the CBR offers a two-way communication channel for comments or consultations, in particular through e-mail addresses and telephone numbers provided on the CBR website. These facilities are actively used by institutions, both domestic and foreign, in requesting explanation of the methodology used in compiling monetary statistics and in submitting suggestions for the development of monetary data.

There is currently no other body outside the CBR that provides regular guidance on the quality of monetary statistics, and on strategies for improving data production. Suggestions on improvements of monetary data and their publication are provided ad-hoc by users of monetary statistics.

0.3.3 Processes are in place to deal with quality considerations, including tradeoffs within quality, and to guide planning for existing and emerging needs

The CBR management recognizes the importance of the trade-off between quality and timeliness of data. The quality of data is checked at all stages of preparation. Timeliness of information is recognized as one of the most relevant dimension of quality. The CBR disseminates aggregate indicators, with components that are based on operational data from CBR units, within the timeframe specified by the SDDS. Updated data in a more detailed presentation are disseminated within five weeks after the reference month. The final data are those that are published by the CBR in the *Bulletin of Banking Statistics* one quarter after their initial dissemination (final December data are available after the end of the first half of the year).

The General Economic Department holds regular conferences with CBR departments involved in the design and implementation of monetary policy, which are also users of monetary statistics, with the aim of identifying emerging data needs for project developments, decision making, and forecasting. Meetings with other agencies are held on an ad-hoc basis to discuss specific methodological issues.

1. Integrity

1.1 Professionalism

1.1.1 Statistics are compiled on an impartial basis

The CBR's independence is reflected in Article 75 of the Constitution of the Russian Federation as well as in Articles 1 and 2 of the law "On the Central Bank of the Russian Federation (Bank of Russia)." According to Article 1 of the law, the CBR exercises the functions and powers provided by the Constitution of the Russian Federation, independently

from other federal bodies, government authorities of territories of the Russian Federation, and local governments.

Based on its legal status, the CBR determines its methodology for the compilation and dissemination of monetary statistics. Such methodology is in accordance with international standards.

In its hiring and promotion policies, the CBR follows the principle of professionalism and competence of the bank staff, which is reflected in the “Model Qualification Standards of Staff of the Bank of Russia,” approved by the CBR Board of Directors on July 4, 2003. The Model determines specific requirements for staff who will undertake statistical work. Staff hired for the compilation of monetary data should have university degree in economics, statistics, or information technology and work experience in the banking sector.

Professional development of the staff of the General Economic Department responsible for the compilation of monetary statistics is enhanced through their participation in international seminars and conferences organized by foreign central banks and international financial institutions. The General Economic Department holds working meetings and consultations with the staff of the CBR and credit institutions, as well as conducts training for staff of CBR field offices, credit institutions, and national central banks of other CIS countries.

Staff of the General Economic Department are invited to participate in the review of draft documents on monetary statistics developed by international financial institutions, and their opinions are taken into account in preparing the final version. For example, a representative of the General Economic Department was a member of the IMF working group to review and advice on the finalization of the *Monetary and Financial Statistics Manual (MFSM)*.

1.1.2 Choices of sources and statistical techniques are informed solely by statistical considerations

The choice of sources and statistical methods is determined solely by statistical considerations. The CBR staff take steps to ensure that the data sources, instruments, and methodology used in the preparation of monetary statistics are consistent with those in other areas of macroeconomic statistics: the SNA, BOP, GFS, and international investment position. Significant changes in the methodology are reported in the metadata section of the CBR website and in the methodological comments section of the *Bulletin of Banking Statistics*.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics

The General Economic Department keeps track of the use and interpretation of monetary statistics in the financial press and mass media. It seeks to prevent misinterpretation or misuse of monetary statistics by providing the metadata and explanatory notes in its publications. Cases of data misinterpretation or misuse are brought to the attention of the information source

with a request to make appropriate corrections in its publication. In addition, the CBR management issues press releases to clarify significant misinterpretations of monetary data.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public

Information on the terms and conditions for the collection, processing, and dissemination of statistics is presented on the CBR website. The site contains an advance release calendar for major macroeconomic and financial data disseminated by the CBR in compliance with the SDDS, as well as methodological comments on macroeconomic data prepared by the CBR, including monetary statistics. Similar materials are published in the *Bulletin of Banking Statistics*. The methodology for disseminated data provides the address and telephone numbers of the CBR departments from which additional information can be obtained.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified

Access to statistics is provided simultaneously to all users, ministries and agencies through postings on the CBR website and in hard copy publications, i.e., *Bulletin of Banking Statistics*. No access is provided to statistical data prior to their release.

1.2.3 Products of statistical agencies/units are clearly identified as such

The CBR website presents indicators compiled by the bank. Thus, the source of disseminated data, as well as the list of indicators published by the CBR in the advance release calendar for major macroeconomic data disseminated by the CBR in compliance with SDDS requirements, determines the attribution of information. In addition, the CBR website states that the responsibility for the data on the monetary authorities and banking statistics is assigned to the CBR's General Economic Department.

The agreement on information sharing between the Goskomstat and the CBR stipulates a mandatory procedure for referencing the data source when using data provided to the CBR by the Goskomstat, and vice versa. In particular, when publishing basic macroeconomic indicators, the CBR uses Goskomstat data and specifies the information source accordingly. When the press uses or cites monetary statistics in news reports, they make reference to the CBR as the data source.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques

Advance notice is given in the *Bulletin of Banking Statistics* in cases of major changes in the methodology, including the introduction of new charts of accounts. Reasons for adjustments in time series data are stated in comments to corresponding tables in the *Bulletin of Banking Statistics*.

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff

Ethical rules of the CBR staff are established by the CBR Provision 235 P of 1997, as amended on July 25, 2003, defining the status of a CBR employee. Individuals employed by the CBR are obliged to familiarize themselves with this regulation. Articles 90-92 of the law “On the Central Bank of the Russian Federation (Bank of Russia)” also provide general ethical standards for CBR employees.

2. Methodological Soundness

2.1 Concepts and definitions

2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices

The framework used by the CBR in compiling the analytical accounts of the monetary authorities²¹ and the analytical accounts of credit institutions reflects concepts and principles that are, in general, based on the *MFSM*. The monetary survey (or the analytical accounts of the banking sector) is (are) derived by consolidating the accounts of the monetary authorities and credit institutions, and provides an analytical presentation of the intermediation role of the monetary authorities and credit institutions.

The money aggregates compiled and disseminated by the CBR are (i) M_0 , comprising currency in circulation, (ii) “Money,” comprising M_0 and demand deposits of public nonfinancial corporations, other nonfinancial corporations, households, and other financial corporations in national currency, and (iii) “Money Supply (in the monetary survey methodology),” comprising “Money” and time and savings deposits in national currency and all deposits in foreign currency of resident sectors/subsectors mentioned above.

Other aggregates compiled and disseminated by the CBR are the following: (i) domestic credit (comprising the net credit to the general government and credits to other resident sectors (except banks), (ii) net foreign assets, (iii) money market instruments, (iv) restricted deposits, (v) capital accounts, and (vi) other items net.

In addition, the CBR disseminates the aggregates “Monetary Base Broadly Defined” and “Money Supply (M_2),” which are available to users on the CBR website and in the *Bulletin of Banking Statistics*. The “Monetary base broadly defined” comprises CBR liabilities in national

²¹ The monetary authorities comprise the accounts of the CBR and data on central bank functions undertaken by the MOF, in particular (i) holdings of international reserves and reserve related liabilities to nonresidents and (ii) holdings of positions with the IMF.

currency, which back the money supply. It includes currency in circulation (excluding cash in vaults of the CBR), balances on accounts of required reserves, funds on correspondent accounts, and deposits of credit institutions with the CBR, credit institutions' holdings of CBR bonds, as well as any other CBR liabilities to credit institutions denominated in national currency.

The “Money Supply (M_2)” is defined as the total amount of money and quasi-money denominated in the national currency, e.g., the “Money Supply (in the monetary survey methodology)” minus deposits in foreign currency of resident sectors other than general government.

Following the publication of the *MFSM*, the CBR intends to revise its procedures and formats for the collection, compilation, and dissemination of monetary statistics. In this connection it has recently begun preparing reporting formats for the data collection from other financial institutions with a goal to expand the institutional coverage of monetary statistics and to compile and disseminate data on the financial sector. Consultations are being held with institutions supervising insurance companies, private pension funds, mutual funds, and financial companies.

2.2 Scope

2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices

As of August 31, 2003, the institutional coverage of monetary statistics comprises the monetary authorities, 1,332 active credit institutions licensed by the CBR to provide banking operations and one branch of a foreign bank operating in the Russian Federation. Branches of Russian banks operating abroad are excluded from the institutional coverage of monetary statistics.

For analytical purposes, the *MFSM* defines the Other Depository Corporations (ODC) subsector to consist of all resident financial corporations (except the central bank) and quasi-corporations mainly engaged in financial intermediation, whose liabilities consist of deposits or financial instruments considered as deposit substitutes that are included in the definition of money. The national definition of broad money is thus fundamental to the methodology of the *MFSM*, in that it determines which units in the financial corporations sector are classified as the ODC. In the Russian Federation, the credit institutions are currently the only deposit-taking financial institutions fulfilling both criteria that classify them as the ODC—that is, Russian credit institutions are mainly engaged in financial intermediation and issue liabilities that are included in the aggregate “Money Supply.” In this regard, the currently compiled and published analytical accounts of the banking sector have the same institutional coverage as the ODC survey for the Russian Federation—which is, in accordance with the *MFSM*, the major framework for compiling monetary statistics.

In line with the *MFSM* guidelines, the ODC subsector should include all financial corporations that issue liabilities (accept deposits or issue instruments that are considered as their substitutes) to be included in the national definition of broad money. With the development of the financial sector in the Russian Federation, the CBR intends to (i) expand the institutional coverage of the monetary survey and (ii) compile the financial survey. It has already contacted the institutions supervising insurance companies, private pension funds, mutual funds, and financial companies and identified information that needs to be collected from these corporations.

The monetary statistics compiled by the CBR exclude data of credit institutions that are currently in the process of liquidation. In accordance with the *MFSM*, the data of nonoperating depository corporations should be included in the institutional coverage of monetary statistics as long as the depository corporation continues to exist as a legal entity. The CBR intends to include data on nonoperating credit institutions in monetary statistics and to disseminate revised data series to the public in November 2003.

2.3 Classification/sectorization

2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices

The definition of residency in monetary statistics is consistent with the *BPM5* and *1993 SNA*. Branches of foreign banks in the Russian Federation are regarded as residents, whereas the CBR subsidiaries, and branches and subsidiaries of domestic credit institutions abroad are classified as nonresidents. In accordance with the *MFSM* methodology, operations of bank headquarters with these subsidiaries and branches operating abroad are classified as operations with nonresidents.²²

The sectorization of the domestic economy by the CBR is principally in line with the *MFSM*. The sectoral classification of resident units recommended in the *MFSM* are as follows: (i) central bank, (ii) other depository corporations, (iii) other financial corporations, (iv) central government, (v) state and local government, (vi) public nonfinancial corporations, (vii) other nonfinancial corporations, and (viii) other resident sectors.

