

INTERNATIONAL MONETARY FUND

Fourth Review of the Fund's Data Standards' Initiatives

Prepared by the Statistics Department and the Policy Development and Review Department

In consultation with other departments

Approved by Carol S. Carson and Jack Boorman

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EXECUTIVE SUMMARY

This paper reviews experience under the IMF's data standards initiative. It discusses issues concerning observance of the Special Data Dissemination Standard (SDDS), the introduction of the template for the dissemination of reserves data, the development of the external debt data category, and the General Data Dissemination System; it makes a number of proposals in these areas. The paper also proposes the integration of an assessment methodology, called the Data Quality Assessment Framework (DQAF), into the structure of the data module of the Reports on Observance of Standards and Codes (ROSCs), as a central element of a new Data Quality Assessment Program (DQAP).

Observance and Monitoring of the SDDS

Since the Third Review in March 2000 (see SM/00/55), most subscribers have come into observance of the SDDS. Monitoring of observance commenced in July 2000, and there has been continuous improvement in the timeliness of dissemination of most data categories. There has also been an increase in the number of hyperlinks to National Summary Data Pages (NSDPs), and an enhanced awareness of the monitoring process resulting from three SDDS coordinators seminars.

Brazil became the 48th subscriber to the SDDS in March 2001, and Tunisia the 49th subscriber in June 2001. Staff has been working with another six countries toward subscription.

The staff believes that placing a prominent notice on the DSBB indicating that subscribers are not in observance of the SDDS, the reasons for nonobservance, and their time-bound plans for addressing these issues constitutes a sufficient sanction at this time (and an inducement to come into observance). The staff would monitor progress in following these plans and, in the event of inadequate progress would recommend the removal of a subscriber's metadata from the DSBB.

Data Template on International Reserves and Foreign Currency Liquidity

The transition period for the dissemination of the data template on international reserves and foreign currency liquidity ended on March 31, 2000. Most countries disseminated their first set of template data no later than end-May 2000. Currently, all 49 SDDS subscribers are disseminating template data on their national websites. At the Third Review, Directors agreed to the establishment of a common database for template data and its redissemination over the Fund's website (see BUFF/00/52). This database became operational in October 2000; 43 member countries (42 SDDS subscribers and one nonsubscriber) participate voluntarily in this exercise.

The Executive Board endorses the importance of frequent and timely template data in detecting early signs of vulnerability; nevertheless many subscribers would have difficulty in

meeting a prescription for weekly periodicity and timeliness for the full template. **The staff, therefore, proposes the retention of current prescriptions for the time being of monthly periodicity and monthly timeliness in the dissemination of reserves template data.**

Weekly periodicity and timeliness will continue to be strongly encouraged and the issue will be revisited at the next review of data provision to the Fund for surveillance in February 2002.

External Debt Data Category

At the Third Review, Directors approved a three-year transition period ending March 31, 2003 for the dissemination of quarterly external debt data with a one-quarter lag as a required category for the SDDS, and the inclusion of public and publicly guaranteed external debt and the associated debt service schedule as a core data category of the General Data Dissemination System (GDDS) (see BUFF/00/52). Staff has been working under the auspices of the Inter-Agency Task Force on Finance Statistics (TFFS) to prepare a new guide to the compilation of external debt statistics – *External Debt Statistics: Guide for Compilers and Users (Debt Guide)* – which is now in draft format. In conjunction with this work, staff also has been organizing a series of regional seminars to raise awareness of the data dissemination standard for external debt.

GDDS

As of July 2001, 32 member countries were participating in the GDDS and had their metadata posted on the Dissemination Standards Bulletin Board (DSBB), thereby meeting the target set at the time of the Third Review. In order to provide a focus for the GDDS initiative, a GDDS Unit was established in the Statistics Department (STA) in May 2000. At that time, a GDDS site was inaugurated on the DSBB. Staff assistance to GDDS participants will continue to include regional seminars and workshops, and integration of the GDDS into STA technical assistance.

Evolution and Adaptation of the Data Standards

In 1997, STA began work on a methodology to assess data quality; these efforts were welcomed by the Executive Board (see BUFF/00/52 and BUFF/00/93). This methodology has developed into the Data Quality Assessment Framework (DQAF), which is a suite of tools that aim to provide structure and a common language for the assessment of data quality. The DQAF has been used, on an experimental basis, in the data modules of the ROSCs and has been well received by the authorities in participating countries. **Therefore, the staff is seeking the Executive Board's approval for the integration of the DQAF into the revised structure of the data module of the ROSC.** Moreover, given that the DQAF has application that goes beyond assessment of standards and codes to provide support for surveillance and technical assistance activities, the staff propose the inauguration of a data quality assessment program (DQAP) which, in its early phase, would be highly concentrated in the production of the data module of the ROSC.

Future Developments

The possibility for further adaptation of the Fund's data standards with respect to so-called macroprudential indicators (MPIs) and statistical requirements for inflation targeting schemes is raised. In addition, the standards will need to be updated to take into account the latest development in statistical methodology for monetary and financial statistics and government finance statistics.

The Fund, in collaboration with other international organizations, has formed a task force on Statistical Data and Metadata Exchange (StatDMX) to employ cutting edge technology to develop an open exchange system for the distribution and exchange of statistical information on the Internet. The development and deployment of such a system underscores the evolution of the DSBB as a state-of-the-art website and will strengthen its functionality and user friendliness.

The staff proposes that the next review of the Fund's Data Standards' Initiative take place in about two years in the second half of 2003.

GLOSSARY

<i>2001 GFSM</i>	<i>2001 Government Finance Statistics Manual</i>
ADB	Asian Development Bank
AFRISTAT	Direction générale de l'Observatoire économique et statistique d'Afrique subsaharienne
BCEAO	Banque Centrale des Etats de l'Afrique de l'Ouest
BIS	Bank for International Settlements
<i>BPM5</i>	<i>Balance of Payments Manual</i> (Fifth edition)
CEMLA	Centro de Estudios Monetarios Latinoamericanos
DSBB	Dissemination Standards Bulletin Board
DQAF	Data Quality Assessment Framework
DQAP	Data Quality Assessment Program
ECB	European Central Bank
ECCB	East Caribbean Central Bank
ECLAC	Economic Commission for Latin America and the Caribbean
EMU	European Economic and Monetary Union
FSAP	Financial Sector Assessment Program
FSSA	Financial System Stability Assessment
GDDS	General Data Dissemination System
GFS	Government Finance Statistics
<i>IFS</i>	<i>International Finance Statistics</i>
IIP	International Investment Position
IMF	International Monetary Fund
JSA	Administered Account for Selected Fund Activities–Japan
JVI	Joint Vienna Institute
NSDP	National Summary Data Page
MAE	Monetary and Exchange Affairs Department
<i>MFSM</i>	<i>Monetary and Financial Statistics Manual</i>
MPI	Macprudential Indicator
OECD	Organization for Economic Co-operation and Development
PIN	Public Information Notice
ROSC	Report on Observance of Standards and Codes
SEACEN	South-East Asian Central Bank Research and Training Centre
SDDS	Special Data Dissemination Standard
SNA	System of National Accounts
STA	Statistics Department
STI	IMF-Singapore Regional Training Institute
StatDMX	Statistical Data and Metadata Exchange
TFFS	Task Force on Finance Statistics
UN	United Nations
UNSD	United Nations Statistics Division
UNCTAD	United Nations Conference on Trade and Development
WAEMU	West African Economic and Monetary Union

I. INTRODUCTION AND SCOPE OF THE FOURTH REVIEW

1. Since the Third Review of the Fund's Data Standards conducted by the Executive Board in March 2000, the Fund's increased focus on crisis prevention has given even more prominence to the Special Data Dissemination Standard (SDDS) and the General Data Dissemination System (GDDS) (for background information on the SDDS and the GDDS, see Box 1). The SDDS has matured as most subscribers have come into observance of the Standard; therefore, the focus has shifted to monitoring observance. Reports on the overall performance of subscribers in meeting their obligations for the timely release of data have been a regular feature of the quarterly reports on the Dissemination Standards Bulletin Board (DSBB). The GDDS has entered its operational phase as many countries become participants and undertake to make significant improvements in their statistical systems.
2. The need to address the quality of data disseminated to the public has become manifest. In response, the staff has developed an assessment methodology—the Data Quality Assessment Framework (DQAF)—and has begun using this methodology on an experimental basis in the context of the data module of the Report on Observance of Standards and Codes. The DQAF capitalizes on the information (metadata) disseminated by SDDS subscribers and GDDS participants by providing a structured way for using this information to assess data quality.
3. Finally, the staff have begun making enhancements to the DSBB to increase its functionality and user friendliness along the lines endorsed by the Executive Board on the Third Review (see SM/00/55). An updated and enhanced DSBB will provide data users with greater access to relevant statistical information on the Internet and, thereby, promote transparency and comparability of data.
4. The themes outlined above provide a context for the discussion that follows. Section II reviews developments in the SDDS, including, inter alia, progress made in implementing the new external debt data category. Section III provides an update on the implementation phase of the GDDS. Section IV examines how the Fund's data standards are evolving to meet the challenges and opportunities noted above, and also looks at the possibilities for further evolution of the SDDS with respect to so-called macroprudential indicators (MPIs) and statistical requirements for inflation targeting schemes. Section V provides issues for discussion. A supplement provides background information on the DQAF.

Box 1: Background Information on the Fund's Data Standards

The Executive Board established the Special Data Dissemination Standard (SDDS) in March 1996 to guide countries that have or seek access to international financial markets in the dissemination of economic and financial data to the public (see SM/96/60 and SM/96/83). Subscription to the SDDS was opened in early April 1996 to all IMF Members. Although subscription is voluntary, it carries a commitment to observe the standard and to provide certain information to the IMF about its practices in disseminating economic and financial data. A member country's subscription, which can be made at any time, is to be communicated in writing to the Secretary of the IMF.

The General Data Dissemination System (GDDS) was established in December 1997 as the other tier of the Fund's data dissemination standards' initiative with the aim of assisting countries to develop sound statistical systems as the basis for timely dissemination of data to the public (see SM/97/275). The purposes of the GDDS are to encourage member countries to improve data quality; to provide a framework for evaluating needs for data improvement and setting priorities in this respect; and to guide member countries in the dissemination to the public of comprehensive, timely, accessible, and reliable economic, financial, and socio-demographic statistics. Member countries of the IMF voluntarily elect to participate in the GDDS.

Both the SDDS and the GDDS are expected to enhance the availability of timely and comprehensive statistics and therefore contribute to the pursuit of sound macroeconomic policies; the SDDS is also expected to contribute to the improved functioning of financial markets.

In establishing the SDDS, Directors emphasized that it should be implemented flexibly to adapt to changing circumstances and provided for periodic reviews to make needed adjustments. This approach has allowed the SDDS to be strengthened to meet the need for more timely and comprehensive information on international reserves and external debt.

In establishing the GDDS, Directors decided that it should be implemented in two phases, with the first phase emphasizing training and information. The second, or operational phase, which began last year, sought to integrate the GDDS into the technical assistance work of the Statistics Department (STA) of the Fund and begin disseminating GDDS metadata on the Dissemination Standards Bulletin Board (DSBB).

There have been three reviews so far of the data dissemination standards' initiatives; the conclusions are summarized in Appendix I, along with conclusions from two reviews of data provision to the Fund for surveillance purposes.

II. THE SDDS

A. Observance and Monitoring

5. There has been a substantial increase in the number of countries in observance of the SDDS since the Third Review in March 2000. At the time of the Third Review, only 13 of 47 subscribers were in observance of the coverage, periodicity, and timeliness of dissemination and the use of advance release calendars prescribed by the SDDS. As of July 17, 2001, there are 46 subscribers in observance of the Standard, including Brazil and Tunisia, which became the 48th and 49th subscribers in March 2001 and June 2001, respectively (see Table 1 and Appendix II for a complete list of SDDS subscribers). One subscriber (Australia) is availing itself of special transitional arrangements. The remaining two subscribers (Iceland, and India) are working towards meeting the data dimension specifications (including India for the coverage of reserves template).

6. The sharp increase in the number of countries in observance of the SDDS since the Third Review may be attributed to a number of factors, including the efforts of subscribers to increase the transparency of their data dissemination practices, sometimes in concert with technical assistance from the Fund or other multilateral/bilateral organizations, and the freeing up of human and technological resources to devote to statistics following the transition to the new millennium. In addition, to maintain the credibility of the Standard, management and staff began a series of intensive consultations with some subscribers towards the end of 2000. These consultations, carried out in accordance with the procedures on nonobservance agreed by the Executive Board in SM/98/263 (BUFF/98/118), were cases in which very little or no progress toward observance had been recorded since the end of the transition period (see Box 2). In response to these efforts, the authorities provided information on their plans for coming into observance of the Standard, including a timetable for the resolution of outstanding issues, and this information was posted on the Dissemination Standards Bulletin Board (DSBB) in early 2001. The outcome of these consultations was also circulated to Executive Directors for information on April 2, 2001 (SM/01/102).

7. Nevertheless, on July 17, 2001 two subscribers were not in observance of the SDDS. These two subscribers—Iceland and India—have not been able, so far, to bring their data dissemination practices completely into line with the SDDS. The staff believes that placing a prominent notice on the DSBB indicating that these subscribers are not in observance of the SDDS, the reasons for nonobservance, and their time-bound plans for addressing these issues constitutes a sufficient sanction at this time (and an inducement to come into observance). The staff would monitor progress in following these plans.

Table 1. IMF's Data Standards' Initiative- SDDS and GDDS Indicators

Indicators	Third Review March 2000	July 17, 2001
<i>SDDS</i>		
Number of subscribers	47	49
Number of countries in observance ¹	13	46
Number of countries using special transitional arrangements ²	--	1
Number of countries with NSDP websites	42	49
Number of countries with NSDP hyperlinked to the DSBB	19	47
Number of countries with summary methodologies posted	38	46
Number of summary methodologies posted	167	541
Number of countries disseminating data template on International Reserves and Foreign Currency Liquidity	7	49
<i>GDDS</i>		
Number of countries with metadata on GDDS website	--	32
Number of countries with GDDS coordinator	55	78

8. The sanction discussed above is in accord with the procedures agreed by the Executive Board (see Box 2) but falls short of removal of a subscriber's metadata from the DSBB. The removal of metadata remains the ultimate sanction, but the staff believes that removal, at this time, would be counter to the Fund's broader objective of promoting greater transparency in the dissemination of data to the public. Removal from the DSBB could deny the public access to important information on a country's data dissemination practices as well as inhibit access to actual data through hyperlinks from the DSBB to national websites. The staff will monitor a subscriber's progress in fulfilling their posted plans and, in the event of inadequate progress in meeting the SDDS requirements would recommend the removal of a subscriber's metadata from the DSBB.

¹ A country is in observance of the SDDS when its data dissemination practices, as described in its metadata provided to the Fund, meet the SDDS specifications for the coverage, periodicity, and timeliness of the data, and for the dissemination of advance release calendars.

² Australia is availing itself of special transitional arrangements approved by the Executive Board under the Third Review for countries implementing accrual accounting for fiscal data (see section IV.D on impact of new manuals).

9. In addition to the current 49 subscribers, the staff has been working with Costa Rica, Greece, Luxembourg, New Zealand, Russia, and Uruguay toward subscription to the SDDS. This process can stretch to a year or more when a potential subscriber needs to make improvements in their data dissemination practices to be in observance of the Standard. Also, since the Third Review, several countries, including Belarus, Bulgaria, and Ukraine have indicated that they were working towards subscription to the SDDS.

10. In accordance with the outcome of the Third Review, the staff began monitoring subscribers' performance under the SDDS beginning July of last year.³ Monitoring is carried out against the release dates stated in the advance release calendars and the metadata, i.e., to verify not only that the data are released according to the calendar but also that the data disseminated correspond to the metadata posted on the DSBB. There has been a steady improvement in the ability of subscribers to meet their release dates, resulting in a continuous improvement in the timeliness of dissemination for most data categories with monthly or quarterly periodicity (see Table 2). As the number of hyperlinks has expanded, monitoring has been less difficult and time consuming for staff. Subscribers have gained an enhanced awareness of the monitoring process as a result of the series of SDDS coordinators' seminars held in the closing months of last year.⁴

11. It should be noted that not only has there been a substantial increase in the number of subscribers in observance of the SDDS, there also has been a significant increase in the number of summary methodology statements posted on the DSBB since the Third Review. These statements describe statistical compilation practices and augment the base page metadata posted on the DSBB. The importance of the information provided in the summary methodology statements in the assessment of the quality of data is evidenced by the fact the Data Quality Assessment Framework (see Section IV.A below) provides a structured method for using this information to assess data quality.

³ The data dimension—coverage, periodicity, and timeliness of the data—and the advance release calendars of the access dimension have been monitored since July 2000. Other elements of the SDDS are on a self-disclosure basis by subscribers: that is, the subscribers are asked to confirm on a quarterly basis that their descriptions of their practices are accurate.

⁴ All subscribers have established National Summary Data Page (NSDP) websites on which data meeting the coverage, periodicity and timeliness prescribed by the Standard, are disseminated. Hyperlinks from the DSBB to these websites have been established for 47 subscribers. The two subscribers (France and India) with NSDPs not hyperlinked to the DSBB have not yet moved toward the dissemination of all SDDS data categories on a single website.

BOX 2: MONITORING OF OBSERVANCE AND DEALING WITH NONOBSERVANCE

The Executive Board approved proposals for addressing nonobservance of the SDDS on the occasion of the Second Review of the SDDS (BUFF/98/118). These proposals may be summarized as follows:

- Fund staff would continuously monitor the data dimension and the advance release calendars element of the access dimension of the Special Data Dissemination Standard(SDDS).
- Fund staff would try to resolve each case of nonobservance directly with the subscriber, and, if necessary through the Executive Director.
- If no resolution ensued, the matter would be brought to the attention of the subscriber's Governor for the Fund and the Fund could post a notice on the Dissemination Standards Bulletin Board (DSBB) describing the problem, the subscriber's response, and efforts underway to remedy it.
- If no remedy resulted, the matter would be referred to the Executive Board, which could decide that the subscriber was not in observance of the SDDS and (a) the staff would place a notice to that effect on the DSBB and, if satisfactory corrective measures were not taken, (b) the Executive Board could decide to remove the metadata of the subscriber from the DSBB.

At end-2000, staff initiated consultations with nonobservant SDDS subscribers on the prospects for coming into observance of the Standard in the near term. These consultations proved effective for a number of countries; for the others, follow-up letters to the respective governors were sent by Management (Iceland and Ireland), or, in cases where nonobservance related to more limited, technical issues, by the Director of the Statistics Department (Austria, Croatia, and France). The letters asked the authorities to ascertain if observance would occur by early January 2001, and, if not, to indicate what measures were in train to bring about observance, and within what timeframe, so that this information could be posted on the DSBB. The staff has also continued consultations with India, which had outstanding transition plans for the advance release calendars; a letter by the Director of the Statistics Department was sent to India at the same time.

As a result of these consultations, four subscribers (Austria, Croatia, France, and Ireland) indicated that **their transition plans would be completed** within the first six months of 2001. In the case of Iceland, further clarification on timeframes revealed that the construction of its producer price index would not be completed until 2003. Austria, Croatia, France, and Ireland have now completed outstanding transition plans and are in observance. Information on plans and the timeframe for coming into observance for Iceland has been posted on the DSBB and can be accessed at <http://dsbb.imf.org/whatsnew.htm>. India has fulfilled the SDDS specifications for the dissemination of advance release calendars.

The staff has been in continuous consultations with India on coverage issues for the reserves template. These issues have not yet been resolved (see Appendix II).

12. Another outcome of the Third Review was the launching of a new report titled “Quarterly Update on the Special Data Dissemination Standard” in the third quarter of 2000, which is placed in the Fund’s external website. The quarterly update reports on progress being achieved under the SDDS and aims to heighten awareness of the Standard among data users. In addition to serving as a vehicle for highlighting trends in subscribers’ performance under the SDDS the quarterly update has provided an opportunity to report on significant developments affecting SDDS subscribers such as the launching of a series of seminars introducing the new manual on external debt statistics (see Section C below) and the SDDS coordinators’ seminars (see below).

13. Finally, there has been growing interest in the SDDS amongst users since the Third Review. The number of “hits” on the DSBB has risen threefold since March 2000 to 766,758 in May 2001, involving an increase in the number of users accessing the DSBB by about ten percent to 22,019. As reported earlier to the Board (see, for instance, *Assessing the Implementation of Standards—A Review of Experience and Next Steps* (SM/01/11)), during the IMF’s outreach efforts to the private sector, the SDDS has been one of the standards amongst which the most interest has been displayed. The most recent outreach efforts, in April 2001, indicate a growing practice amongst financial analysts to include SDDS observance, and information derived from the DSBB, in their country assessments. The emergence of the e-Standards Forum, a private sector institution providing information on standards work on a subscription basis,⁵ provides broader evidence of heightened user interest.

14. In light of the growing interest in the SDDS in particular, and the Fund’s work in data transparency in general, the staff believes that user feedback could play an important role in the development and implementation of the Fund’s data standards in the future. Therefore, the staff plans to further strengthen its outreach efforts through seminars on standards and codes as well as leverage the opportunities afforded by ROSC missions to solicit users’ views. Moreover, the staff will utilize its database of registered users of the DSBB to conduct Internet surveys on the SDDS and the GDDS. These surveys will shed light on how market participants use the information provided by the SDDS and assess the impact of upgrading the DSBB. The surveys also will help assess the impact of the GDDS in galvanizing support for countries’ technical assistance programs among aid donors.

⁵ See “*Quarterly Report on the Assessment of Standards and Codes*” (SM/01/200, June 29, 2001).

Table 2. Monitoring of Observance of the SDDS, July 2000–June 2001

Percentage of Monthly and Quarterly Data Disseminated on Time 1/
(Quarterly Average)

Data Categories	Q3/00	Q4/00	Q1/01	Q2 01
Monthly and Quarterly Data	70.0	78.8	85.3	90.2
Monthly Data	71.7	79.5	85.6	90.0
Production index	72.9	76.2	86.8	88.7
Consumer prices	76.3	82.6	90.4	95.7
Producer prices	75.7	82.4	89.5	92.6
Central government operations	61.4	71.9	74.4	78.9
Analytical accounts of banking sector	72.1	78.3	82.2	86.0
Analytical accounts of central bank	64.0	79.9	82.0	88.6
Official reserves	76.6	84.1	87.0	92.2
Reserve template	73.8	85.7	92.9	93.7
Merchandise trade	72.9	74.3	85.5	93.6
Quarterly Data	67.5	77.8	84.8	90.6
National accounts	74.1	75.0	86.5	94.1
Employment	67.0	84.8	84.2	96.2
Unemployment	69.2	83.5	87.6	94.4
Wages and earnings	62.9	75.3	88.8	92.9
Central government debt	60.4	69.0	74.1	77.8
Balance of payments	71.3	79.3	87.5	88.1

1/ Number of data categories released on the day announced in the advance release calendar as a percentage of the total number of data categories to be released.