In the detailed presentation of monetary data by the CBR, the following sectoral groupings of resident institutional units are distinguished: (i) monetary authorities, (ii) credit institutions, (iii) nonbank financial institutions, (iv) general government, (v) nonfinancial public enterprises, (vi) nonfinancial private enterprises, and (vii) households. Nonprofit institutions serving households are included in sectors/subsectors in accordance with their engagement in

²² On the other hand, for purposes of banking supervision and vulnerability analysis, positions of the CBR and domestic credit institutions with their subsidiaries or branches abroad should be consolidated.

market or nonmarket production and form of ownership, e.g., they are classified under general government, nonfinancial public enterprises, or nonfinancial private enterprises.

In the analytical accounts of the monetary authorities and the analytical accounts of the banking sector, claims on and liabilities to the central government and local governments are grouped together in the aggregate claims on and liabilities to the general government. This presentation of the banking sector's position with the government follows the understanding that local governments are dependent on the central government's budget resources, and therefore, their deposits should be excluded from the definition of money. Thus, the aggregate, net claims on the general government, is used rather than the aggregate net claims on the central government. In accordance with the current *IFS* presentation, the analytical accounts of the monetary authorities and the analytical accounts of credit institutions also group together claims on private nonfinancial enterprises and households into the aggregate claims on the private sector. However, detailed positions of the banking sector with households are separately identified in the monetary data disseminated by the CBR.

The principles underlying the classification of financial instruments in the Russian Federation's monetary statistics are based on legal characteristics and liquidity of financial instruments. The classification of financial instruments is, notwithstanding differences in terminology used, consistent with the *MFSM* recommendations. The following groups of financial instruments are identified in monetary data disseminated by the CBR: (i) monetary gold and SDR, (ii) currency and deposits broken down into demand deposits and time and savings deposits, (iii) securities other than shares, (iv) loans, (v) shares and other equity, and (vi) other accounts receivable/payable. Data on financial derivatives are not currently available to compilers of monetary data.

The treatment of securities repurchase operations as collateralized loans is not fully consistent with the *MFSM* recommendations. Only securities repurchase operations of the CBR with resident and nonresident banking institutions are classified in the monetary statistics as collateralized loans. It is expected that in the near future, compilers of monetary data would be able to receive information needed for the proper classification of securities repurchase operations of domestic credit institutions with nonresidents.

The CBR does not currently engage in gold swaps (the exchange of monetary gold for foreign exchange).

2.4 Basis for recording

2.4.1 Market prices are used to value flows and stocks

The general recommendation of the *MFSM* is that the valuation of financial assets and liabilities should be done on the basis of market prices or market-price equivalents (fair values). The valuation of loans is an exception to this principle and loan values should be based on creditors' outstanding claims without adjustment for expected loan losses. This amount comprises the outstanding principal plus any accrued interest and is referred to as the

book value of a loan. Monetary gold and nonmonetary gold should be valued on the basis of the market price of gold. Holding gains and losses arising from changes in market values (or fair values) of financial assets and outstanding liabilities should be recorded in a revaluation account.

The monetary statistics compiled by the CBR uses the market valuation only for holdings of tradable securities. Those securities that are not tradable and that are held in banks' portfolios for investment purposes are recorded at acquisition cost. Similarly, shares and other equities held for investment are recorded at acquisition cost.

Monetary gold is valued at US\$300 per troy ounce. The same valuation practice is used in the compilation of international investment position, balance of payments statistics, and international reserves. The CBR disseminates supplementary data on the physical quantity of gold holdings which allows users of monetary data to determine the market value of monetary gold holdings by the monetary authorities.

The loan portfolio on the balance sheets of the banks are valued at nominal value. In line with the recommendations of the *MFSM*, loan valuation is not adjusted for expected loan losses. Provisions for expected loan losses are recorded as separate entries on the liability side of the balance sheets and included in other accounts payable in the analytical accounts of the monetary authorities and in the capital accounts in the analytical accounts of credit institutions.

According to the *MFSM*, all stocks and flows denominated in foreign currency should be converted to national currency values at the market exchange rate prevailing at the time they are entered in the accounts. The midpoint between the buying and selling rate of exchange should be used so that any service charge is excluded. The monetary data compiled by the CBR fully follow this principle. The exchange rate of the CBR is determined as the weighted average rate of the Russian ruble vis-à-vis foreign currencies on the Moscow Interbank Currency Exchange. In line with the *MFSM* recommendations, holding gains or losses arising from changes in the exchange rates are classified into a special revaluation account.

Currently, the international reserves data are compiled by the CBR based on operational data on transactions with nonresidents, which may not yet be reflected in the balance sheet.

The *MFSM* recommends that data be compiled on stocks and on each of the three flows components: *transactions*, *revaluations*, and *other changes in the volume of assets*. The CBR does not yet compile data on flows.

2.4.2 Recording is done on accrual basis

In accordance with the accrual accounting principles recommended in the *MFSM*, interest accrued but not paid on financial instruments should be incorporated into the outstanding amount of the financial asset or liability, rather than being treated as part of other accounts

receivable/payable. Monetary data compiled by the CBR do not fully incorporate this principle.

In general, transactions are recorded at the time the transaction occurs by means of simultaneous electronic recording, which ensure intra- and inter-sectoral consistency in the compilation of monetary data. Interest arrears on loans and other instruments are included in claims on the relevant sector of the economy. However, the accrued interest on liabilities and accrued interest on loans until maturity are included in other accounts receivable/payable. The adoption of full accrual accounting principles in the compilation of monetary statistics is expected with the implementation of International Financial Reporting Standards in the banking system of the Russian Federation and corresponding changes in the data reporting system.

2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices

In line with the general principle of the *MFSM*, the accounts of the monetary authorities and credit institutions are collected and compiled on a gross basis. In accordance with the *MFSM*, claims on particular transactors are not netted against liabilities to those transactors. Data presented on a net basis (e.g., “foreign assets (net)” and “claims on general government (net)” in the monetary survey) are also shown with the underlying gross data.

In the detailed monetary data disseminated on the CBR website and in the *Bulletin of Banking Statistics*, the data on financial assets and liabilities are aggregated into major categories (e.g., claims classified by debtors and deposits classified by creditors and liquidity). The monetary survey is obtained by netting out all outstanding claims and liabilities between the CBR and credit institutions and among credit institutions. Any possible differences in corresponding positions of the CBR and credit institutions are included in the category “Other Items Net.”

3. Accuracy and Reliability

3.1 Source data

3.1.1 Source data are collected from comprehensive data collection programs that take into account country-specific conditions

The source data for compiling monetary statistics are monthly balance sheets of the CBR and consolidated balance sheets of the active credit institutions provided by the Main Informatization Centre as well as off-balance sheet items, and operational data received from other CBR units. Balance sheet statements and other supporting information are structured in such a way that they cover virtually the entire range of financial instruments (except for financial derivatives) and economic sectors, and contain sufficient details for classifying all financial instruments and financial sectors in accordance with the *MFSM*, and also providing possibilities for comprehensive analysis, comparisons and cross-checks.

Publications and research papers dealing with operations of the financial market are monitored in order to reflect in the monetary statistics changes occurring in the financial sector. Working meetings are held with financial market participants and members of the business community to identify changes, which should be taken into account in the compilation of monetary statistics.

As part of preparations for compiling a financial survey, efforts are made to organize the collection of information on financial intermediaries (insurance companies, private pension funds, mutual funds, etc.) in cooperation with the MOF, the Federal Commission for the Securities Market, and the Ministry of Labor and Social Development of the Russian Federation.

3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required

Source data provide a reasonably good approximation of the concepts, definitions, scope, classifications, and recording principles for compiling sound monetary statistics. Data used for compiling monetary statistics are prepared in accordance with the “Accounting Rules of the CBR,” No.66 of September 18, 1998 and the Provision No.205-P “On Accounting Rules at Credit Organizations Located in the Territory of the Russian Federation,” of December 5, 2002, and the existing charts of accounts used by the CBR and credit institutions.

3.1.3 Source data are timely

The data collection system allows for the compilation of preliminary monetary aggregates with a timeliness that meets SDDS requirements. These aggregates are released on the CBR website and in the *Bulletin of Banking Statistics*. However, more detailed presentation of monetary data could only be disseminated about four to five weeks after the end of the reference month, because complete data of credit institutions are reported with a lag of four weeks after the end of the month.

3.2 Statistical techniques

3.2.1 Data compilation employs sound statistical techniques

Balance sheet records are provided by the Main Informatization Centre in a database format and they include cross-checks and other methods to assess the completeness of the reported data. The data compilation procedures are fully automated, which minimizes the possibility of mistakes in data processing such as coding or editing errors, or mistakes in the compilation of summary tables.

Automated accounting procedures of credit institutions and territorial branches of the CBR make the compilation of analytical accounts of the monetary authorities and credit institutions straightforward. These procedures also facilitate the transmission of data in a uniform

electronic format to the Main Informatization Centre where the reported information is further verified, and consolidated balance sheets are generated.

3.2.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques

Inspections are conducted by the territorial branches of the CBR to verify if credit institutions comply with the accounting and reporting rules regarding the conversion of foreign currency denominated accounts in national currency values.

Due to full computerization of accounting procedures of the CBR and credit institutions, nonreporting of active banks' data for monetary statistics purposes is virtually impossible. The General Economic Department does not calculate seasonally adjusted monetary data.

3.3 Assessment and validation of source data

3.3.1 Source data—including censuses, sample surveys and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide planning

Issues of required adjustments to source data are addressed by the General Economic Department together with the Balance of Payments Department, Banking Regulation and Supervision Department, and the Accounting Department, as well as with other CBR departments. If cross-checks reveal discrepancies in reported data, the problem is addressed by the staff of these departments, which may result in adjustments to the data received and, where necessary, to time series.

The existing program software for generating monetary statistics offers the possibility of prompt adjustments in procedures for data reporting. Therefore, adjustments relating to new developments in financial markets or sectorization of institutional units are properly and immediately reflected in the methodology for the compilation of monetary statistics aggregates.

3.4 Assessment and validation of intermediate data and statistical outputs

3.4.1 Main intermediate data are validated against other information where applicable

If deemed necessary, the accuracy of balance sheet data and additionally requested information is checked against the data from other CBR departments, primarily, the Balance of Payments Department, the Banking Regulation and Supervision Department, and the Accounting Department.

3.4.2 Statistical discrepancies in intermediate data are assessed and investigated

The General Economic Department assesses statistical discrepancies in intermediate data and indicates main reasons that might be contributing to them. The reasons for statistical discrepancies due to methodological differences are disclosed in the methodological comments in the *Bulletin of Banking Statistics*, as well as on the CBR website.

3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated

In the case of significant discrepancies and fluctuations in monetary aggregates, a thorough analysis of reasons for such discrepancies is undertaken, and where necessary, adjustments are made to the methodology for the compilation of particular aggregates. Dissemination of revised time series include comments explaining the changes.

3.5 Revision studies

3.5.1 Studies and analyses of revisions are carried out routinely and used to inform statistical processes

Revisions to the final data as compared to the preliminary data, their nature and scope, are studied on a regular basis. Should there be problems in connection with errors and omissions in data or with fluctuations in data, the corresponding research and analysis are conducted. The results of analysis and revisions undertaken in the data compilation process are taken into account in the compilation of data for future periods. The results of these studies are not made available to users.