B. Enhanced Cooperation with Subscribers

15. Three regional seminars for SDDS coordinators and representatives from countries interested in subscription were held by STA in November-December 2000 in Frankfurt, Germany hosted by the European Central Bank (ECB); in Santiago, Chile hosted by the Central Bank of Chile; and at the IMF-Singapore Regional Training Institute (STI). The two-day seminars provided a forum to review recent changes in the implementation of the SDDS, including the operations of the monitoring system, and afforded an opportunity for coordinators to discuss their experiences in implementing the Standard. The seminars also reinforced the cooperation between the IMF and regional organizations—the ECB, Eurostat, the Asian Development Bank (ADB), the South-East Asian Central Bank Research and Training Centre (SEACEN), the Economic Commission for Latin America and the Caribbean (ECLAC), and the Center for Latin American Monetary Studies (CEMLA)—on the SDDS initiative. A summary of the views expressed at the seminars indicates the following:

- The SDDS has served as a framework for statistical development for a number of subscribers and fostered greater cooperation among statistics producing agencies.
- Subscription has heightened awareness among compilers of international statistical concepts and definitions and, thereby, promoted greater transparency, by improving dissemination methods and procedures, and better comparability of data by the dissemination of methodologies and time series.
- The introduction of NSDP on the Internet has increased demands by data users for access to even more information and the ability to perform increasingly sophisticated search, query, and analysis functions.
- In a number of cases, subscription to the SDDS has increased the confidence of data users in the quality and integrity of statistics.
- Coordinators believed that regular meetings/seminars could be useful on a bi-annual basis to take stock of how the Standard is being implemented. Moreover, more frequent consultations between meetings, using electronic means, could be useful to discuss issues as they arise in the day-to-day operations of the SDDS.

16. In order to facilitate more frequent consultations, the staff proposes to launch an electronic discussion group, or e-room, for SDDS coordinators and Fund staff. Such an arrangement would allow coordinators to raise issues and offer suggestions on the operation of the SDDS and provide a forum for consultation on proposals to streamline the operations of the Standard and improve the serviceability of the DSBB.

C. Implementation Issues

External Debt Data Category

17. At the Third Review of the Fund's data standards' initiatives, the Executive Board took a number of decisions to strengthen the requirements of the SDDS and the GDDS with respect to external debt statistics (see Box 3). In order to aid countries in compiling data on external debt, and, thereby, facilitate their meeting the new SDDS and GDDS requirements,

the Inter-Agency Task Force on Finance Statistics (TFFS)⁶ is preparing a new guide to the compilation of external debt statistics: *External Debt Statistics: Guide for Compilers and Users (Debt Guide)*. The *Debt Guide*, which updates a 1988 inter-agency publication,⁷ will provide international statistical guidelines for the measurement and presentation of external debt data as well as advice in the analytical use of the data and the sources and methods for their compilation.

18. In early March 2001, STA posted the second draft of the *Debt Guide* on the Fund's website (<http://www.imf.org/np/sta/ed/guide.htm>).⁸ A wide range of compilers and users, covering the breadth of the Fund's membership, has been informed of its public availability, and comments were sought by early June 2001. The staff are reviewing the comments and working to finalize the *Debt Guide* well before the end of the transition period for meeting the SDDS prescription.

19. The *Debt Guide* provides a comprehensive conceptual framework that links the external debt position to the International Investment Position (IIP). In addition, the *Debt Guide* defines concepts not covered in 1993 SNA and BPM5, but relevant for debt analysis, including the compilation of a debt-service payment schedule and external debt by currency of denomination, which are elements of the SDDS data category. Also covered is external debt measured on a short-term remaining maturity basis, that is external debt falling due in one year or less, which, inter alia, is relevant for the assessment of reserve adequacy.

20. In conjunction with the work on the draft *Debt Guide*, and with funding from Japan and the assistance of other agencies represented on the TFFS, STA has been organizing a series of regional seminars (see Box 4) to raise awareness of the data dissemination standards for external debt, and ascertain the extent to which countries are progressing towards meeting the data dissemination requirements. The response to the seminars has been very positive.

⁶ The Task Force was formed in 1992 under the aegis of the UN Statistical Commission and the Administrative Committee on Coordination, Subcommittee on Statistics, and reconvened in 1998. It is chaired by the Fund, and its recent work has involved representatives from the Bank for International Settlements (BIS), the Commonwealth Secretariat, the European Central Bank (ECB), the Statistical Office of the European Communities, the Fund, the Organisation for Economic Co-operation and Development (OECD), the Paris Club Secretariat, the United Nations Conference on Trade and Development (UNCTAD), and the World Bank.

⁷ The World Bank, International Monetary Fund, Bank for International Settlements, Organisation for Economic Co-operation and Development: *External Debt, Definition, Statistical Coverage and Methodology* (1988).

⁸ The first draft, which was issued in March 2000, was primarily used as training material for the regional seminars on external debt statistics held in 2000 and 2001 (see Box 4).

Box 3: The External Debt Category for the SDDS and GDDS

At the Board's meeting in March 2000 on the Third Review of the Fund's Data Standards' initiatives, Directors approved a three-year transition period for the dissemination of quarterly external debt statistics with a one-quarter lag as a required category of the SDDS. The transition period ends on March 31, 2003 (see BUFF/00/52).

Information is to be disseminated for the external debt of the general government, the monetary authorities, the banking sector, and other sectors. Data are also to be broken down by maturity (short- and long-term) on an original maturity basis and by instrument, as set out in the *Balance of Payments Manual, Fifth Edition (BPM5)*. Directors also agreed to make the dissemination of prospective debt service schedules an encouraged category under the SDDS; these data (with the principal and interest components separately identified) are to be disseminated twice yearly with a lag of one quarter. The third element, to encourage dissemination of a domestic-foreign currency breakdown of external debt each quarter with a lag of one quarter, was also generally agreed by the Directors.

With regard to the General Data Dissemination System (GDDS), Directors approved the inclusion as a core data category of the GDDS public and publicly guaranteed external debt and the associated debt service schedule. Recommended good practice would be that the stock data, broken down by maturity, be disseminated with quarterly periodicity and timeliness of one to two quarters after the reference period. The associated debt service schedule should be disseminated twice yearly within three to six months after the reference period, and with data for four quarters and two semesters ahead. Nonguaranteed private external debt was approved as an encouraged extension of the core data category.

21. As a result of the seminars, the staff believes that there is a high level of awareness of the importance of compiling external debt data, of the data dissemination requirements, and of the need to plan ahead to improve coverage and quality. Many themes have been consistent across the regions:

- The need to strengthen inter-agency co-operation, given that the compilation of external debt data frequently involves more than one agency, for example a central bank and a ministry of finance.
- The need to strengthen the legal base to require reporting of data for statistics, particularly for the nonbank private sector.
- A general welcoming of the idea of deriving external debt data from the IIP statement, and hence making external debt compatible with the macroeconomic family of data series.
- A need to improve coverage of the nonbank private sector, of trade credit, and of investment by nonresidents in traded securities.

22. Around six to nine months after each of the seminars, STA approaches those countries that attended the seminars to determine whether further training or technical assistance is warranted.

Box 4: Regional Seminars on External Debt Statistics

STA, with the assistance of other agencies represented on the Inter-Agency Task Force on Finance Statistics (TFFS), will have conducted seven regional seminars on external debt statistics between March 2000 and October 2001.

One-week seminars were conducted at the IMF-Singapore Regional Training Institute (STI) in March 2000, the Joint Vienna Institute (JVI) in August 2000, Centro de Estudios Monetarios Latinoamericanos (CEMLA) in Mexico in March 2001, and the South African Reserve Bank College in May 2001, and planning is underway for a Middle East seminar in about October 2001. Funding for two of these five seminars has been provided by Japan under the Administered Account for Selected Fund Activities. The Australian Bureau of Statistics and the Singapore Department of Statistics collaborated in the presentation of the STI Seminar.

Short (one and one-and-a-half-day) seminars were held at Fund headquarters for the United States and Canada and at the European Central Bank (ECB) for mainly West European countries in May and June 2001, respectively.

The target audience for all seminars has been SDDS-subscribing countries, given their need to disseminate external debt data by September 2003 (see Box 5). Other countries invited to the regional seminars, dependent upon space availability, have been General Data Dissemination System (GDDS)-participating countries and other systemically-important countries in the region in which the seminar is held.

So far, 180 representatives from 69 economies have participated in the seminars. Every SDDS subscriber would have been given the opportunity to be represented at a seminar by October 2001.

There are plans to conduct two additional external debt seminars in 2002.

International Investment Position Data Category

23. At the December 1998 Board discussion on the Second Review of the SDDS, Directors approved a three-year transition period ending on December 31, 2001 for the dissemination of annual IIP data encompassing components consistent with the *BPM5* as a prescribed SDDS data category (see SM/98/263). At the Third Review of the data standards'

initiative, Directors took account of the staff's inquiries that indicated that a substantial number of subscribers would have difficulty meeting the six-month timeliness requirement and agreed to change the prescribed timeliness for the dissemination of the annual IIP under the SDDS from six months to nine months, provided that the subscriber is disseminating quarterly external debt data with a one-quarter lag.⁹

Box 5: SDDS Transition Periods

Transition periods are in place for the International Investment Position (IIP) and the external debt data categories. In addition, the Executive Board approved special transitional arrangements for countries implementing accrual accounting for fiscal data.

- For the IIP, the transition period ends on December 31, 2001. Given that IIP data are to be disseminated with annual periodicity and six months timeliness, data for the end year 2001 must be disseminated no later than June 30, 2002 (or September 30, 2002 provided the subscriber is disseminating quarterly external debt data with a one-quarter lag). In the event that IIP data are based on a fiscal year that is not the same as the calendar year, the first reference period is the fiscal year ending after June 30, 2001, and the dissemination deadline is six months (or nine months) after the end of the reference period (for example, for IIP data based on the fiscal year ending on September 30, 2001, the dissemination deadline is March 31, 2002 or June 30, 2002).
- For the external debt data category, the transition period ends on March 31, 2003. For sub-annual data categories, data are to be disseminated for the first reference period after the end of the transition period. Given that the external debt data category has quarterly periodicity and one-quarter timeliness, data for the quarter ending on June 30, 2003 must be disseminated by end-September 2003.
- For subscribers implementing accrual accounting systems for fiscal data, periodicity and timeliness will be on a best efforts basis until June 2002. During this period the staff will review subscribers' experiences and their impact on data dissemination practices with the aim of making specific recommendations, as needed, for modifications of the SDDS by the end of this period.

⁹ This means that countries that compile annual IIP data on a "calendar-year cycle," i.e., with respect to December 31 of the year concerned, must publish year 2001 data no later than June 30, 2002 if they do not disseminate quarterly external debt data with a one quarter lag, and no later than September 30, 2002 if they do disseminate the quarterly data in accordance with the SDDS prescription.

24. In early 2000, the Fund published “*Financial Derivatives: A supplement to the fifth edition of the Balance of Payments Manual*” which updates *BPM5*’s guidance on the measurement and presentation of financial derivatives in the balance of payments and IIP. The Fund encourages countries to work towards disseminating financial derivatives data on the basis of this new guidance, but recognizes that many countries are still in the early stages of developing the requisite collection systems.

25. In the GDDS, the IIP is an “encouraged extension” of the comprehensive framework for the external sector, with the balance of payments being the core framework. This reflects the view that, for countries that are aiming to improve their statistics over time, emphasis should first be placed upon producing good-quality data on the balance of payments (and on external debt data—see Box 3) before substantial resources are devoted to developing the IIP.

26. All SDDS subscribers and several GDDS participants already report IIP data to the Fund.¹⁰

- Thirty SDDS subscribers report comprehensive IIP data to the Fund. Eight of the remaining nineteen SDDS subscribers report partial IIP data. All these nineteen SDDS subscribers that do not annually report comprehensive data have indicated on the DSBB that they plan to meet the SDDS prescription for the IIP by the end of the transition period.
- Two GDDS participants report comprehensive IIP data to the Fund. Another 12 of the remaining 30 GDDS participants report partial IIP data. Thirteen GDDS participants have posted details of their plans to develop or enhance IIP data on the DSBB.

Data Template on International Reserves and Foreign Currency Liquidity

Status of Countries Disseminating Template Data

27. At the March 1999 discussion of the Second Review of the Special Data Dissemination Standard—Further Considerations (SM/99/65), the Executive Board approved the incorporation of the data template on international reserves and foreign currency liquidity into the SDDS as a prescribed component with a transition period to run through March 31, 2000. The data template calls for the comprehensive dissemination of information on international reserves and other foreign currency assets and on net predetermined and contingent foreign currency claims against these resources. The template has a one year time horizon for data on foreign currency drains broken down into sub-periods. Subscribers were to disseminate their first set of template data for end-April 2000 by no later than end-May

¹⁰ Nine SDDS nonsubscribers/GDDS nonparticipants report comprehensive IIP data to the Fund. Another 14 SDDS nonsubscribers/GDDS nonparticipants report partial IIP data.

2000. Most countries began to disseminate their template data over their national websites by this date. Currently, all SDDS subscribers are disseminating template data over their national websites. There are outstanding coverage issues for India and Turkey which have not yet been resolved. Similar issues arose for other subscribers and were resolved through staff assistance (see Appendix II).

28. The staff has provided technical assistance from headquarters on the template to almost all SDDS subscribers, and there has been a steady improvement in template data since the end of the transition period, particularly in terms of classification and coverage, and notwithstanding the cases noted above. The use of the sample form (Appendix II of the *Operational Guidelines*),¹¹ which was approved by Directors during the Third Review of the Fund's data standards' initiative as the format for disseminating template data, has facilitated the provision of comparable and comprehensive information. Countries have also been encouraged to provide country specific notes to accompany their templates to assist users in interpreting the data.

29. It is clear from the staff's work with subscribing countries that it is difficult from the remove of headquarters always to gain a comprehensive understanding of the quality of template data. Field visits have proven to be more effective in this regard and in providing guidance on the completion of the template. The staff will endeavor to combine field reviews of template data with other technical assistance work. In addition, it is envisaged that area departments take advantage of Article IV and program discussion missions and their contacts in member countries to review countries' template data.¹² Notwithstanding these efforts it is possible that issues on the coverage of the reserves template could arise for some subscribers in the future.

Redissemination of Template Data Over the Fund's Website

30. At the time of the Third Review, Directors supported the staff's proposal to establish a common database for country data on international reserves and foreign currency liquidity and to re-disseminate it over the Fund's website (<http://www.imf.org/external/np/sta/ir/index.htm>) (see BUFF/00/52). Directors approved the use of the sample form as the means of transmitting the data to the Fund and as the format for

¹¹ IMF Statistics Department: *Data Template on International Reserves and Foreign Currency Liquidity: Operational Guidelines* (provisional, October, 1999).

¹² The Executive Board adopted the template on reserves and foreign currency liquidity as the benchmark for provision of these data to the Fund (see SM/00/113 and PIN 00/59 on Data Provision to the Fund for Surveillance Purposes). In this context, benchmarks encompass specific provisions relating not only to periodicity and timeliness but also to issues such as valuation and coverage, drawing on methodological work undertaken in the context of the SDDS and the GDDS.

the redissemination of the data. Directors agreed that participation in the Fund-maintained database would be voluntary. The database became operational in October 2000 and as of July 17, 2001, 42 of the 49 SDDS subscribers and one nonsubscriber (New Zealand) are participating in this exercise (see Appendix II). The presentation of country template data in a common format and in a common currency (the U.S. dollar) facilitates transparency and comparability.

Periodicity and Timeliness

31. At the Third Review, Directors considered whether the current prescriptions for periodicity and timeliness (template data are to be disseminated with monthly periodicity and with a lag of no more than one month) should be strengthened.¹³ Most Directors considered that the existing prescriptions for periodicity and timeliness should be retained until countries had gained experience with the new data template system. A few Directors encouraged early adoption of weekly periodicity and timeliness, noting that more frequent and timely dissemination of template data was critical for detecting vulnerability at an early stage. Directors agreed to return to this issue at the time of the Fourth Review.

32. The staff appreciates the importance of frequent and timely template data in detecting early signs of vulnerability, as well as the attention market participants give to this. Nevertheless, the staff is conscious of the substantial effort that subscribers have made to meet the current prescriptions of monthly periodicity and timeliness. This effort is reflected in the fact that subscribers are currently meeting these prescriptions and that major improvements have been made in coverage and quality of the data. The staff regards this outcome as a significant achievement.

33. It is also clear that while weekly periodicity with weekly timeliness are encouraged categories for the dissemination of template data, only one country (the United States) has chosen to provide template data on this basis. A few subscribers (Canada, Colombia, Czech Republic, Germany, and the United Kingdom) disseminate data with monthly periodicity within one week of the end of the month. In addition, thirteen subscribers are disseminating data for the international reserves data category that are consistent with Section IA of the reserves template (official reserve assets) with higher than the prescribed monthly periodicity.¹⁴ The absence of the widespread provision of higher frequency and timeliness of template data suggests that subscribers are unable or reluctant at this time to meet the more demanding standard.

¹³ The separate data category on gross international reserves is to be disseminated with monthly periodicity and with a lag of no more than a week.

¹⁴ Twice a month for Chile and Korea; weekly for Canada, Croatia, Mexico, Slovak Republic, Sweden, Thailand, Turkey, and the United States; and daily for Brazil, Colombia and Peru.

34. In view of the above, the staff is of the view that a period of consolidation would be appropriate before recommending the adoption of weekly periodicity and timeliness as prescribed categories. The staff would continue to consult with member countries to help improve the quality and coverage of template data and to encourage the provision of these data on a weekly basis with weekly timeliness. The staff will report to the Executive Board on the results of these consultations and raise again the issue of weekly periodicity and timeliness at the next Board discussion on data provision to the Fund for surveillance around February 2002.

Operational Guidelines for the Data Template on International Reserves and Foreign Currency Liquidity

35. The staff issued provisional operational guidelines on the template in October 1999 to assist subscribing countries in providing the information required by the template. The provisional nature of the guidelines allowed the staff to reflect any comments and suggestions from member countries before issuing a final version. The guidelines have now been finalized and will be published shortly. Directors will be provided with an advance copy for information. They have undergone some minor revision to reflect technical issues raised by countries in using the guidelines.

III. THE GDDS

A. Participation in the GDDS

36. The target for expanding participation in the GDDS that was set at the time of the Third Review has been met—as of July 2001, 32 member countries were participating in the GDDS and had their metadata posted on the DSBB (see Appendix III). This target was set with a view to bringing countries that are likely to pursue participation in the GDDS within the system over a period of no more than five years. As of July 2001, metadata for an additional ten member countries (Benin, Burkina Faso, Guinea Bissau, Jamaica, Mali, Niger, Paraguay, Senegal, Togo and Vietnam) were being finalized by the authorities, in collaboration with Fund and World Bank staff, for posting on the DSBB. Of these 42 countries, 13 are from Africa, 12 from the Western Hemisphere, 10 from Asia, 4 from Europe, and 3 from the Middle East. Also, at the end of June 2001, 78 member countries had designated GDDS coordinators, who act as interlocutors with Fund staff on issues relating to participation and implementation of the GDDS.

37. In order to provide focus to the GDDS initiative, a GDDS Unit was established in the Statistics Department in May 2000. With a view to promoting synergies between technical assistance provided by STA and the GDDS initiative, seminars and workshops, as well as assistance in preparing GDDS metadata have been included in technical assistance missions as appropriate. In addition, to improve efficiency, to accelerate the rate of participation, and to improve coherence in metadata among members of monetary unions, regional seminars

38. have been held—one for the members of the Eastern Caribbean Central Bank (ECCB), and one for the members of the West African Economic and Monetary Union (WAEMU). These efforts have been generously supported through the Administered Account for Selected Fund Activities–Japan (JSA).

39. On May 22, 2000, a GDDS site was inaugurated on the DSBB. The site was patterned on the SDDS site, but with some differences to underscore the different characteristics of the GDDS, in particular its emphasis on socio-demographic data and its focus on plans for improvement of the statistical system.

40. The staff intends to continue providing assistance to member countries interested in the GDDS to permit an expansion of GDDS participation at the current pace and working with countries that have adopted the GDDS to fulfill the action plans specified in the GDDS metadata. Staff assistance will continue to include regional approaches to metadata preparation in the field and the integration of GDDS work with STA technical assistance. In addition to continuing financial support from Japan, the staff is exploring financial arrangements with other bilateral donors.

B. Implementation Issues

41. Following the decision of the Executive Board in March 2000 to upgrade specific components of external debt and debt service guidelines within the GDDS, the revised standard was posted on the DSBB, and a revised version of the Basic Document of the GDDS reflecting the Secretary's understanding of the amendments was issued.¹⁵ A description of the revised standard and prompt points to assist with the compilation of the appropriate metadata were drafted for inclusion in the revised *GDDS Guide* (see below).

42. When the GDDS was established, it did not provide specific guidance for the socio-demographic data categories—population, education, health, and poverty. STA has collaborated with staff of the World Bank and other interested international agencies with a view to articulating the socio-demographic component of the GDDS.¹⁶ The results are summarized in Appendix IV.

¹⁵ Amendments to the Special Data Dissemination Standard and the General Data Dissemination System (SM/00/195, August 21, 2000).

¹⁶ The GDDS makes no specific recommendations concerning which indicators should be compiled or reported by participating countries under each of the four socio-demographic data categories, and GDDS participants are encouraged to meet their own national needs based on good statistical practices. Nonetheless, guidance is provided for some important basic socio-demographic components, including information on inputs of resources (financial as well as human) into the social area, as it may provide a useful link to public expenditure policies. This feature is particularly appropriate for the GDDS as it is meant to provide a

(continued)

43. *The Guide to the Data Dissemination Standard—Module 2; the General Data Dissemination System—Preliminary Draft*, is being revised to be issued as the *Guide to the General Data Dissemination System (GDDS Guide)*. The purposes of the revision are (a) to make the *GDDS Guide* a more user-friendly tool for countries interested in participation; (b) to reflect enhancements that were made to the GDDS with respect to the external debt data category; and (c) to provide guidance on the socio-demographic data categories. When work on the *GDDS Guide* is finished, it will be circulated to member countries that do not subscribe to the SDDS.

44. Participating countries are expected to update their metadata whenever significant changes occur in their statistical practices and at least once every year. A first round of annual updates of the metadata has been initiated for the group of countries whose metadata were first posted on the DSBB, namely at the end of May 2000. This exercise should yield insights on progress by countries as they work toward meeting the statistical standards promoted under the GDDS.