4. Serviceability

4.1 Relevance

4.1.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

There is no formally established process of regular consultation with ministries, or representatives from the private sector or academia. The General Economic Department conducts regular consultations with other CBR departments, which are involved in the development and implementation of monetary policy, to identify their data requirements. In addition, the staff of the General Economic Department regularly participate in international statistics conferences and seminars organized by international and regional organizations to abreast with new developments in statistical standards and best practices that may be applied in the monetary statistics for the Russian Federation.

4.2 Timeliness and periodicity

4.2.1 Timeliness follows dissemination standards

The dissemination of monetary data follows the advance release calendar for the release of data on key macroeconomic and financial data. Data on the analytical accounts of the monetary authorities are disseminated within 15-16 days after the end of the reference month, thus their timeliness falls short of the SDDS requirement by 2 days. Preliminary data on the analytical accounts of the banking sector are disseminated within one month after the end of the reference month.

The CBR is able to meet the prescribed SDDS criteria for the timeliness of the analytical accounts of the monetary authorities and intends to disseminate on its website the preliminary aggregates, namely the foreign positions, reserve money, and domestic credit, within two weeks after the end of the reference month beginning with the October 2003 data. These aggregates could be based on operational data that are available to staff of the General Economic Department.

4.2.2 Periodicity follows dissemination standards

The analytical accounts of the monetary authorities and the analytical accounts of the banking sector are disseminated on a monthly basis, consistent with the specifications of the SDDS.

4.3 Consistency

4.3.1 Statistics are consistent within the dataset

In general, interbank positions between the monetary authorities and credit institutions are consistent. A reconciliation of stock and flow data is not available, because flow data for monetary statistics are not compiled. The monetary authorities' data on their claims on credit institutions show a negligible discrepancy when compared with the credit institutions' data on their liabilities to the monetary authorities due to a different coverage of credit institutions in the analytical accounts of the monetary authorities and the analytical accounts of credit institutions. The monetary authorities' data cover their positions with both active and nonoperational credit institutions. On the other hand, data of nonoperational credit institutions are not included in the compilation of the analytical accounts of credit institutions.

4.3.2 Statistics are consistent or reconcilable over a reasonable period of time

The monetary statistics for the past nine years are disseminated on the CBR website. The data are fully reconcilable beginning with the introduction in 1998 of new charts of accounts for the CBR and credit institutions, which considerably broadened the possibilities for compiling monetary statistics in accordance with the recommended instrument classification and sectorization of the economy.

Where applicable and possible, historical time series before 1998 have been recalculated taking into account changes in the source data and methodology, which provides users of monetary data with a possibility to analyze trends and patterns of changes in various aggregates. Work is underway to collect and place on the CBR website and in the *Bulletin of Banking Statistics* publications and papers on trend-based changes in monetary statistics.

4.3.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks

The General Economic Department regularly reconciles monetary statistics with the BOP data. Taking into account some methodological differences in the compilation of the monetary and BOP statistics, intermediate data in both statistics are reconciled in order to identify in early stages of the compilation elements that may cause discrepancies in both data sets. Net foreign assets of the banking sector in monetary statistics are consistent with the relevant indicators calculated in the international investment position. Changes in net foreign assets of the banking sector in the monetary statistics are comparable with the corresponding indicators calculated on the basis of the BOP statistics.

With exception of cash balances that are treated in the GFS as government claims on the banking sector, data on general government deposits and liabilities to depository corporations in the GFS are consistent with the relevant data in monetary statistics.

Within the program for developing the state statistical system in the Russian Federation, work is under way to compile the financial account. The CBR is closely cooperating with the Goskomstat, which is responsible for preparing this account. The compilation of the financial account is expected to facilitate checking of accuracy of monetary statistics and the consistency of monetary data with the data on other sectors.

4.4 Revision policy and practice

4.4.1 Revisions follow a regular, well-established, and transparent schedule

Preliminary data on monetary statistics that are disseminated on the CBR website may be revised during the following quarter (following six months for December data). The final monetary data are published in the monthly *Bulletin of Banking Statistics*. For users' convenience, the revised data are provided in a special font and are accompanied by comments explaining revisions in the data.

4.4.2 Preliminary data are clearly identified

Preliminary data are denoted as such. Users are informed that they are subject to revisions. The revised data are published with a greater degree of details in format comparable to the preliminary data. Where applicable, data on gross basis underlying net positions are also disseminated.

4.4.3 Studies and analyses of revisions are made public

Revisions are subject to quantification, assessment, and clarification. Explanations of revisions are disseminated on the CBR website and in the *Bulletin of Banking Statistics*. In the case of changes in historical time series data, the tables with the revised data in the *Bulletin of Banking Statistics* are also accompanied by relevant comments and explanations.

5. Accessibility

5.1 Data accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)

The presentation of monetary statistics by the CBR facilitates the interpretation of the data. The CBR website provides users with considerable opportunities for viewing the data, metadata, explanatory notes on the data, calendar for the dissemination of preliminary data, and other information. The website features user-friendly tables with the key indicators of monetary statistics. The structure of and developments in monetary statistics aggregates are graphically presented in the form of charts and diagrams in the *Bulletin of Banking Statistics*, available both in the electronic format on the website and in print. There are also links to websites of other ministries and institutions compiling macroeconomic statistics.

5.1.2 Dissemination media and formats are adequate

Monetary statistics are available in Russian and English on the CBR website and in the *Bulletin of Banking Statistics*. Users are able to view the electronic version of the *Bulletin* which contain all statistical materials published by the CBR and comments thereto in PDF format, beginning with 1998 issues.

5.1.3 Statistics are released on a preannounced schedule

The calendar for disseminating preliminary data in accordance with the SDDS requirements is available at the CBR website, in the SDDS section, and in the *Bulletin of Banking Statistics*. Monetary statistics are released in accordance with the schedule announced in that calendar.

5.1.4 Statistics are made available to all users at the same time

Data are released simultaneously to all users of monetary statistics when information is disseminated on the CBR website.

5.1.5 Nonpublished (but nonconfidential) subaggregates are made available upon request

Unpublished and nonconfidential data are made available upon request free of charge with the approval of CBR management. However, such cases are rare because the CBR employs a pro-

active policy in the provision of data on its website. The level of detail on disseminated monetary statistics aggregates has continued to increase over time.

5.2 Metadata accessibility

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated

The CBR disseminates metadata for monetary statistics on the CBR website, as well as in the *Bulletin of Banking Statistics*. Metadata include information about the concepts, definitions, classifications, data sources, as well as estimation techniques. In addition, each issue of the *Bulletin* contains brief methodological comments on the analytical accounts of the monetary authorities and the analytical accounts of credit institutions. Information is available in Russian and English. When applicable, metadata and methodological notes are updated and expanded.

5.2.2 Levels of detail are adapted to the needs of the intended audience

The structure of the presentation of data for the monetary authorities and credit organizations is consistent with the data disseminated in other countries in accordance with the internationally accepted methodology and guidelines. Levels of detail in the disseminated data have improved significantly in recent years; Data are provided in time series beginning with the 1995 data when the compilation of monetary statistics was initiated in accordance with international standards.

The CBR informs outside users and analysts about the sources and methods for compiling the data through its website, as well as by publishing methodological notes in the *Bulletin of Banking Statistics*. Changes in the methodology and sources of data are reflected in the aforementioned sources of information on a timely basis.

5.3 Assistance to users

5.3.1 Contact person for each subject field is publicized

Users of monetary data are provided with assistance and support. The CBR website indicates the mailing addresses, telephone numbers, fax numbers, and e-mail addresses of contact persons responsible for the compilation of monetary statistics.

5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available

The CBR website provides users with considerable amount of information about electronic and paper-based publications and documents. The terms of subscription for the printed versions of the *Bulletin of Banking Statistics* and *Vestnik Banka Rossii* are not publicized, but

they can be obtained at the contact telephone numbers and addresses indicated in each issue of these publications. The website contains the earlier issues of the electronic versions of the *Bulletin* and *Vestnik*. There are also useful links to the sites of other agencies compiling macroeconomic statistics, the central banks of other countries, and international institutions.

Table 5. The Russian Federation: Data Quality Assessment Framework—Summary of Results for Monetary Statistics
(Compiling Agency: Central Bank of Russia)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
0. Prerequisites of quality						
0.1 Legal and institutional environment		X				
0.2 Resources		X				
0.3 Quality awareness		X				
1. Integrity						
1.1 Professionalism		X				
1.2 Transparency		X				
1.3 Ethical standards		X				
2. Methodological soundness						
2.1 Concepts and definitions		X				Data of financial institutions that issue instruments that could be considered as deposit substitutes, and nonoperational credit institutions are not included in the institutional coverage of monetary statistics. Securities repurchase operations of credit institutions with nonresidents are not treated as collateralized loans, data on financial derivatives are not available. Holdings of securities and shares and other equity for investment purposes and monetary gold are not valued at market prices. Accrued interest is not incorporated into underlying sectors and financial instruments.
2.2 Scope			X			
2.3 Classification/sectorization			X			
2.4 Basis for recording			X			
3. Accuracy and reliability						
3.1 Source data		X				
3.2 Statistical techniques		X				
3.3 Assessment and validation of source data		X				
3.4 Assessment and validation of intermediate data and statistical outputs		X				
3.5 Revision studies		X				

Table 5. The Russian Federation: Data Quality Assessment Framework—Summary of Results for Monetary Statistics
(Compiling Agency: Central Bank of Russia)

Element	NA	Assessment				Comments
		O	LO	LNO	NO	
4. Serviceability						
4.1 Relevance			X			No formally established process of regular consultation with ministries, or representatives from the private sector or academia.
4.2 Timeliness and periodicity			X			The timeliness of the analytical accounts of the monetary authorities falls short of the SDDS requirement by 2 days.
4.3 Consistency		X				
4.4 Revision policy and practice		X				
5. Accessibility						
5.1 Data accessibility		X				
5.2 Metadata accessibility		X				
5.3 Assistance to users		X				

VI. BALANCE OF PAYMENTS STATISTICS

0. Prerequisites of quality

0.1 *Legal and institutional environment*

0.1.1 *The responsibility for collecting, processing, and disseminating statistics is clearly specified*

The responsibility of the Central Bank of the Russian Federation (CBR) for collecting, processing, and disseminating balance of payments statistics is established by Government Decree 849 of July 18, 1994, and the requisite functions are clearly defined by the Federal Law of the Russian Federation No. 86-FZ of July 10, 2002 “On the Central Bank of the Russian Federation (Bank of Russia),” as amended on January 10, 2003.

Paragraph 16 of Article 4 of the Federal Law of the Russian Federation stipulates that the CBR shall “participate in making a forecast of the Russian Federation balance of payments and organize the compilation of the Russian Federation balance of payments.” Article 57 states that “the Bank of Russia is authorized to request and receive the necessary information free of charge from federal executive authorities, their territorial offices, and legal entities for purposes of compilation of banking and monetary statistics, the balance of payments of the Russian Federation, and analysis of the economic situation.”

Together with the Government Decree 849, the Federal Law regulates the responsibility and mechanism of interaction between the CBR and other state agencies regarding balance of payments compilation and source data collection, as well as stipulate mandatory statistical reporting by all legal entities engaged in foreign economic activity.

Article 4, paragraph 18 of the Federal Law prescribes the publication of statistical data, as part of the CBR’s responsibility for economic analysis and forecasting.