IV. EVOLUTION AND ADAPTATION OF THE DATA STANDARDS

A. Data Standards, Data Quality, and the Report on Observance of Standards and Codes (ROSC)

Methodology to Assess Data Quality

45. In a series of discussions beginning in 1995 that examined data provision to the Fund, the Executive Board noted that it was imperative for the IMF, as well as for member countries, to improve the quality of the data used in policy analysis. On the occasion of the Third Review of the Fund's Data Standards' Initiatives in March 2000, and again in June of that year during the discussion on Data Provision to the Fund for Surveillance Purposes, the Executive Board addressed data quality more specifically, welcoming the staff's efforts to develop a framework that would allow users and compilers to make their own data quality assessments (see Summings Up BUFF/00/52 and BUFF/00/93).

46. Early work by STA on an approach to assessing data quality began in 1997, with the development of a framework that was based on five broad areas that were considered

comprehensive framework spanning a broad range of interrelated policy areas, both in the social and economic spheres. Following the general GDDS framework, guidance is also provided on the timeliness and frequency with which basic socio-demographic components could be disseminated. The upcoming revision of the *GDDS Guide* will, for the first time, include specific guidance on the socio-demographic data categories.

relevant to an assessment of data quality across a wide range of uses and users.¹⁷ Building on this earlier work, STA has developed the Data Quality Assessment Framework (DQAF) (a detailed description of the development, characteristics, and uses of the DQAF is provided in a supplement to this paper). The DQAF is a methodology for assessing data quality that brings together best practices and internationally accepted concepts and definitions in statistics, including those of the United Nations *Fundamental Principles of Official Statistics*, the SDDS, and the GDDS. It is the product of an intensive, iterative process of consultation with experts from national statistical offices and international organizations, Fund staff, and data users outside the Fund.¹⁸ The DQAF is organized in a cascading structure that progresses from the general to the more concrete and specific. The general level defines five dimensions of quality—integrity, methodological soundness, accuracy and reliability, serviceability, and accessibility—and a section of institutional prerequisites. For each of these five dimensions, the framework identifies pointers that can be used in assessing quality. Further details of the DQAF are provided in the accompanying background paper.

47. The DQAF was developed as an assessment methodology that aims to provide structure and a common language for the assessment of data quality.¹⁹ The DQAF incorporates a comprehensive view of data quality that recognizes interrelations, including tradeoffs, among dimensions of quality and allows emphases to vary across data categories and uses/users. It facilitates dialogue with national statistical agencies and country authorities more generally.

48. Three main areas were envisioned in which such an assessment methodology provided by the DQAF could be helpful. First, the DQAF could help guide data users—both in the private and the public sectors—in gauging data quality for their own purposes. In this

¹⁷ For details see: Provision of Information to the Fund for Surveillance—Progress Report SM/97/269, (11/10/97), page 16.

¹⁸ These consultations included the Meeting of National Accounts Experts (6/00), Heads of National Statistical Offices of the East Asian Countries (8/00), the European Central Bank Working Group on Money and Banking Statistics (9/00), the Meeting of the Technical Expert Group on the Producer Price Index and the Voorburg Group on Service Statistics (9/00), the ECB Statistics Committee (10/00), the IMF Committee on Balance of Payments Statistics (10/00), the IMF-Korea Statistical Quality Seminar 2000 (12/00), the Government Finance Statistics Expert Group Meeting (2/01), the International Conference on the Quality of Official Statistics (5/01), and the OECD-Singapore Meeting on the Consumer Price Index (6/01).

¹⁹ To date, the suite consists of a generic data quality assessment framework, dataset-specific frameworks, a preview framework that was designed mainly for nonstatisticians, and a summary assessment tool; work is well along on an array of supporting materials, including a glossary, guidance notes, and a guide to the assessment methodology.

sense, it could serve as a useful complement to the quality dimensions included in the SDDS and the GDDS. Second, the DQAF could be useful in guiding IMF staff in assessing the quality of data provided for country surveillance and operations, in preparing ROSCs, and designing programs of technical assistance. Third, the DQAF could be useful to guide countries' efforts to strengthen their statistical systems by providing a self-assessment tool and to identify areas for improvement in which donor support might be sought.

49. To date, in addition to its role in the ROSC (see below), application of the DQAF methodology by IMF staff on an experimental basis has proved effective across a range of technical assistance applications in statistics. It has been used as a diagnostic tool to identify areas for statistical capacity building in the context of both technical assistance missions and missions aimed at assisting countries to participate in the GDDS.

Relationship Between the Data Dissemination Standards and the Methodology for Assessing Data Quality

50. As mentioned earlier, the assessment methodology provided by the DQAF encompasses all of the dimensions covered in the SDDS and the GDDS and complements them in a number of respects. It is worth recalling that the SDDS and the GDDS were established, respectively, as a standard to guide countries in the provision of data to the public (dissemination), and as a system to guide dissemination and to promote statistical capacity building. In the area of quality, the SDDS and the GDDS call upon subscribers and participants, respectively, to provide a range of information to data users that could serve as monitorable proxies for the quality of the data disseminated. The DQAF takes a more structured approach by providing users with a methodology, based on directly observable features of quality, for systematically considering what best practices would call for to assure quality in the collection, production, and dissemination of data.

Evolution of the ROSC Data Module

Role of SDDS/GDDS in the ROSC

51. From the inception of the ROSC initiative, the SDDS and the GDDS were used as the Standard for the data module of the ROSC. For countries that have subscribed to, or are close to meeting the requirements for subscription, the SDDS serves as the standard against which the country's data dissemination practices are compared. In the case of others that have agreed to the preparation of the data module for the ROSC, the recommendations of the GDDS are used to guide this part of the assessment. To date 14 data modules have been prepared, of which 12 have been posted on the Fund's website (see Table 3).

Table 3: Reports on Observance of Standards and Codes (ROSCs) - Data Modules

Data Modules		
Prepared	Mission Dates	Disseminated on Fund Website
Albania	12/1/99-12/14/99	May 2000
Argentina	No	April 1999
Australia 1/	No	April 1999
Bangladesh	No	No
Bulgaria	No	March 2000
Cameroon	4/4/00-4/21/00	June 2001
Chile	3/28/01-4/11/01	
Czech Republic	No	June 2000
Hong Kong, SAR	No	August 1999
Hungary	1/22/01-1/30/01	May 2001
Mongolia	5/4/00-5/17/00	May 2001
Russia	No	No
Tunisia	5/13/99-5/18/99	September 1999
Uganda	No	August 1999
United Kingdom	No	March 1999
In Progress as of June 15		
Armenia	8/30/00-9/11/00	
Costa Rica	7/6/01-7/19/01	
Estonia	5/10/01-5/18/01	
France 1/	No	
Korea	4/11/01-4/26/01	
Mauritius	7/18/01-7/31/01	
Romania	11/7/00-11/22/00	
South Africa	5/9/01-5/18/01	
Sri Lanka	6/7/01-6/22/01	
Sweden	5/11/01-5/28/01	
Uruguay	11/9/99-11/24/99	

1/ Self-assessment exercise.

Limitations of the Disclosure Standards in Assessing Data Quality; Role of DQAF

52. The early ROSCs focused on the disclosure elements of the international standard – that is, the requirements to make information available to the public. However, experience showed that the reports would be more useful if they also addressed the quality of the information provided. In this connection, in March 1999 the Executive Board concluded that “monitoring needed to go beyond the disclosure elements (of a standard) for the information to be useful. There was a need to have an understanding of the basis or definition on which the information was compiled and this should also be complemented by an understanding of

what mechanisms are in place to ensure the quality of the information being released.”²⁰ Initially the need to focus on the quality of data was addressed on an experimental basis by using a framework based on five broad areas (see above). Since the beginning of 2001, this need has been addressed on an experimental basis by integrating the methodology of the DQAF into the structure of the ROSC. As noted above, the DQAF was designed as an assessment methodology that could be used by a variety of data users for a variety of purposes. Its use within the ROSC context is only one of a range of possible uses.

Structure of the Revised ROSC

53. The revised structure of the ROSC that has been applied on an experimental basis assesses both the disclosure element of the standard as well as the quality of the information provided to the public in the key datasets that form the core of a country’s macroeconomic analysis. The assessment of the disclosure element is conducted through a comparison of national data dissemination practices with those set out in the SDDS/GDDS. With respect to the quality element, the DQAF methodology helps to identify and draw out best practices not only in dissemination, but also in data collection and compilation as well. The information gathered by the staff into dataset-specific assessment frameworks²¹ provides the basis for a summary-level presentation of the data quality assessment. Application of the DQAF methodology helps identify those areas where further efforts are required of the country to reach international ‘best practices’.

54. Beginning early 2001 the DQAF has been used, on an experimental basis, as an assessment tool in the data modules of the ROSC.²² The use of the DQAF has been well received by the authorities in the participating countries; in particular it has proved to be an effective assessment tool, often confirming the authorities’ own assessments of data

²⁰ See Summing Up by the Acting Chairman, *International Standards and Fund Surveillance—Further Issues* (SUR/99/42).

²¹ To date six dataset-specific frameworks have been developed for, respectively, the national accounts, balance of payments, analytical accounts of central bank and depository corporations, fiscal accounts, producer prices, and consumer prices. The development of additional dataset-specific frameworks is planned.

²² The methodology has been applied in the data modules of the ROSC to complement SDDS assessments in six SDDS countries—Chile (SM/01/222), Estonia, Hungary (SM/01/142), the Republic of Korea, South Africa, and Sweden—and in two countries working toward SDDS subscription—Sri Lanka and Costa Rica. The methodology is being applied to complement a GDDS assessment for the first time—for Mauritius—in July. It is expected to apply the methodology—including a DQAF for the socio-demographic element of the GDDS, being developed by the World Bank—for Senegal in September 2001.

55. weaknesses, and it has provided useful insights into how best to align current practices with international best practices.

56. **The staff are seeking the Executive Board's approval for the integration of the DQAF into the revised structure of the data module of the ROSC and to change its name from the Data Dissemination to the Data ROSC module.** Although further work needs to be undertaken to refine some of the dataset-specific frameworks and to develop frameworks for additional data categories of the SDDS and the GDDS, the overall methodology is now sufficiently developed and secure to be set firmly within the data ROSC process. In addition, in order to give a more transparent picture as to what is involved in the exercise, the staff proposes to incorporate this work within an overall Data Quality Assessment Program (DQAP). The program would eventually extend beyond standard assessment to encompass support for technical assistance and surveillance through the application of the DQAF to assess data quality.

57. The preparation of the data module of the ROSC using the DQAF is resource intensive, requiring a multiperson mission including preparation and follow up at Headquarters. Resource issues concerning the preparation of ROSCs were addressed by the Executive Board at the meeting on January 29, 2001 to discuss *Assessing the Implementation of Standards—A Review of Experience and Next Steps* (see Summing Up by the Acting Chairman, SUR/01/13 (2/9/01)). Given present resources and the reprioritization of work within STA to give the highest priority to work on standards and codes, STA expects to be able to undertake about 15 ROSCs this fiscal year.