0.1.2 *Data sharing and coordination among data-producing agencies are adequate*

Information flows for balance of payments statistics exist at three main levels: the reporting of credit institutions; data available from other departments of the CBR; and data sourced from state agencies, including the State Customs Committee of Russia (SCC), the State Statistics Committee of Russia (Goskomstat), the Federal Border Service, and the ministries of finance, taxes, defense, and emergencies. Other primary data sources include Vnesheconombank, the International Monetary Fund (IMF), the central banks of Belarus and Kazakhstan, and direct surveys of enterprises.

Commercial banks’ data are collected by the CBR’s provincial offices, and are transmitted to the CBR’s Main Information Technology Centre (GTsI), which then sends the processed data to the Balance of Payments Department. Procedures exist to ensure efficient and timely data transmission at each stage. Internal instructions guide the exchange of information across

departments of the CBR, while data-sharing agreements with some state agencies—the SCC, Goskomstat and the ministries of finance and taxes—define the terms and conditions for collaboration in exchanging statistical data.

These agreements are complemented by regular meetings between the CBR and data-producing agencies to promote common understanding of existing and emerging data requirements. Goskomstat’s Methodology Council also provides a forum for statistical coordination. In the CBR, the General Economic Department has an oversight role for assessing emerging data requirements against respondents’ burden, and for avoiding internal duplication of efforts in data collection.

0.1.3 Respondents' data are to be kept confidential and used for statistical purposes only

Confidentiality is an important aspect of statistical work and is strictly followed at the CBR. Under Article 92 of the Federal Law “On the Central Bank of the Russian Federation (the Bank of Russia),” employees are prohibited from disclosing internal information on the activities of the CBR. The official responsibilities of the CBR staff regarding preservation of confidentiality are also prescribed in their employment contracts, job descriptions, and other internal documents pertaining to issues of information on the central bank’s activities.

The confidentiality of respondent data is stipulated in Article 57 of the Federal Law “On the Central Bank of the Russian Federation (Bank of Russia),” which prohibits disclosure without the respondent’s consent, except in cases stipulated by Federal laws. The Federal Law “On information, information support, and protection of information” No. 24-FZ of February 20, 1995 (as amended on January 10, 2003)—in Article 21 “Protection of information”—stipulates that “any documented information, whose wrongful use can cause damage to its proprietor, holder, user, or any other person, is subject to protection.” On the basis of the present Federal Law, the protection status is assigned to confidential information by the owner of information resources or an authorized person. The proprietor or holder of the information has the right to request from public authorities an assessment of the measures that exist to ensure compliance with rules and regulations for protection of their information.

The legal provisions underpinning the confidentiality of individual respondents’ data are widely disseminated. All CBR reporting forms are registered with the Ministry of Justice. In CBR surveys and other inquiries, respondents are informed of their rights and obligations. Where inquiries are multipurpose in nature, the reporting instructions detail the specific provisions underlying each type of information request (for example, those for statistical purposes as distinct from those for bank supervision purposes). Thus, the exceptions under which respondents’ data may be disclosed appear to apply to data collected for **non-statistical** purposes, and are in concert with Federal laws on exchange control and bankruptcy.

In the CBR, measures to protect confidentiality include, among others, the following:

- use of file encryption technologies to ensure safe and secure data transmission and storage;
- access to disaggregated data is available only to authorized employees on a “need-to-know” basis;
- access to the computers of CBR employees and to network resources are controlled by security procedures of identification and authentication; and.
- physical access to premises in which technical facilities for data processing and transfer of information are located complies with CBR regulations on the maintenance of information security of electronic technologies for processing, storage, and transfer of information containing restricted data within the CBR’s system.

CBR staff also exercise care in preventing published information from being used to derive information about a business; for example in sectors dominated by a single or few firm/s, disaggregated data are included in broader aggregates.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response

Statistical reporting is mandatory under Article 57 of the Federal Law “On the Central Bank of the Russian Federation (Bank of Russia).” The CBR also has the right to verify reported information and impose fines for misreporting or for noncompliance with the reporting requirements. CBR provincial offices apply such penalties for noncompliance, while the CBR’s Balance of Payments Department uses moral suasion combined with a more proactive strategy for encouraging response to its direct surveys. These include working sessions, seminars, and consultations with respondents for the purpose of addressing issues that arise in completing and submitting reporting forms. CBR training courses for, and meetings with, bankers also include lectures or sessions on statistical topics designed to raise awareness of the importance of quality economic and financial statistics.

0.2 Resources

0.2.1 Staff, financial, and computing resources are commensurate with statistical programs

The CBR’s Balance of Payments Department is responsible for compiling and disseminating balance of payments statistics.²³ The Department has 50 staff with higher education degrees in economics or related disciplines. A high staff retention rate has ensured the accumulation of a wealth of expertise—seventy two percent of the staff in the Statistics Division have at least five years’ experience in balance of payments compilation. Staff responsible for the

²³The Department also includes the Analysis Division, which undertakes some statistical activities. Data collection and processing are also undertaken in provincial offices.

compilation of balance of payments statistics have taken training courses organized by the IMF and participated in seminars conducted by other central banks and international financial institutions. Since 1993, the CBR has also benefited from considerable technical assistance in balance of payments compilation provided by the IMF's Statistics Department, resulting in the development of a cadre of well trained staff. The Personnel Department of the CBR prepares annual plans for skills improvement and organizes seminars for enhancing the expertise of CBR staff.

Computer resources in the Balance of Payments Department are adequate for designated tasks. Incoming data are tabulated at the GTsI where modern hardware and software systems are utilized. Hardware is appropriately allocated to ensure effective data processing and database management. Compilers employ modern report preparation software techniques, and play a role in developing computing programs as evidenced by their recent work on the data processing system for portfolio investment. CBR provincial offices are well equipped to perform data collection and processing tasks.

The financial resources available for compiling balance of payments statistics are sufficient for completing required tasks. Annual plans are produced to identify the resources necessary for collecting and processing data, taking into account the requirements of new initiatives for external sector statistics.

0.2.2 Measures to ensure efficient use of resources are implemented

Within the framework of a specially created commission at the CBR, a procedure has been established for preliminary consideration and coordination of the amounts of financial resources planned for the forthcoming year, including resources for the work related to collecting and disseminating statistical information.

0.3 Quality awareness

0.3.1 Processes are in place to focus on quality

The management of the CBR and senior staff recognize that compliance with the key dimensions of data quality such as integrity, methodological soundness, accuracy and reliability, serviceability, and accessibility is an integral part of compiling balance of payments statistics.

The use of external audits underlines the CBR's focus on quality as a means of building trust. In the aftermath of the 1998 crisis, a reputable international accounting firm audited the CBR's data on international reserves, and the report was published. These external audits, now conducted by the local auditing firm UNICON/MS Consultancy Group, have become a regular exercise, and—on the directives of the State Duma—was expanded to include the CBR's

balance of payments and external debt statistics. Thus, balance of payments statistics were audited thrice in the last five years,²⁴ and the conclusions published in the CBR annual reports.

Bilateral data reconciliations on specific balance of payments items have also been conducted with Belarus, Germany, Kazakhstan, and Ukraine. “Mirror” statistics, including those of the Bank of International Settlements (BIS), are also used to gauge the accuracy and reliability of Russia’s balance of payments statistics.

0.3.2 Processes are in place to monitor the quality of the collection, processing, and dissemination of statistics

Quality control in the process of collecting, processing, and verifying data is performed through cross-checks and, in the event of discrepancies, through follow-up by staff of the relevant departments/provincial offices.

The CBR does not conduct formal surveys of users of balance of payments statistics, but offers a two-way communication channel for comments or consultation, in particular through e-mail addresses and telephone numbers provided on CBR website. These media are actively used by individual and institutional users (including professional and business associations), both domestic and foreign, for providing the CBR with suggestions for improving the balance of payments statistics. The authorities consider the use of these channels of communication as obviating the need for formal client-oriented evaluations. Moreover, the CBR is proactive in setting trends in supplying statistics, thereby shaping domestic data users’ demands—suggesting that dissemination decisions are supply rather than demand driven. The authorities indicate that the “trend-setting” view is confirmed by the fact that CIS countries follow closely Russian practices regarding data/metadata presentation formats.

Further, the CBR’s Balance of Payments Department views ongoing work on Russia’s subscription to the Special Data Dissemination Standard (SDDS) as indicative of evolving processes that support monitoring of the quality of disseminated statistics.

0.3.3 Processes are in place to deal with quality considerations, including tradeoffs within quality, and to guide planning for existing and emerging needs

The management of the CBR recognizes the importance of and need for achieving a trade-off between dimensions of data quality. Nevertheless, timeliness of information is recognized as one of the relevant dimensions. The CBR disseminates balance of payments and international investment position (IIP) statistics within the timeframe specified by the SDDS. Of note, was

²⁴ During these audits, checks were made to verify data sources, confirm that compilation is in line with the stated methodology and procedures for data exchange, examine potential insider interest in revisions to methodology, source data or statistical techniques, and determine if key statistical decisions were the result of consultation with concerned parties such as Goskomstat.

the decision of the CBR to begin disseminating a “partial” IIP for the credit institutions in 1995, ahead of the full IIP (first disseminated in June 2002); and to compile and disseminate quarterly external debt statistics using the residency criterion. These data initiatives result from the Government Resolution relating to the provisional procedures for data dissemination under the SDDS, adopted in April 1998.

The Balance of Payments Department is also in close contact with other departments within the CBR, with the aim of identifying emerging data needs for project development, decision making, forecasting, etc.

1. Integrity

1.1 Professionalism

1.1.1 Statistics are compiled on an impartial basis

Intrinsic to the legal status of the CBR is the principle of its independence, which is reflected in Article 75 of the Constitution of the Russian Federation as well as in Articles 1 and 2 of the Federal Law “On the Central Bank of the Russian Federation (Bank of Russia).” According to Article 1, the CBR exercises its functions and powers provided by the Constitution of the Russian Federation and by this Federal Law independently from other Federal bodies of state power, government authorities of territories of the Russian Federation, and local governments.

The high professional standards of the staff of the Balance of Payments Department is evidenced by their active participation in international seminars, working groups, and conferences organized by other central banks and international financial institutions for sharing expertise, shaping statistical methodologies and collaborating on statistical work programs. CBR staff participated in the development of the *Manual on Statistics of International Trade in Services*, and the Director of CBR’s Balance of Payments Department is a member of the IMF Committee on Balance of Payments Statistics.

Balance of payments compilers also hold working meetings and consultations with staff in other departments and in provincial offices. They also provide technical assistance to central banks in CIS countries; for example, an agreement for assistance in statistics was recently reached with the Central Bank of Tajikistan.

In its hiring and promotion policies, the CBR employs the Model Qualification Standards approved by the CBR’s Board of Directors in 2003.

1.1.2 Choices of sources and statistical techniques are informed solely by statistical considerations

The choice of sources and statistical methods is determined by statistical considerations. Papers on statistical methods and techniques are presented at international statistical meetings. Significant changes in methodology are reported in the metadata section of the CBR website,

and in the methodological comments section of the *Vestnik Banka Rossii* and the *Bulletin of Banking Statistics*.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics

The Balance of Payments Department tracks the use and interpretation of balance of payments statistics in the financial press and mass media, and maintains an archive of related materials. Cases of data misinterpretation or misuse are brought to the attention of the publisher—via the External Relations Department—with a request to make appropriate corrections in their publications. Bloomberg and Reuters internet platforms are also used to disseminate data and address inaccuracies reported in the press.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public

The Federal Law of the Russian Federation “On the Central Bank of the Russian Federation (Bank of Russia)”—as amended on January 10, 2003—is posted on the CBR’s internet website, in Russian and in English. Detailed references to the legal terms and conditions of data collection and dissemination are included in the reporting forms sent to reporting agents.