B. Collaboration with Other International Organizations

58. The SDDS has had an impact on the data dissemination practices of other international organizations. Fund staff working in collaboration with the staff of the ECB and Eurostat have sought to leverage the advantages of using the standard format for the dissemination of SDDS metadata on the Internet to enable these organizations to disseminate their metadata in a readily recognizable format. The DSBB provides easy access to the data and metadata disseminated by these organizations; this information is a valuable adjunct to the information made available by SDDS subscribers on the DSBB. This uniformity in content and presentation of metadata on the Internet is enabling data users worldwide to gain access to information on statistics from multiple sites in a readily recognizable and comparable format.

59. This coordination and collaboration have reached an advanced stage with the ECB, owing largely to the earlier work undertaken with ECB staff to reconcile data dissemination practices under the European Economic and Monetary Union (EMU) with the requirements of the SDDS. As a result, access to both actual data and metadata in SDDS format, including advance release calendars, for several data categories disseminated by the ECB, including the

reserves template, is available through the DSBB.²³ In addition, Eurostat has been developing metadata in SDDS format for its Euro Indicators and links between the DSBB and the Euro Indicators website have been established.²⁴

60. Collaboration with other international organizations regarding the GDDS has intensified considerably in the past year. Staff of the World Bank have taken a lead role in drafting guidelines for the socio-demographic data categories, in consultation with other agencies, mainly from the UN system. World Bank staff also contributed staff resources to a number of GDDS missions and workshops, and provided additional backstopping from headquarters for staff or experts assisting authorities with the preparation of socio-demographic metadata in the field. In addition, AFRISTAT provided valuable logistical and expert support for the regional GDDS workshop that was organized in April 2001 for member countries of the WAEMU.

C. Role of Technology in Enhancing the DSBB

61. Building upon the acceptance of the SDDS format among other international/regional organizations for the dissemination of metadata on the Internet, the IMF, in collaboration with the BIS, ECB, Eurostat, OECD, and the UN, has formed a task force to explore strategies and methodologies that employ state-of-the-art technology for the distribution and exchange of statistical data and metadata on the Internet. This task force on Statistical Data and Metadata Exchange (StatDMX) aims to develop an open exchange system that would permit the transmission and exchange of statistical information on the Internet irrespective of the software and hardware configurations of individual users. This system would benefit data providers by greatly easing reporting burdens as information available on the Internet could be accessed and reconfigured by an organization to suit its reporting requirements. Such a system also would be of great value to data users by allowing them to access, analyze, and reconfigure the information on multiple websites for their own use. Although the work of the task force is at an early stage, plans are under way to extend participation in the task force to interested national statistical agencies and other interested parties. A workshop has been scheduled for early-September at IMF Headquarters.

²³ Access to data and metadata is available for the following: (a) for the financial sector: Euro area banking sector, Eurosystem: ECB and National Central Banks of the Participating Member States, and Euro area interest rates and (b) for the external sector: Euro area balance of payments, Euro area international reserves and foreign currency liquidity, Euro area international investment position, and Euro area exchange rates.

²⁴ Access to metadata is available for the following: (a) national accounts; industry, commerce, services and energy; monetary and financial indicators; merchandise trade and balance of payments covering the euro-zone and the European Union (EU-15) as a whole as well as for each member state separately, if available, and (b) consumer prices; labor market; business and consumer surveys covering the European Union (EU-15) as a whole.

D. Future Developments

Macprudential Indicators (MPIs)

62. Following the January 2000 Executive Board Meeting on MPIs, a joint STA/MAE Survey on the use, compilation, and dissemination of MPIs was conducted during mid-2000 among member countries. The response to the survey by subscribers to the SDDS was strong, with 47 out of the 49 subscribers responding.²⁵ The survey results revealed that the pattern of MPI compilation and dissemination by SDDS subscribers is similar to the global pattern— compilation and dissemination of MPIs are generally very limited, but components needed to construct many of the MPIs are more widely available. The MPI compilation and dissemination practices of the 47 SDDS subscribers responding to the survey are shown in Appendix V.

63. Also, at the January 2000 Executive Board discussion of Macprudential Indicators (MPIs) and Data Dissemination (see BUFF/00/7), Directors supported the continued work of the Fund with other interested international organizations in further identifying a set of MPIs while recognizing that their inclusion in the SDDS was premature at that stage.

64. Concerning the use of the SDDS to encourage the dissemination of MPIs, the advantages are that it would (a) provide a mechanism for encouraging national compilation and dissemination of macroprudential information, (b) facilitate standardized presentation of MPIs across countries, and (c) facilitate preparation of metadata which is important for cross-country comparability of MPIs that are based on unharmonized accounting standards. Nevertheless, staff believe that it is premature to include MPIs in the SDDS at this stage because (a) best practices are not yet established and guidelines and precise definitions for the compilation of MPIs do not exist, (b) the appropriate presentation of MPIs (for example, point estimates, measures of dispersion, etc.) requires additional work, and (c) while many of the components needed to compile MPIs are collected by SDDS subscribers, some components, including those needed to compile some MPIs in the core set, are not widely available and would require extension of statistical programs by a significant number of SDDS subscribers. In addition, standardized tables are being prepared for the Financial System Stability Assessments (FSSAs).

65. At the June 2001 Executive Board discussion of MPIs, nearly all Directors concurred with staff proposals for a core and encouraged set of MPIs and agreed that compilation and use of MPIs, with a focus on the core set, paves the way for significantly strengthening Fund surveillance of financial sectors. They supported the systematic compilation of macroprudential data both in the context of the FSAP and in those Article IV consultations

²⁵ A total of 122 responses to the survey, covering 142 countries and other jurisdictions, were received; for details please refer to the Background Paper on the Results of the Survey on the use, compilation, and dissemination of Macprudential Indicators (SM/01/159).

where warranted. While some Directors supported the principle of including MPIs in the SDDS framework, most Directors considered such a decision to be premature in view of the still substantial limitations on the availability, methodological soundness, and international comparability of the underlying data. Thus, Directors endorsed the work program to undertake research on further refining the core and encouraged sets of MPIs, including the preparation of a *Compilation Guide* to assist compilers as well as official and private users of MPIs. The *Guide* would define concepts, identify data sources, document areas where international standards and best practices exist, address issues relating to the consolidation and aggregation of MPIs, and promote cross-country comparability of MPIs. Thus, the *Guide* would provide a frame of reference for discussing the inclusion of MPIs in the SDDS.

66. Depending on progress in preparing the *Compilation Guide on Macroeconomic Indicators* and on progress in the theoretical and empirical work in measuring, analyzing, and presenting MPIs, the staff envisage to report to the Executive Board on specific options during the Fifth Review, proposed for 2003.

Inflation Targeting: Statistical Implications

67. Another potential area for adapting the SDDS to meet changing economic policy circumstances is related to inflation targeting. The inflation-targeting framework emphasizes accountability of policy makers, transparency of goals and supporting data, and use of a variety of indicators for conducting monetary policy. It is notable that of the 49 SDDS subscribers, 12 (Australia, Brazil, Canada, Chile, the Czech Republic, Iceland, Israel, Norway, Poland, South Africa, Sweden, and the United Kingdom) have formally adopted an inflation targeting regime.²⁶ Some other SDDS countries are also moving in this direction. A preliminary review of practices currently being adopted by inflation targeting countries suggests that a range of indicators are employed; some are already included in the SDDS, but others, including market-based indicators, are not. On the other hand, some subscribers believe that there is little benefit in collecting certain SDDS elements for countries with inflation targeting regimes.

68. The staff are planning to hold a seminar on the statistical implications of inflation targeting in the prelude to the 2001 Annual Meetings. The conference will look at the various indicators that policymakers employ to monitor inflation as well as at a number of related statistical issues. It is envisaged that the results of the seminar will provide useful information to guide national authorities in this area, and lead to possible future adaptation of the SDDS to changing policy needs. The staff will inform the Executive Board of developments that may have an impact on the data standards in the future.

²⁶ See also the IMF operational paper “*Adopting Inflation Targeting—Practical Issues for Emerging Market Countries.*”

Impact of New Manuals

69. In addition to adapting the SDDS and GDDS to changing circumstances, it is also important to update the Standard to take into account the latest developments in statistical methodology. The Fund's publication of the *Monetary and Financial Statistics Manual (MFSM)* in 2000 and the forthcoming *2001 Government Finance Statistics Manual (2001 GFSM)* are two recent instances that impact the Standard.

70. The SDDS-prescribed data categories for monetary statistics were articulated in 1996. During 1997-2000, STA, in close collaboration with statisticians in a number of countries, developed the first set of internationally accepted standards for the compilation and presentation of monetary and financial statistics. In October 2000, the IMF published these in the form of the *MFSM*. Few substantive differences exist between the SDDS data categories and the *MSFM*, with the main differences relating to terminology (for instance the term "banks" is generally superseded by "depository corporations"). Staff propose to harmonize SDDS and GDDS terminology with the terminology used in the *MFSM* after the introduction of revised country pages in *International Financial Statistics (IFS)* based on the *MFSM*'s presentational framework. Staff will shortly propose, for Board approval, modifications to the SDDS and GDDS basic documents to reflect the terminology used in the *MFSM*.

71. The SDDS specifications drawn up in 1996 were based on the *A Manual on Government Finance Statistics*, 1986. The *2001 GFSM*, which was developed by the Fund in close collaboration with statisticians in a number of countries, provides an updated conceptual framework for fiscal data. Fundamental to the new methodology is the use of accrual- rather than cash-based-accounting. Some countries have begun to implement accrual accounting and have represented that the SDDS specifications for timeliness and/or periodicity are unsuitable for the greater complexity involved in accrual accounts.

72. In its last review, the Board concurred with the adoption of a special transitional arrangements for countries that have initiated implementation of GFS based on accrual accounting (Buff/00/43; 3/28/2000).²⁷ Specifically, for existing as well as new subscribers to the SDDS that are implementing accrual based accounting systems, the periodicity and timeliness of fiscal data would be on a best efforts basis for the period until the end of June 2002. During this period the staff will continue to review countries' experience in

²⁷ The widespread introduction of accrual accounting for fiscal data and its potential impact on the SDDS should be seen in the light of experience with the IIP, which was introduced with *BPM5*. Initially, the IIP was included as a prescribed data category under the SDDS but without a fixed transition period. After subscribers had gained some experience in compiling and disseminating IIP data, the Executive Board, as part of the Second Review of the SDDS, established a three-year transition period for disseminating IIP data. The Board concurred that a similar approach be adopted for accrual accounting of fiscal data.

implementing accrual accounting systems with the aim of making specific recommendations, as needed, for modifications of the SDDS by the end of this period. Also, subscribers making use of this provision would be expected to indicate in their metadata the actions they are taking to introduce accrual-based accounting in the fiscal sector and its impact on data dissemination practices.

Next Review

73. In establishing the SDDS, Directors emphasized that it should be implemented flexibly to meet new challenges and changing circumstances and called for reviews of the SDDS to provide opportunities to make needed changes. Such reviews have proved timely; on the occasion of the Second Review in December 1998, and concluded in March 1999, Directors strengthened the SDDS to improve transparency in international financial markets through the introduction of the template on international reserves and foreign currency liquidity and approved the introduction of a new external debt data category. At the Third Review in March 2000 Directors established a three-year transition period for the new external debt data category and approved staff monitoring of the Standard.

74. In light of the above, and in consideration that the transition period for the new external debt data category ends in March 2003, the staff believes that the next review of the data standards' initiative should take place in about two years, in the second half of 2003. Such timing would permit the staff to report on the implementation of the external debt data category, as well as on that of the IIP, and the somewhat longer period between reviews would allow subscribers more time to consolidate their efforts aimed at strengthening their data dissemination systems. The staff would continue to report to the Board, as needed, on critical observance issues and, as necessary, the Board could address any further strengthening of the Standard that may be necessary owing to unforeseen circumstances.