Key features of data sharing agreements between the CBR and state agencies are widely reported in the press, and the general provisions of these agreements are available.

Using the SDDS metadata formats, the CBR disseminates the terms and conditions of data dissemination on its internet website. The site also contains an advance release calendar for balance of payments and IIP statistics. Similar materials are published in the *Vestnik Banka Rossii* and the monthly *Bulletin of Banking Statistics*.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified

No government officials have prior access to the quarterly balance of payments data, and this is stated on the CBR’s website.

1.2.3 Products of statistical agencies/units are clearly identified as such

In the CBR’s press releases and electronic modes of dissemination, the CBR is identified as the producer of Russia’s balance of payments statistics. The hard copy publication *Vestnik Banka Rossii* (in Russian) uses product labels, and requests attribution. The *Bulletin of Banking Statistics* follows similar practices. When reporting balance of payments statistics published by the CBR, the official press (for example, the *Rossiyskaya Gazeta*) references the CBR as the data source.

The Agreement on Information Cooperation between Goskomstat and the CBR stipulates a mandatory procedure for acknowledging the data source when publishing the data provided to the CBR by Goskomstat, and vice versa.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques

Long term statistical plans of the CBR are not published, and advance notice of major changes in methodology, source data, and statistical techniques is not provided. The *Vestnik Banka Rossii* presents detailed information on changes in methodology, source data, and statistical techniques at the time the data revisions are published. Reasons for adjustments in time series are also stated in the *Vestnik Banka Rossii*. Similarly, major changes are explained in the *Bulletin of Banking Statistics* at the time such changes are introduced.

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff

Ethical standards for staff conduct are established by a special regulation defining the status of CBR employees. Individuals entering into employment with the CBR undergo screening tests, and are required to familiarize themselves with this regulation. These processes were confirmed by the mission during an impromptu discussion with a new staff member.

2. Methodological soundness

The methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices

2.1 Concepts and definitions

2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices

Russia's balance of payments statistics closely follows the concepts and definitions set out in *BPM5*.

2.2 Scope

2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices

In principle, all resident-nonresident transactions are covered in the balance of payments statistics. Resident institutional units are defined in broad conformity with *BPM5*'s concepts of economic territory and center of economic interest. The CBR has developed methodologies for measuring unrecorded trade, and previous coverage gaps in Goskomstat surveys on foreign

investment and trade in services are addressed by more direct data collection by the CBR; for example, beginning in 2002, depository reports have evolved as a statistical reporting form for portfolio investment, and the Coordinated Portfolio Investment Survey (CPIS) also requests data on direct investment. MOF data on Eurobonds are adjusted for consistency with the residency criterion.

To the extent that source data permits, transactions related to product sharing agreements (PSAs) between the government and foreign investors in the oil sector are included in the balance of payments.

2.3 Classification/sectorization

2.3.1 Classification/ sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices

The classification system used in national data presentations is broadly consistent with the structure of *BPM5*, and modifications to international guidelines regarding the creation of the new functional category, financial derivatives, in the financial accounts have been recently adopted. The recording of debt forgiveness and worker remittances are also among recent initiatives to bring classifications closer to *BPM5* recommendations. *BPM5* guidelines are used for classifying as investment income, part of the financial leasing arrangements that is construed as income on a financial asset. The CBR has also adopted the classification of services recommended in the new *Manual on Statistics of International Trade in Services* (the Extended Balance of Payments Services, or EBOPS, classification). Departures from *BPM5* guidelines are as follows:

- in the financial account of national presentations, portfolio and other investment transactions of the monetary authorities are not separately identified, but are included as part of the banking sector;²⁵ and
- in the current account, freight insurance is classified under transportation instead of under insurance services (the results of a current World Bank-funded survey will be used to effect the reclassification in the future).

The so-called “neutral” presentation of Russia’s balance of payments reports a line item titled “non-repatriation of exports proceeds, non-supply of goods and services against import contracts, and remittances against fictitious transactions in securities.” under other investment (in the financial account). These entries account for a sizeable share of other investment, and are classified under “other investment, other sectors” in reporting to the IMF’s Statistics Department. Derived from a combination of sources, including the foreign exchange control

²⁵ Reserve assets transactions are identified separately as a functional category, and the Use of Fund Credit shows indebtedness of the CBR to the IMF.

system (which tracks flows of goods and corresponding foreign exchange flows), these items appear to capture unrecorded short term capital movements.

2.4 Basis for recording

2.4.1 Market prices are used to value flows and stocks

Russia's balance of payments statistics are compiled in U.S. dollars. As specified in *BPM5*, transactions in foreign currency are converted using the midpoint exchange rate prevailing in the market on the transaction date.

A security-by-security database supports the market valuation of equity and debt securities actively traded on the market. For securities that are either not actively traded, or are not issued in organized markets, reporters are asked to provide a proxy to market valuation using any of the approaches outlined in the CPIS. These include the net asset value approach, valuation established by the company's Board or Directors, or reference to the last trade provided that there were no significant changes between the transactions date and the reporting date.

2.4.2 Recording is done on an accrual basis

In principle, Russia's balance of payments statistics are compiled with the full recognition of the change in ownership criteria as the basis for determining BOP transactions and their time of recording. Reinvested earnings and undistributed branch profits are recorded in the period in which they are earned. However, dividends are recorded on the date they are paid, rather than the date they are payable—the lag between date of dividend declaration and actual payment is deemed minimal. Income on bonds and notes, and money market instruments is compiled on an accrual basis.

2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices

In line with the recommendations of the *BPM5*, current and capital account transactions are recorded on a gross basis. Financial account transactions are recorded on a net basis.

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data are collected from comprehensive data collection programs that take into account country-specific conditions

Source data for balance of payments statistics are derived from a comprehensive data collection program based on the reporting of credit institutions, information from other departments of the CBR and from state agencies, including the SCC, Goskomstat, the Federal

Border Service, and the ministries of finance, taxes, defense, and emergencies. Other primary data sources include Vnesheconombank, the IMF, the central banks of Belarus and Kazakhstan, and direct (central bank) surveys of enterprises.

Where source data do not exist or are difficult to collect, compilers use the best possible secondary sources and approximation techniques as the basis for their estimates. One example is the estimates of transactions relating to the oil sector PSAs, where data are limited and are available with considerable lags.

A review of the primary data sources according to balance of payments components follows.

Goods: The primary source of data on transactions in goods is the SCC's statistical system. The coverage of Customs' trade statistics has been a long-standing issue in the national statistical system, and the CBR has developed a comprehensive program of coverage adjustments for balance of payments purposes, using data from Goskomstat and partner countries, as well as internal estimates (see 3.1.2).

Services: data on transportation, construction, communication services, royalties and license fees, and operational leases are derived from enterprise surveys conducted by Goskomstat. The CBR obtains data on all other services, except for travel, mainly from credit institutions. Estimates of travel services are based on the estimated average expenditures, number of residents traveling abroad and nonresidents traveling in Russia, and the estimated duration of their stay. Data on the number of travelers, country of origin (for inward travelers), country of destination (for outward travelers), and type of travel (private, business, tourism, transit, etc.) are provided by the Federal Frontier Service, while estimates of inbound tourist expenditure are based on CBR surveys. Travel debits include the estimated value of vehicles imported by Russian individuals for personal use. The numbers and values of vehicles are registered by the SCC. The debit entries for government services are sourced mainly from the MOF, but the credit entries for government services are not based on underlying source data—the CBR reported that surveys of foreign embassies in Russia have been unsuccessful.

Income: for compensation of employees, wages and salaries of Russian residents working abroad and of nonresidents employed in Russia are estimated via a data model, based partly on data sourced from the Federal Migration Service, and on information on average compensation in different industries. The CBR compiles receipts and payments of investment income from information provided by all agents of the banking sector, nonfinancial enterprises, and the MOF. Some estimates, based on information on stocks, are added to the direct investment income data (dividends and income on debt) of nonfinancial enterprises.

Capital transfers: the data on migrants' transfers are estimated via a data model. The model is based on estimated transfers for different categories of migrants and the number of migrants in each category, provided by the Federal Migration Service of Russia. Debt forgiveness data are obtained from government foreign debt agent reports.

Direct Investment: data on direct investment in Russia and abroad are largely based on nonfinancial enterprise surveys conducted by Goskomstat. The CBR also obtains data from the foreign exchange control system of the CBR and SCC, from individual enterprises and from custodian institutions. These are supplemented with data on privatization provided by the Russian Fund for Federal Property. Credit institutions' data are derived from their reports to the CBR. Direct investment stocks are also enumerated in the CPIS.

Portfolio Investment: portfolio investment liabilities of the general government cover transactions in federal and local government securities. The data are provided in reports to the CBR by the issuers and the custodian institutions. Data on portfolio investment in resident enterprises are based mainly on custodian reports. The data on transactions in portfolio investment of resident banks are obtained from their reports. The data on secondary market transactions are obtained by the CBR from the reports of transactors and custodians.

Source data for portfolio investment are under continuous review as these transactions assume increasing importance in the Russian economy. In this regard, new reporting forms have been designed and will be introduced following clearance by the Ministry of Justice.

Other investment: Transactions in trade credits are estimated on the basis of data produced by the foreign exchange control system. For loans, data on government external borrowing and government credits extended by Russia are provided by the MOF and Vnesheconombank, the government's agent for these transactions. Reports provided by the foreign exchange control system are used to calculate transactions related to loans received and granted by nonfinancial enterprises, while credit institutions' transactions in loans are derived from their reports. Data on financial leases are estimated using the Customs information.

For currency and deposits, assets and liabilities of the general government comprise of changes in balances on clearing accounts of nonresident monetary authorities with Vnesheconombank and clearing accounts of Vnesheconombank with nonresident monetary authorities, opened according to intergovernmental agreements. Apart from the transactions in deposits placed with nonresident banks, the item "currency and deposits, assets, other sectors" shows net purchases of foreign exchange by individuals and nonfinancial enterprises. Purchases and sales of foreign exchange by resident individuals and nonfinancial enterprises are estimated by comparing different types of available data. For instance, credit institutions' reports on their net purchases of foreign banknotes from abroad are compared with other residents' and nonresidents' transactions in these banknotes and with estimates of transactions in foreign exchange pertaining to migration, travel, and the sphere of nonregistered exports/imports of goods. The item "currency and deposits, liabilities, monetary authorities" shows net purchases of Russian ruble banknotes by nonresidents. Most transactions in arrears refer to the indebtedness of the former USSR. Data on these transactions are provided by Vnesheconombank as an agent of the government. Other assets also include transactions in assets by resident enterprises arising from nonrepatriation of export proceeds and non-supply of import of goods and services against import contracts, and fictitious transactions in securities. These are derived from the foreign exchange control system.

Reserve assets: transactions in reserve assets are calculated on the basis of records of the CBR and the MOF, as gold and foreign exchange reserve assets are held by both institutions. IMF data are also used as a secondary source. The information provided are of sufficient detail to enable derivation of flow measures that exclude valuation changes.

The coverage of bank reporting stays current because it is integrated with the register maintained by the bank supervisory authorities. There are no reporting thresholds for transactions, and explanatory comments are required for transactions beyond stated levels. In addition to the primary and secondary data sources, the financial press and industry journals (for example those of the oil sector) are actively monitored for new information on significant current and financial account transactions.

CBR staff actively monitors the financial press and research papers for information on international transactions and transactors for integration into statistics/registers. Periodic meetings with financial market participants and the banking community sensitize compilers to new developments that need to be taken account of in the balance of payments compilation system.

3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required

Procedures are in place to adjust data from various sources to improve coverage, classification, and valuation and conform to guidelines set out in *BPM5*. Specifically:

- Customs data on imports, measured on a c.i.f. basis, are adjusted by the CBR to obtain an estimated f.o.b. basis. Adjustments are made by the CBR to include transactions in goods that are not recorded in customs statistics. These adjustments include goods sold without crossing Russia's frontier (mainly fish and sea products); goods procured by foreign carriers in Russian ports and by Russian carriers in foreign ports; goods brought in and taken out by migrants; goods not registered by Customs (goods undeclared and/or inadequately declared when imported by legal entities; goods exported/imported by individuals for subsequent selling, including imports of vehicles); and repairs on goods. Estimates of unrecorded imports of goods are made by the CBR using data on the balance of merchandise resources of retail trade compiled by Goskomstat, with a conversion from retail to f.o.b. prices, as well as partner countries' trade data. Data on goods for processing are deducted from exports and imports, and are classified separately under goods. Customs import data compiled on a c.i.f. basis are adjusted to a f.o.b. basis using information from countries that share borders with Russia, and from the information of entities in the oil/gas sector.
- Preliminary adjustments are made to record income gross of taxes. The CBR uses tax rates as the basis for such adjustments, but a recent data sharing agreement with the Ministry of Taxes will serve to improve the basis for making these adjustments in the future.

- Because the time of recording government transactions accords with budget accounting principles, government source data may exclude information related to one side of the balance of payments entry for one period, and include it in a subsequent period. Balance of payments compilers make adjustments for the offsetting entries to ensure completeness of the balance of payments.

Compilers are aware of differences in practices used in compiling source data for the balance of payments statistics. In this regard, a key initiative of the CBR's Balance of Payments Department has been the development of external debt statistics using the residency criterion required for balance of payments (the MOF's external debt data are based on the currency criterion).

3.1.3 Source data are timely

Respondent banks are aware of the deadlines for reporting data to the CBR's provincial offices, and rigorous follow-up procedures exist to ensure the timely receipt of respondents' data. Data sourced from state agencies are subject to agreements that specify delivery dates, among other things. Compilers reported no problems with the timeliness of source data.

3.2 Statistical techniques

3.2.1 Data compilation employs sound statistical techniques

Data compilation procedures employ rigorous standards for minimizing coding, editing and processing errors. The international transactions reporting system (for both foreign exchange and rouble accounts) provides for detailed verification checks, and transactions exceeding stated amounts are flagged for explanatory comments.

3.2.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques

Compilers employ a range of statistical techniques, as demonstrated by the following examples:

- Surveys of oil and gas companies have been conducted to determine whether their recording of exports on customs declarations accords with the f.o.b. principle; the results inform the adjustment ratios used in the balance of payments. These surveys provided valuable insights about the recording practices related to oil and gas exports via pipelines and overland transport.
- Based on a statistical analysis of the difference between preliminary and final customs-based trade data, CBR balance of payments compilers adjust goods data for missing observations in the customs statistics. This serves to reduce the magnitude of revisions to the balance of payments that arise from changes in customs-based trade statistics, and contributes to the stability of the series. Similar techniques are used for

incorporating in the balance of payments, estimates for product sharing agreements (see 3.5.1).

3.3 *Assessment and validation of source data*

3.3.1 Source data—including censuses, sample surveys and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and non-sampling error; the results of the assessments are monitored and made available to guide planning

The reporting by banks is assessed for reconciliations of balances of accounts and reported transactions. Nonbank source data are analyzed for temporal consistency, and consistency with other related data sources; for example, data on secondary market transactions in securities derived from custodian reports are compared on a security-by-security basis using the ITRS. For most CBR surveys on services, there is full enumeration because of significant industry concentration. The CPIS is conducted on the basis of full enumeration of large firms, and samples of small firms. These procedures are regularly reviewed against foreign exchange control licensing records for coverage.

3.4 *Assessment and validation of intermediate data and statistical outputs*

3.4.1 Main intermediate data are validated against other information where applicable

Information reported in the financial press is used to verify high-value direct investment and other transactions.

3.4.2 Statistical discrepancies in intermediate data are assessed and investigated

Compilers routinely assess the behavior of series against related series, for instance:

- reported data on investment income payments and receipts are regularly assessed in relation to the corresponding stock data in the international investment position statistics;
- data on freight earnings are regularly assessed in relation to the value of the trade flows; and
- the reported financial flow data are reconciled with changes in the corresponding stock data collected for external debt and for other elements of the international investment position.

Russia produces a geographical breakdown of the balance of payments and the IIP between Commonwealth of Independent States (CIS) and non-CIS countries. Detailed assessments are made of the CIS' component of the balance of payments, against these countries' data.

3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated

Staff involved in producing balance of payments data monitor developments in the errors and omissions, and there is the general recognition that these originate in capital flight. Continuous efforts are made to identify statistical gaps, but the ingenuity of transactors in escaping detection provides a challenge for statistical compilation. Bilateral data reconciliations are conducted for selected trade, other current, and financial account items with principal trading partners and inconsistencies are investigated. Data are also compared with the Joint BIS-IMF-OECD-World Bank Statistics on External Debt, BIS locational international banking statistics, Eurostat information, and the *Direction of Trade Statistics* (DOTS) database, among others.

3.5 Revision studies

3.5.1 Studies and analyses of revisions are carried out routinely and used to inform statistical processes (see also 4.4.3)

Revisions to the balance of payments statistics originate from routine revisions to source data, and from periodic changes in methodology and the introduction of new data sources. Periodic revisions are an important feature of Russia's balance of payments, given the CBR's commitment to full compliance with *BPM5*. The source and magnitude of these revisions are tracked and are fully explained in statistical publications. The CBR also tracks revisions to customs trade data, and the trends are used to calculate an adjustment in goods. Thus the preliminary balance of payments includes an "anticipatory revision" adjustment to goods; while undershooting or overshooting occurs, this process helps to insulate the balance of payments from significant source data revisions.

4. Serviceability

4.1 Relevance

4.1.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

Within the last decade, the CBR's Balance of Payments Department has focused primarily on bringing statistical outputs in line with international methodological standards, and in developing new products (IIP and external debt). In the absence of a tradition of formal client-oriented evaluations, established processes to assess whether the program meets users' needs do not exist. However, the needs of key users such as the government and international financial institutions²⁶ inform the direction of the statistical program. Active and frequent

²⁶ For example, IMF staff (user) views on Russian balance of payments statistics are usually expressed in the annual staff report of IMF Article IV consultations.

consultations with policy departments and ministries provide a gauge for monitoring relevance. Staff also participate in meetings with international rating agencies, and attend international statistical meetings and seminars, where issues affecting the relevance and practical utility of balance of payments statistics are discussed. The needs of financial markets are also noted; for example, a table on net outflows of private sector capital was introduced in August 2003 in response to queries from market analysts.

4.2 *Timeliness and periodicity*

4.2.1 Timeliness follows dissemination standards

The data meet the timeliness specifications of the SDDS as follows:

- Quarterly balance of payments statistics are disseminated one quarter after the reference period.²⁷

4.2.2 Periodicity follows dissemination standards

The data meets the periodicity specifications of the SDDS as follows:

- Quarterly balance of payments statistics are disseminated

4.3 *Consistency*

4.3.1 Statistics are consistent within the dataset

Annual and half-year balance of payments statistics are compiled from quarterly data, ensuring consistency is achieved within datasets of different periodicity. The concepts, definitions, and classifications are therefore identical across data sets of different periodicity. Net errors and omissions have been significant over time, but have been consistently negative since 1995.²⁸

²⁷ An annual IIP is disseminated 6 months after the end of the reference month. A quarterly IIP for the banking sector (CBR and credit institutions) is also compiled, and disseminated with a lag of one quarter.

²⁸ National compilers view the size as within reasonable limits, noting that for 2002, the net errors and omissions in Russia's balance of payments was 7.8 percent of external trade, compared to 10.7 percent for developing countries.

4.3.2 *Statistics are consistent or reconcilable over a reasonable period of time*

Consistent time series are available since 1994. When changes in source data, methodology, or techniques are introduced, historical series are reconstructed as far back as reasonably possible. The recent publication of data on financial derivatives provides one example. Beginning in September 2003, these are identified in the quarterly balance of payments; compilers are reconstructing a series for earlier years. Generally, as the Russian balance of payments compilation system was built on the *BPM5* methodology, breaks and discontinuities in the balance of payments component time series do not exist. Unusual changes in economic trends are explained in the analytical text included in statistical publications and Internet-based data releases.

4.3.3 *Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks*

Russia's balance of payments data are broadly consistent or reconcilable with merchandise trade data, national accounts, monetary, external debt and IIP statistics, as follows.

- CBR data on goods are derived from the SCC's merchandise trade data, with coverage and classification adjustments made on the basis of information derived from other sources including Goskomstat, Ministry of Emergencies, and trade partner countries. Estimates for unrecorded trade are also produced, and a table is constructed to identify the differences between CBR and customs-based trade data.
- Balance of payments data are a direct input to the external sector of the national accounts.
- Balance of payments data on cross border transactions of banks are reconcilable with monetary statistics.
- Balance of payments components comprising CBR's external debt data are consistent with the corresponding external debt position data, which is a subset of the IIP liabilities data²⁹; and
- In general terms, balance of payments transactions are consistent with corresponding IIP data because they are derived from the same sources.

Differences between government debt data and the balance of payments arise from different bases of recording, and these differences are reconcilable. For example, the CBR uses their own database on secondary market securities to adjust the MOF's debt data on government securities to bring it in line with the residency criterion. They also include the rouble transactions of nonresidents not recorded as external debt by the MOF. Regarding

²⁹ A detailed methodological table in the *Vestnik Banka Rossii* (3rd Quarter, 2003) identifies the basis for recording external debt statistics produced by the CBR. The components of external debt and their linkages to specific balance of payments data entries are identified.

transactions, balance of compilers also make adjustments to government finance data (see 3.1.2).

4.4 Revision policy and practice

4.4.1 Revisions follow a regular, well-established and transparent schedule

The revisions policy for balance of payments statistics is described in the *Vestnik Banka Rossii* as follows:

- regular, to be included in the balance of payments within one year after the first publication of the balance of payments for the reporting period. These are caused mainly by routine revisions to source data, as reported by respondents.
- one-time, to be included as new information on major unrecorded transactions appears or as methodology changes. The time series are then adjusted if possible.

The revisions are documented in the *Vestnik Banka Rossii* by means of appendix tables that identify the cause for revisions to specific items in the balance of payments, and provides a comparison of initial and revised estimates. New source data are also indicated in the *Vestnik*.