V. ISSUES FOR DISCUSSION

A. Concerning Nonobservance of the SDDS

75. Management and staff have engaged in consultations with those subscribers not in observance of the Standard according to the procedures agreed by the Executive Board. These consultations resulted in subscribers committing themselves to a schedule for coming into observance with the SDDS; in several cases, such subscribers are now in observance.

76. The procedures earlier agreed by the Executive Board provide for posting a notice on the DSBB indicating when a subscriber is not in observance of the SDDS and, ultimately removing a subscriber's metadata from the DSBB. The staff believes at this time that placing a notice on the DSBB indicating that a subscriber is not in observance of the Standard, and in what way it is not in observance, and setting forth a reasonable time frame for coming into observance, constitutes sufficient action while maintaining the credibility of the SDDS.

Removal of a subscriber's metadata from the DSBB would be counter to the Fund's objective of promoting greater transparency but could be necessary should the subscribers fail to come into observance as envisaged.

Do Executive Directors agree with this approach?

B. Concerning User Feedback on the Fund's Data Standards Initiatives

77. There has been a growing interest in the SDDS among users since the Third Review as evidenced by a sharp increase in usage of the DSBB as well as users' response to outreach activities. The staff believes that user feedback could play an important role in the development and implementation of the Fund's Data Standards and, therefore, intends to strengthen efforts in this regard through seminars, leveraging, when possible, the opportunities afforded by ROSC missions. The staff also will utilize its database of registered users of the DSBB to solicit feedback through Internet surveys.

Do Directors agree with this approach?

C. Concerning the Template on International Reserves and Foreign Currency Liquidity

78. At the Third Review the Executive Board decided that the prescriptions for monthly periodicity and monthly timeliness of the reserves template should be retained until subscribers had gained experience with the template system. A few Directors, however, encouraged the early adoption of weekly periodicity and weekly timeliness. The staff appreciates the importance of frequent and timely template data in detecting early signs of vulnerability. Nevertheless, many subscribers at this time would have difficulty in meeting a prescription for weekly periodicity and timeliness, especially for Sections II, III, and IV of the template.

Do Directors agree, therefore, that the current prescriptions for monthly periodicity and monthly timeliness of the template data should be retained, while weekly periodicity and timeliness would continue to be strongly encouraged? Do Directors agree that the staff should consult with countries on this issue and that this issue will be revisited at the time of the next discussion on data provision to the Fund for surveillance around February 2002?

D. Concerning the Data Quality Assessment Framework and the Revised Structure of the ROSC

79. In response to the needs of data users and the concerns expressed by the Fund's Executive Board on the need to improve the quality of data used in policy analysis, the staff, in consultation with experts from national statistical offices and international organizations, has developed an assessment methodology, called the Data Quality Assessment Framework (DQAF). The DQAF provides structure and a common language for the assessment of data quality. The DQAF draws upon best practice and internationally accepted concepts and definitions; it identifies five dimensions of data quality and provides pointers that can be used

to assess how a country meets best practices in this area. The DQAF is intended to be used by a broad range of data users and for a variety of purposes, including to provide guidance to IMF staff in assessing the quality of data provided for country surveillance and operations, in preparing ROSCs, and designing programs of technical assistance.

80. Beginning early this year the DQAF has been used on an experimental basis as a methodology to assess data quality in the data module of ROSCs. The results of this exercise have been well received by the authorities, in particular, with respect to its effectiveness as a diagnostic tool to identify data weaknesses.

Do Executive Directors agree that the DQAF methodology should be integrated into the structure of the data dissemination module of the ROSC on a regular basis and that the module should be renamed the “data module”?

Do Executive Directors agree with the staff’s proposal to apply the DQAF within a broader context to support not only standard assessment but surveillance and technical assistance through a Data Quality Assessment Program (DQAP)?

E. Concerning the Timing of the Next Review of the Fund’s Data Standards’ Initiatives Including the Review of MPIs in the SDDS

81. The transition period for the new external debt data category ends in March 2003. In this light, the staff proposes that the next review of the Fund’s Data Standards take place in the second half of 2003 so the Executive Board can review the implementation of the new external debt data category and consider, as needed, any further actions to strengthen the Standard or otherwise adapt the Standard to changing circumstances. The staff could bring proposals for strengthening the Standard to the Executive Board in the interim if circumstances warranted.

82. Staff propose that the next Board discussion on including MPIs in the SDDS also take place in the second half of 2003. By this time, staff will have reported to the Board on progress in implementing the MPI work program scheduled for end-2002, and will have substantially completed the main elements of the *Compilation Guide*. Outreach and consultation on the draft *Compilation Guide* with member countries, users, and international standard setting bodies will be conducted during the first half of 2003 with the aim of issuing the first version of the *Compilation Guide* shortly thereafter.

Do Executive Directors agree with the proposed timing of the second half of 2003 for the next review of the Fund’s Data Standards’ Initiatives?

Do Executive Directors agree with the proposed timing of the second half of 2003 for revisiting the inclusion of MPIs in the SDDS?

EXECUTIVE BOARD DISCUSSIONS ON THE FUND'S DATA STANDARDS' INITIATIVES AND RELATED TOPICS: KEY CONCLUSIONS

First Review of the SDDS (December 1997) (BUFF/97/27)

- Endorsed proposed procedures for modifying the SDDS.
- Agreed that consideration be given to modifying the international reserves data category.
- Decided that a timetable for implementing the IIP be agreed upon at the second review.
- Agreed with preliminary proposals for dealing with nonobservance after the end of the transition period. Agreed that a refined proposal be discussed at second review.
- Decided that the DSBB remain free to users.
- Established the GDDS.

Data Availability, Dissemination, and Provision to the Fund (September 1998) (EBM/98/93)

- Asked staff to develop data template and guidelines on international reserves.
- Endorsed inclusion of data on short-term foreign currency debt of central government, with same periodicity and timeliness as international reserves.
- Agreed to aim for weekly data on reserves with one-week lag.
- Agreed that hyperlinks should be prescribed.
- Identified improvements in external debt data as a high priority.
- Endorsed suggestions to look at ways to enhance the DSBB.

Second Review of the SDDS (December 1998) (BUFF/98/118)

- Endorsed proposed additional temporary flexibility option for SDDS subscribers through the end of 1999.
- Differed in views on proposed template for the disclosure of reserves data. Agreed to revisit in early 1999 the issue on the coverage of the template, and the periodicity and timeliness of data dissemination.
- Generally supported proposed introduction of a separate SDDS data category for external debt to be disseminated quarterly with one-quarter timeliness. Asked staff to return with a detailed proposal for transition periods.
- Supported a prescribed specification of a three-year transition period for dissemination of annual IIP data with a six-month lag.
- Agreed to revisit in third review of SDDS the issue of monitoring of observance by staff.
- Endorsed proposed inclusion of hyperlinks as required feature of the SDDS, with one-year transition period.
- Supported suggested modifications to the GDDS consistent with proposed enhancements to SDDS, but decided to wait for finalization of SDDS adjustments before approving changes to GDDS.

Second Review of the SDDS – Further Considerations on Data Template on International Reserves and Foreign Currency Liquidity (March 1999) (BUFF/99/40)

- Adopted SDDS prescription for dissemination of full data for template on a monthly basis, with a lag of no more than one month.
- Encouraged dissemination on a weekly basis, with a one-week lag.
- Agreed on transition period for observance through March 31, 2000.

- Agreed to reassess prescriptions for periodicity and timeliness in context of third review of SDDS.

Macprudential Indicators (MPIs) and Data Dissemination – The Role of the Fund (January 2000) (BUFF/00/7)

- Endorsed conclusions of September 1999 Consultative Meeting that the Fund undertake a survey on the availability of data and on dissemination and compilation practices relating to MPIs.
- Underscored the distinction between prudential data provided to the Fund in the context of bilateral surveillance and MPIs compiled with a view toward their dissemination to inform the public.
- Supported collaboration of the Fund with other international organizations to avoid duplication of efforts and to work toward developments of incentives for national authorities to disseminate MPIs.
- Supported work by staff on development of a core set of MPIs. Endorsed strategy of working now with unharmonized national data, but striving to develop internationally harmonized data over the medium term.
- Considered that inclusion of MPIs in SDDS is premature.
- Endorsed the publication of the background paper on MPIs.

Third Review of the of the Fund's Data Standards' Initiatives (March 29, 2000) (BUFF/00/52)

- Endorsed structured monitoring of observance of the SDDS to begin end-June 2000.
- Agreed on use of standard format for disseminating reserves template data, redisseminating data on the Fund's external website, and for transmitting the data to the Fund to be maintained in a database.
- Adopted a three-year transition period (ending March 2003) for introducing the new SDDS external debt data category with quarterly periodicity and timeliness, covering data for general government, the monetary authorities, the banking sector, and all other sectors. Debt data are to be disaggregated by maturity—short- and long-term— on an original maturity basis and by instrument, as set out in the *BPM5*.
- Supported dissemination of forward debt service schedules, in which principal and interest are separately identified, twice a year with data for the first four quarters and the following two semesters, on an encouraged basis.
- Endorsed a lengthening of lag for disseminating annual data on IIP from six to nine months, provided that quarterly external debt data with one-quarter lag are disseminated.
- Agreed that periodicity and timeliness of fiscal data be on a best-effort basis during the period ending in June 2002 for subscribers implementing accrual accounting systems.
- Welcomed the establishment of the Data Quality Reference Site on the DSBB to promote the dissemination of information on data quality assessments and the staff's efforts to develop a framework to allow users and compilers to make their own data quality assessments.
- Welcomed the in-depth study of the DSBB and looked forward to improvements in its presentation and functionality. Directors agreed on the need to further strengthen the association of the DSBB with actual data beyond hyperlinks to NSDPs.

- Endorsed release of a new quarterly report on the SDDS to increase awareness of progress being achieved and give the initiative more prominence.
- Asked the staff to explore ways of referring to a country's subscription and observance of the SDDS in Article IV reports and PINs, while taking care to explain adequately, cases of nonobservance.
- Reaffirmed GDDS's voluntary nature while suggesting that there may be considerable value for countries to choose the GDDS framework to improve their statistical systems as part of structural adjustment programs.
- Endorsed the inclusion of public and publicly guaranteed external debt, the associated debt service schedule, and private nonguaranteed external debt as an encouraged extension, as a GDDS core data category. Recommended dissemination of stock data, taken down by maturity, with quarterly periodicity and timeliness of one or two quarters. In addition, associated debt service schedule should be disseminated twice yearly, with timeliness of three to six months, and with data for four quarters and two semesters ahead.
- Approved inclusion of GDDS metadata on DSBB without hyperlinks to actual data.
- Agreed that, where appropriate and relevant, technical enhancements of DSBB should be considered for the GDDS pages.