4.4.2 Preliminary data are clearly identified

Balance of payments tables in the *Vestnik Banka Rossii* distinguish between preliminary and final estimates. However, the status of data in supplementary tables in the *Bulletin of Banking Statistics*, particularly those that present longer annual and quarterly series together, are not clearly identified.

4.4.3 Studies and analyses of revisions are made public (see also 3.5.1)

Each quarter, revisions are measured and explained in the *Vestnik Banka Rossii*. Studies of the effect of routine revisions are not conducted because balance of payments compilation are continuously upgraded to keep pace with the changing nature of Russia's external sector. However, when investigations of unusual statistical trends result in data revisions and reclassifications, data users are alerted.

5. Accessibility

5.1 Data accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)

Balance of payments statistics are published in the quarterly *Vestnik Banka Rossii* and the monthly *Bulletin of Banking Statistics*, which are available on the Internet, and in hard copy formats. The former presents datasets with various levels of detail, while the latter presents

fewer tables, consistent with the nature of general statistical publications. Main aggregates are also disseminated on the CBR website using the format of the SDDS' National Summary Data Page (NSDP). Analysis of current-period developments is included in the *Vestnik Banka Rossii*, and summary tables and charts facilitates data interpretation. The balance of payments statistics are published with time series from 1994, and series are published in a seasonally adjusted form.

5.1.2 Dissemination media and formats are adequate

Data are released via an information release on the CBR website, and this is followed by the online release of the more comprehensive balance of payments compendium in the *Vestnik Banka Rossii*.

5.1.3 Statistics are released on the pre-announced schedule

Quarterly balance of payments statistics are released according to a pre-announced schedule disseminated on the CBR website, and published in the monthly *Bulletin of Banking Statistics*. The schedule identifies the precise release date and takes the form of a quarter-ahead rolling calendar, thereby meeting the SDDS requirements for advance release calendars. CBR website usage statistics record a surge in "visits" on release dates, suggesting widespread awareness of data release schedules.

5.1.4 Statistics are made available to all users at the same time

The data are released simultaneously to all interested parties through the posting of the data and the press release on the CBR's Internet website.

5.1.5 Nonpublished (but nonconfidential) subaggregates are made available upon request

Further disaggregations are available on request, but this is not formally indicated to users. Individuals and institutional users (for example, foreign embassies in Moscow) are among those who have requested specialized tabulations, and such services are provided free.

5.2 Metadata accessibility

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated

Metadata are disseminated on the CBR's website (SDDS section), in the *Bulletin of Banking Statistics* (2 pages are devoted to the balance of payments³⁰), and in the *Vestnik Banka Rossii*

³⁰ *Bulletin of Banking Statistics*, No. 9 (124), pp. 122-123.

(with greater detail). These provide statistical information on concepts, definitions, classifications, methodology, and data sources. Descriptions of statistical techniques (for e.g., trade data adjustment model) are regularly published, while detailed information on these techniques is published at the time they are first introduced, and in presentations to international statistical meetings³¹ and other fora. The CBR indicated that detailed information about their estimation models are also available on request. Apart from the CPIS, identification of sample techniques used in, and the response rates of, central bank report forms are not applicable because there is full enumeration and a complete response rate. These survey forms, along with those of Goskomstat used for balance of payments purposes, are identified by name in statistical publications, but there is no information on the number of respondents targeted. Sample methods employed for the CPIS are publicized.

Main linkages with other major data systems are disseminated. However, the SDDS metadata (including summary methodology statements) requires some fine-tuning, and could benefit from regular updates.

5.2.2 Levels of detail are adapted to the needs of the intended audience

There is no single comprehensive sources and methods document to inform analysts and other users of statistics on the balance of payments compilation methods and techniques, including departures from international standards (work on such a publication is now in progress).

5.3 Assistance to users

5.3.1 Contact person for each subject field is publicized

Statistical releases provide information on a central point of contact in the CBR, and metadata on the CBR website includes information on contact persons for all SDDS external sector data categories. The website also provides a prompt user request service. There are no formal user education programs, and assistance to users is not monitored—the authorities report that requests for assistance are minimal.

5.3.2 Catalogues of publications, documents, and other services, including information on any charges, are widely available

Online documentation of statistical publications exists, but information on additional services (for example on the availability of more detailed information on request) are not publicized. Hard copies of the *Bulletin of Banking Statistics* are available through the publishers (Business

³¹ For example, see “Problems of Shuttle Trade in Balance of Payments Statistics: the case of Russia.” Paper presented to the Tenth Meeting of the IMF Committee on Balance of Payments Statistics, Washington, D.C., October 22-24, 1997.

News Agency Prime-TASS), and this information is indicated to users. The CBR also maintains a subscription service for its publications, including the *Vestnik Banka Rossii*.

Table 6. The Russian Federation: Data Quality Assessment Framework—Summary of Results for Balance of Payments Statistics
(Compiling Agency: Central Bank of Russia)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed.						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
0. Prerequisites of quality						
0.1 Legal and institutional environment		X				
0.2 Resources		X				
0.3 Quality awareness		X				
1. Integrity						
1.1 Professionalism		X				<u>Advance</u> notice of major changes in methodology, source data, and statistical techniques not publicized.
1.2 Transparency			X			
1.3 Ethical standards		X				
2. Methodological soundness						
2.1 Concepts and definitions		X				Portfolio and other investment transactions do not separately identify monetary authorities. Freight insurance not classified under <i>insurance services</i> .
2.2 Scope		X				
2.3 Classification/sectorization			X			
2.4 Basis for recording		X				
3. Accuracy and reliability						
3.1 Source data		X				
3.2 Statistical techniques		X				
3.3 Assessment and validation of source data		X				
3.4 Assessment and validation of intermediate data and statistical outputs		X				
3.5 Revision studies		X				
4. Serviceability						
4.1 Relevance			X			Formal user surveys do not exist.
4.2 Timeliness and periodicity		X				
4.3 Consistency		X				
4.4 Revision policy and practice		X				

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(Compiling Agency: Central Bank of Russia)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed.						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
5. Accessibility						
5.1 Data accessibility		X				There is no single comprehensive sources and methods publication.
5.2 Metadata accessibility			X			
5.3 Assistance to users		X				

Summary of the Special Data Dissemination Standard (SDDS)

The SDDS prescribes the following practices under each of the identified dimensions:

Data dimension (coverage, periodicity, and timeliness)

- the dissemination of 18 data categories, including component detail, covering the four main sectors of the economy, with prescribed periodicity and timeliness.

Access dimension

- the dissemination of advance release calendars providing at least one-quarter advance notice of approximate release dates, and at least a one-week advance notice of the precise release dates; and
- the simultaneous release of data to all users.

Integrity dimension

- the dissemination of the terms and conditions under which official statistics are produced and disseminated;
- the identification of internal government access to data before release;
- the identification of ministerial commentary on the occasion of statistical release; and
- the provision of information about revision and advance notice of major changes in methodology.

Quality dimension

- the dissemination of documentation on statistical methodology and sources used in preparing statistics; and
- dissemination of component detail and/or additional data series that make possible cross-checks and checks of reasonableness.

SDDS subscribers are required to:

- post descriptions of their data dissemination practices (metadata) on the IMF's Dissemination Standards Bulletin Board (DSBB). Summary methodologies, which describe data compilation practices in some detail, are also disseminated on the DSBB; and

- maintain an Internet website, referred to as the National Summary Data Page (NSDP), which contains the actual data described in the metadata and to which the DSBB is electronically linked.

At the March 29, 2000 meeting of the IMF's Executive Board, Directors approved the incorporation of a new SDDS data category on external debt. The transition period for implementing this data category expires in March 2003.

As a result of the IMF Executive Board's Third Review of the SDDS in March 2000, the IMF staff began monitoring observance of the Standard through NSDPs maintained on the Internet. Monitoring commenced at the beginning of July 2000 and is limited to the coverage, periodicity, and timeliness of the data and to the dissemination of advance release calendars.

Source: Guide to the SDDS, February 2002: <http://dsbb.imf.org>

Data Quality Assessment Framework—Generic Framework
(July 2001 Vintage)

Quality Dimensions	Elements	Indicators
<p>Prerequisites of quality¹</p>	<p>0.1 Legal and institutional environment—<i>The environment is supportive of statistics.</i></p> <p>0.2 Resources—<i>Resources are commensurate with needs of statistical programs.</i></p> <p>0.3 Quality awareness—<i>Quality is a cornerstone of statistical work.</i></p>	<p>0.1.1 The responsibility for collecting, processing, and disseminating statistics is clearly specified.</p> <p>0.1.2 Data sharing and coordination among data producing agencies are adequate.</p> <p>0.1.3 Respondents' data are to be kept confidential and used for statistical purposes only.</p> <p>0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response.</p> <p>0.2.1 Staff, financial, and computing resources are commensurate with statistical programs.</p> <p>0.2.2 Measures to ensure efficient use of resources are implemented.</p> <p>0.3.1 Processes are in place to focus on quality.</p> <p>0.3.2 Processes are in place to monitor the quality of the collection, processing, and dissemination of statistics.</p> <p>0.3.3 Processes are in place to deal with quality considerations, including tradeoffs within quality, and to guide planning for existing and emerging needs.</p>
<p>1. Integrity</p> <p><i>The principle of objectivity in the collection, processing, and dissemination of statistics is firmly adhered to.</i></p>	<p>1.1 Professionalism—<i>Statistical policies and practices are guided by professional principles.</i></p> <p>1.2 Transparency—<i>Statistical policies and practices are transparent.</i></p> <p>1.3 Ethical standards—<i>Policies and practices are guided by ethical standards.</i></p>	<p>1.1.1 Statistics are compiled on an impartial basis.</p> <p>1.1.2 Choices of sources and statistical techniques are informed solely by statistical considerations.</p> <p>1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics.</p> <p>1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public.</p> <p>1.2.2 Internal governmental access to statistics prior to their release is publicly identified.</p> <p>1.2.3 Products of statistical agencies/units are clearly identified as such.</p> <p>1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques.</p> <p>1.3.1 Guidelines for staff behavior are in place and are well known to the staff.</p>

**Data Quality Assessment Framework—Generic Framework
(July 2001 Vintage)**

Quality Dimensions	Elements	Indicators
<p>2. Methodological soundness</p> <p><i>The methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.</i></p>	<p>2.1 Concepts and definitions— <i>Concepts and definitions used are in accord with internationally accepted statistical frameworks.</i></p> <p>2.2 Scope—<i>The scope is in accord with internationally accepted standards, guidelines, or good practices.</i></p> <p>2.3 Classification/sectorization— <i>Classification and sectorization systems are in accord with internationally accepted standards, guidelines, or good practices.</i></p> <p>2.4 Basis for recording—<i>Flows and stocks are valued and recorded according to internationally accepted standards, guidelines, or good practices.</i></p>	<p>2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices: see dataset-specific framework</p> <p>2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices: see dataset-specific framework.</p> <p>2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices: see dataset-specific framework.</p> <p>2.4.1 Market prices are used to value flows and stocks. 2.4.2. Recording is done on an accrual basis. 2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices.</p>

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<p>3. Accuracy and reliability</p> <p><i>Source data and statistical techniques are sound and statistical outputs sufficiently portray reality.</i></p>	<p>3.1 Source data—<i>Source data available provide an adequate basis to compile statistics.</i></p> <p>3.2 Statistical techniques—<i>Statistical techniques employed conform to sound statistical procedures.</i></p> <p>3.3 Assessment and validation of source data—<i>Source data are regularly assessed and validated.</i></p> <p>3.4 Assessment and validation of intermediate data and statistical outputs—<i>Intermediate results and statistical outputs are regularly assessed and validated.</i></p> <p>3.5 Revision studies—<i>Revisions, as a gauge of reliability, are tracked and mined for the information they may provide.</i></p>	<p>3.1.1 Source data are collected from comprehensive data collection programs that take into account country-specific conditions.</p> <p>3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required.</p> <p>3.1.3 Source data are timely.</p> <p>3.2.1 Data compilation employs sound statistical techniques.</p> <p>3.2.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques.</p> <p>3.3.1 Source data—including censuses, sample surveys and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide planning.</p> <p>3.4.1 Main intermediate data are validated against other information where applicable.</p> <p>3.4.2 Statistical discrepancies in intermediate data are assessed and investigated.</p> <p>3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated.</p> <p>3.5.1 Studies and analyses of revisions are carried out routinely and used to inform statistical processes.</p>

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<p>4. Serviceability</p> <p><i>Statistics are relevant, timely, consistent, and follow a predictable revisions policy.</i></p>	<p>4.1 Relevance—<i>Statistics cover relevant information on the subject field.</i></p> <p>4.2 Timeliness and periodicity – <i>Timeliness and periodicity follow internationally accepted dissemination standards.</i></p> <p>4.3 Consistency—<i>Statistics are consistent within the dataset, over time, and with major datasets.</i></p> <p>4.4 Revision policy and practice—<i>Data revisions follow a regular and publicized procedure.</i></p>	<p>4.1.1 The relevance and practical utility of existing statistics in meeting users’ needs are monitored.</p> <p>4.2.1 Timeliness follows dissemination standards. 4.2.2 Periodicity follows dissemination standards.</p> <p>4.3.1 Statistics are consistent within the dataset (e.g., accounting identities observed). 4.3.2 Statistics are consistent or reconcilable over a reasonable period of time. 4.3.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks.</p> <p>4.4.1 Revisions follow a regular, well-established and transparent schedule. 4.4.2 Preliminary data are clearly identified. 4.4.3 Studies and analyses of revisions are made public.</p>

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Quality Dimensions	Elements	Indicators
<p>5. Accessibility</p> <p><i>Data and metadata are easily available and assistance to users is adequate.</i></p>	<p>5.1 Data accessibility—<i>Statistics are presented in a clear and understandable manner, forms of dissemination are adequate, and statistics are made available on an impartial basis.</i></p> <p>5.2 Metadata accessibility—<i>Up-to-date and pertinent metadata are made available.</i></p> <p>5.3 Assistance to users—<i>Prompt and knowledgeable support service is available.</i></p>	<p>5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts).</p> <p>5.1.2 Dissemination media and formats are adequate.</p> <p>5.1.3 Statistics are released on the preannounced schedule.</p> <p>5.1.4 Statistics are made available to all users at the same time.</p> <p>5.1.5 Nonpublished (nonconfidential) subaggregates are made available upon request.</p> <p>5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines or good practices are annotated.</p> <p>5.2.2 Levels of detail are adapted to the needs of the intended audience.</p> <p>5.3.1 Contact person for each subject field is publicized.</p> <p>5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available.</p>

Note: The elements and indicators included here bring together the “pointers to quality” that are applicable across the five identified dimensions of data quality.

Summary of Results of Survey of Data Users

With the cooperation of the Goskomstat, the MOF, and the CBR, the mission conducted a survey of users of macroeconomic statistics in Russia. The survey complemented the mission's assessment of the quality of the statistics. Users were asked to evaluate the coverage, periodicity, and timeliness, of the datasets in the ROSC assessment, as well as the dissemination practices of the compiling agencies. Questionnaires were sent to 50 users and 36 responses were received from a broad range of users representing academia, government agencies, banks, and representative offices. Fifty-three percent of the responses were received from government agencies and 22 percent from banks.

Users expressed general satisfaction with the overall quality of the statistics, noting that Russia had made tremendous progress in this area over the past decade. All respondents to that question stated that the statistics were at least good. They felt the Russian statistics were generally better than that disseminated in other CIS countries, though it lagged behind the statistics of Western economies. All the datasets assessed by the mission are used regularly by respondents, hence giving heightened credence to their views on the data.

Respondents depended primarily on official releases and publications to obtain the statistics, thus eliminating some of the effects of re-interpretation and presentation bias on the responses. Users seemed unaware of the availability of an advance release calendar and others who were aware that one existed, generally did not consult it. Users expressed concern about the timeliness of the statistics with only 42 percent noting that the statistics are released according to the advance release calendar.

Seventy-eight percent of respondents referred to the information on sources and methods; however, they were generally not satisfied with the information on revisions to the statistics as some agencies did not explain the revisions.

Users refer to a combination of hardcopy and electronic forms to access official statistics with very few depending solely on one method. Some expressed dissatisfaction with the electronic dissemination methods of Goskomstat citing the difficulty of transferring the data into a readily usable format.

As a follow-up to the survey, the mission organized a meeting of users to solicit detailed feedback on the responses to the survey. The following issues emerged from the meeting:

- Data compiled by the by the Goskomstat, the MOF, and the CBR are improving constantly; these agencies have demonstrated their commitment to improve their statistics. The most impressive progress was noted at the CBR.
- The data from the State Customs Committee is an area where further improvement is required.
- A few users alluded to the possibility that official data may not be released to all agencies simultaneously. This was strongly denied by the compiling agencies.

	Ministries and State Agencies	Financial Institutions	Information and other agencies	Universities and institutes	Representative Offices	Total	Percentage
<i>Questionnaires sent out</i> <i>Responses (excl. not applicable)</i>	19	8	3	5	1	36	100 72
1. Which macroeconomic statistics are you using regularly?							
• National accounts	13	8	1	3	1	26	72
• Production indexes	16	8	2	4	1	31	86
• Prices	16	8	2	2	1	29	81
• Labor market	12	6	2	3	1	24	67
• Balance of payments	16	8	2	3	1	30	83
• Merchandise trade	15	6	2	0	1	24	67
• International reserves and foreign liquidity	11	8	1	2	1	23	64
• External debt	12	8	2	3	1	26	72
• International investment position	9	7	2	0	1	19	53
• Government/Public sector operations and debt	12	8	1	1	1	23	64
• Monetary Statistics	17	8	3	4	1	33	92
2. Where do you obtain the official statistics?							
• Official press releases and publications	19	8	3	5	1	36	100
• Private sector summaries and analyses	8	7	2	2	2	21	58
• Official policy papers	16	8	3	5	1	33	92
• Publications from international organizations	16	7	2	4	1	30	83
3. Do you refer to official descriptions of the sources and methods that were used to compile the official statistics?							
• Yes	16	7	1	3	1	28	78
• No	2	0	2	0	0	4	11
• No opinion	1	1	0	1	0	3	8

	Ministries and State Agencies	Financial Institutions	Information and other agencies	Universities and institutes	Representative Offices	Total	Percentage
4. For what purposes do you use the official statistics?							
• Analysis of current developments for short-term decision making?	11	7	1	2	1	22	61
• Analysis of trends for longer-term policy formulation?	14	8	0	3	1	26	72
• Econometric model building and forecasting	10	7	0	3	1	21	58
• Economic research	13	6	0	5	1	25	69
• Comparison with economic developments in other countries	16	7	1	1	1	26	72
• General economic background	16	8	2	3	1	30	83
5.1 Is the coverage of these statistics satisfactory?							
• Yes	12	8	2	5	0	27	75
• No	6	0	1	0	1	8	22
• No Opinion	1	0	0	0	0	1	3
5.2 Is the detail provided by these statistics satisfactory?							
• Yes	13	6	2	4	0	25	69
• No	6	2	0	0	1	9	25
• No Opinion	0	0	1	1	0	2	6
6.1 Is the frequency (e.g. weekly, monthly, quarterly annual compilation) of these statistics satisfactory?							
• Yes	17	8	3	5	1	34	94
• No	2	0	0	0	0	2	6
• No opinion	0	0	0	0	0	0	
6.2. Is the timeliness (the delay of publication) of these statistics satisfactory?							
• Yes	13	4	2	4	1	24	67
• No	5	4	1	1	0	10	28
• No opinion	1	0	0	1	0	2	6
7.1 Do you know if there is a publicly disseminated calendar that announces the dissemination of the various official statistics?							
• Yes	12	5	1	4	1	23	64
• No	7	3	2	1	0	13	36
• No opinion	0	0	0	0	0	0	0

	Ministries and State Agencies	Financial Institutions	Information and other agencies	Universities and institutes	Representative Offices	Total	Percentage
7.2 If there is a calendar of release dates, are the official statistics released on the dates announced? <ul style="list-style-type: none"> • Yes • No • No opinion 	5 4 10	4 0 4	1 1 1	4 0 1	1 0 0	15 5 16	42 14 44
7.3 Is there enough information about revisions to official statistics to satisfy your needs? <ul style="list-style-type: none"> • Yes • No • No opinion 	6 5 8	4 2 2	0 1 2	1 3 1	0 1 0	11 12 13	31 33 36
8.1 Are the official statistics referred in item 1 easily accessible to you? <ul style="list-style-type: none"> • Yes • No 	15 3	6 2	3 0	4 1	1 0	29 6	81 17
8.2 Can you get easy access to information pertaining to official statistics you use (explanatory notes, methodological descriptions)? <ul style="list-style-type: none"> • Yes • No • No opinion 	12 3 3	4 3 0	1 0 2	3 2 0	1 0 0	21 8 5	58 22 14
8.3 Is the above information on methodology clear and adequate? <ul style="list-style-type: none"> • Yes • No • No opinion 	11 3 4	5 1 1	1 0 2	2 3 0	0 1 0	19 8 7	53 22 19
8.4 How do you get access to official statistics? <ul style="list-style-type: none"> • Hard copy publications • Electronic Form • Both 	3 0 15	0 0 7	0 0 3	0 0 5	0 0 1	3 0 31	8 0 86
9.1 Is the underlying methodology of official statistics sound and appropriate? <ul style="list-style-type: none"> • Yes • No • No opinion 	12 4 2	5 0 2	1 0 2	5 0 0	0 0 1	23 4 7	64 11 19

	Ministries and State Agencies	Financial Institutions	Information and other agencies	Universities and institutes	Representative Offices	Total	Percentage
9.2 Do you consider the official statistics to be unbiased and accurate?							
• Yes	12	5	1	4	1	23	64
• No	5	0	1	0	0	6	17
• No opinion	1	2	1	1	0	5	14
9.3 How do you compare the quality of official statistics of Kazakhstan with those of other countries in the region?							
• Excellent	0	1	1	0	0	2	6
• Very good	0	0	0	0	0	0	0
• Good	0	0	0	0	0	0	0
• Unsatisfactory	0	0	0	0	0	0	0
• Bad	0	1	0	0	0	1	3
• No opinion	0	1	0	0	0	1	3
9.4 How do you assess the overall quality of the official statistics?							
• Excellent	1	0	0	0	0	1	3
• Very good	11	5	3	2	1	22	61
• Good	6	2	0	3	0	11	31
• Unsatisfactory	0	0	0	0	0	0	0
• Bad	0	0	0	0	0	0	0
• No opinion	0	0	0	0	0	0	0