Data Provision to the Fund for Surveillance Purposes (June 2000) (BUFF/00/93)

- Endorsed proposals to strengthen members' data provision to the Fund for surveillance purposes; welcomed the work undertaken by the staff in this area, and considered that the improvements already achieved in the provision of data have laid the groundwork for strengthened Fund surveillance.
- Emphasized that data issues are of critical importance in Fund surveillance.
- Requested that staff reports note and draw out the implications of data deficiencies for the macroeconomic analysis included in staff reports.
- Supported the inclusion of a paragraph assessing data provision to the Fund in summing up of Executive Board discussions of Article IV consultations.
- Agreed with the proposal to establish benchmarks for the provision of data to the Fund in the areas of reserves and foreign currency liquidity and external debt, although it was generally accepted that some elements of the benchmarks would not always be relevant for all members given countries' different circumstances and phases of development.
- Noted that the data required for adequate Fund surveillance in some cases may be more detailed and timely than implied by the benchmarks. In this sense, the benchmarks should be viewed as neither a compulsory floor nor a ceiling, but rather as a framework to help assess members' data provision to the Fund.
- Considered that detailed specification of the benchmarks was warranted by the importance of the information in question and the need for comprehensive, timely, and comparable information.
- Agreed that the SDDS prescription for reserves and foreign currency liquidity should be adopted as the benchmark for provision of these data to the Fund.
- Supported adoption of the prescribed and encouraged elements of the SDDS for external debt as the benchmark for these data.

- Emphasized the critical importance of the Fund being provided with high-quality, accurate, and comparable fiscal data, and urged the staff to continue working on improving the provision of fiscal data to the Fund.
- Underlined the importance of establishing a practical framework for assessing the quality of data, and welcomed the staff's intention to carry forward its work in this area.

Agreed that data requirements for surveillance should reflect the present data needs of the Fund. Agreed that further consideration should be given to extending the coverage of Article VIII, Section 5 for this purpose. Based on the graduated and cooperative approach adopted by the Board in the past, Directors supported that further considerations on the coverage of Article VIII, Section 5 be undertaken.

Status on SDDS Observance, NSDP Hyperlinked and Dissemination
of Reserves Template as of July 17, 2001

SDDS Subscriber	Observance ²⁸	NSDP Hyperlinked	Reserves Template Disseminated ²⁹	Comments
Argentina	Yes	Yes	Yes+	
Australia	See comments	Yes	Yes+	Australia is availing itself of special flexibility approved by the Executive Board under the Third Review for countries implementing accrual accounting for fiscal data.
Austria	Yes	Yes	Yes+	
Belgium	Yes	Yes	Yes+	
Brazil	Yes	Yes	Yes	
Canada	Yes	Yes	Yes+	
Chile	Yes	Yes	Yes+	
Colombia	Yes	Yes	Yes+	
Croatia	Yes	Yes	Yes+	
Czech Republic	Yes	Yes	Yes+	
Denmark	Yes	Yes	Yes+	
Ecuador	Yes	Yes	Yes	
El Salvador	Yes	Yes	Yes+	
Estonia	Yes	Yes	Yes+	
Finland	Yes	Yes	Yes+	
France	Yes	No	Yes+	France does not yet disseminate all data categories on a single website (NSDP).

²⁸ A country is in observance of the SDDS when its data dissemination practices, as described in its metadata provided to the Fund, meet the SDDS specifications for the coverage, periodicity, and timeliness of the data, and for the dissemination of advance release calendars.

²⁹ The plus (+) sign indicates that the reserves template is redisseminated on the Fund website. Reserves template for New Zealand is also redisseminated.

SDDS Subscriber	Observance ²⁸	NSDP Hyperlinked	Reserves Template Disseminated ²⁹	Comments
Germany	Yes	Yes	Yes+	
Hong Kong, SAR	Yes	Yes	Yes+	
Hungary	Yes	Yes	Yes+	
Iceland	No	Yes	Yes+	A producer price index is being developed and will be disseminated no later than 2003.
India	No	No	Yes	India does not include central government in the reserves template. Also, it does not disclose the composition of deposits in Section I of the template nor the maturity breakdown of short forward positions in Section II. India does not disseminate all SDDS data on a single website (NSDP).
Indonesia	Yes	Yes	Yes	
Ireland	Yes	Yes	Yes+	
Israel	Yes	Yes	Yes	
Italy	Yes	Yes	Yes+	
Japan	Yes	Yes	Yes+	
Korea	Yes	Yes	Yes	
Latvia	Yes	Yes	Yes+	
Lithuania	Yes	Yes	Yes+	
Malaysia	Yes	Yes	Yes+	
Mexico	Yes	Yes	Yes	
Netherlands	Yes	Yes	Yes+	
Norway	Yes	Yes	Yes+	
Peru	Yes	Yes	Yes+	
Philippines	Yes	Yes	Yes+	
Poland	Yes	Yes	Yes+	
Portugal	Yes	Yes	Yes+	

SDDS Subscriber	Observance ²⁸	NSDP Hyperlinked	Reserves Template Disseminated ²⁹	Comments
Singapore	Yes	Yes	Yes+	
Slovak Republic	Yes	Yes	Yes+	
Slovenia	Yes	Yes	Yes+	
South Africa	Yes	Yes	Yes+	
Spain	Yes	Yes	Yes+	
Sweden	Yes	Yes	Yes+	
Switzerland	Yes	Yes	Yes+	
Thailand	Yes	Yes	Yes+	
Tunisia	Yes	Yes	Yes+	
Turkey	Yes	Yes	Yes+	
United Kingdom	Yes	Yes	Yes+	
United States	Yes	Yes	Yes+	



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Countries that participate in the IMF's General Data Dissemination System make a commitment to use the GDDS as a framework for the development of their national systems for the production and dissemination of economic, financial, and socio-demographic data. Participating countries also commit themselves to provide descriptions (metadata) about (a) their current statistical production and dissemination practices and (b) plans for short- and medium-term improvements. A list of the countries that participate in the GDDS is provided above. All participating countries have completed the metadata which are included on the DSBB. (To see recent developments for these countries, click on [What's New?](#))

**The Data Dimension of the GDDS
for the Socio-Demographic Sector**

Data Category	Core Indicators ³⁰	Encouraged Extension	Periodicity	Timeliness
Population	<p><u>Population characteristics</u> Size and composition of the population by standard enumeration units, derived from census, surveys, or vital registration system</p> <p><u>Dynamics of growth</u> Vital statistic: births, deaths, and migration</p>	<p>Disaggregation of population and vital statistics data by age, sex, and geographic units, as appropriate.</p> <p>Reporting of mortality rates, crude birth rate, fertility rate, and life expectancy</p>	Annual (Census every ten years)	3-6 months for annual updates 9-12 months for census
Education	<p><u>Inputs</u> Measures of current financial, human, and physical resources available to public and private (if significant) educational institutions, recorded by level of education or type of program.</p> <p><u>Process</u> Measures of student progress through school, such as enrollment, dropout, and repetition rates, recorded by level of education and sex of students</p> <p><u>Outcomes</u> Educational attainment measured by progress through school, graduation rates, and average grade level completed</p>	<p>Disaggregation of data by subnational or regional units, as appropriate, is recommended for all data categories. Characteristics of teaching staff, including training, experience, and terms of employment (full or part time) Expenditures by households on education (including fees and other expenses for public or private education)</p> <p>Calculation of net enrollment rates (by grade and sex)</p> <p>Scores on standardized achievement exams</p>	Annual	6-12 months following beginning of school year.

³⁰ For the socio-demographic sector, core indicators are termed “basic components”.

Data Category	Core Indicators	Encouraged Extension	Periodicity	Timeliness
Health	<p><u>Inputs</u> Measures of current financial, human, and physical resources available to public and private (if significant) health system, including public expenditures on health services; Capacity of health care facilities by location and type of facility, and the number of trained personnel by location and certification</p> <p><u>Process (service delivery)</u> Measures describing the number of clients served and type of care provided by public and private care providers, including inpatient, outpatient, and preventative care; population served by public health services such as immunizations, sanitation services, and improved water supply.</p> <p><u>Outcomes</u> Statistics on mortality and morbidity, including mortality by cause and the incidence of disease by location and patient characteristics.</p>	<p>Private (household) expenditures on health services Disaggregation of data by subnational or regional units, as appropriate</p> <p>Measures of the responsiveness of the health system to nonhealth aspects of service delivery Disaggregation of data by subnational or regional units, as appropriate</p> <p>Comprehensive assessment of the burden of disease</p>	<p>Annual (Outbreaks of contagious diseases should be reported at higher frequency and with greater timeliness.)</p>	<p>3-6 months following end of reference period</p>
Poverty	<p><u>Income poverty</u> Number and proportion of people or households with less than minimum standard of income or consumption; valuation of minimum consumption bundle.</p> <p><u>Other poverty measures</u> Measures of deprivation or insecurity used to identify the population living in poverty, such as evidence of malnutrition, endemic diseases, educational achievement, and lack of access to basic services</p>	<p>Measures of the distribution of household or per capita income or consumption.</p> <p>Separate poverty estimates for urban and rural populations or for major regions, states, or provinces. Disaggregation of data by subnational or regional units, as appropriate</p>	<p>3-5 years</p>	<p>6-12 months following the survey</p>

SDDS Subscribers: Compilation and Dissemination of MPIs and Components of MPIs

MPI	Number compiling MPIs	Number disseminating MPIs	Number compiling components	Number disseminating components
1. Capital Adequacy				
1.1 Basle Capital Adequacy Ratio *	40	31	40	31
1.1a Ratio of Basle Tier I Capital to risk-weighted assets *	37	24	37	24
1.1b Ratio of Basle Tier I + Tier II Capital to risk-weighted assets	37	24	37	24
1.1c Ratio of Basle Tier I + II + III Capital to risk-weighted assets	25	14	25	14
1.2 Distribution of Capital Adequacy Ratios (Number of institutions within specified capital adequacy ratio ranges)	12	4	12	4
1.3 Leverage Ratio (Ratio of total on-balance sheet assets to own funds)	21	9	40	30
2. Assets quality: (a) Lending Institutions				
2.1 Distribution of on-balance sheet assets, by Basle risk-weight category	37	17	36	16
2.2 Ratio of total gross asset position in financial derivatives to own funds	14	5	24	10
2.3 Ratio of total gross liability position in financial derivatives to own funds	12	5	24	9
2.4 Distribution of loans, by sector *	39	32	37	32
2.4a of which: for investment in commercial real estate	20	16	20	16
2.4b of which: for investment in residential real estate	29	25	29	25
2.5 Distribution of credit extended, by sector	25	18	28	21
2.6 Distribution of credit extended, by country or region	31	22	31	22
2.7 Ratio of credit to related entities to total credit	13	3	31	8
2.8 Ratio of total large loans to own funds *	27	8	27	8
2.9 Ratio of gross nonperforming loans to total assets *	24	16	40	28
2.10 Ratio of nonperforming loans net of provisions to total assets *	22	12	35	22
2. Assets Quality: (b) Borrowing Institutions				
2.11 Ratio of corporate debt to own funds ("debt-equity ratio")	12	8	23	17
2.12 Ratio of corporate profits to equity	11	7	23	17
2.13 Ratio of corporate debt service costs to total corporate income	11	7	21	14
2.14 Corporate net foreign currency exposure	2	0	6	3
2.15 Ratio of household total debt to GDP	11	6	24	17
2.16 Number of applications for protection from creditors	11	9	11	9
3. Profitability and Competitive Indicators				
3.1 Rate of change in number of depository corporations	21	16	30	26
3.2 Ratios of profits to period-average assets (ROA) *	24	20	38	27
3.3 Ratios of profits to period-average equity (ROE) *	25	21	37	26
3.4 Ratio of net interest income to total income *	23	15	41	33
3.5 Ratio of trading and foreign exchange gains/losses to total income	19	12	38	28

MPI	Number compiling MPIs	Number disseminating MPIs	Number compiling components	Number disseminating components
3.6 Ratio of operating costs to net interest income	22	13	42	30
3.7 Ratio of staff costs to operating costs	22	14	40	29
3.8 Spread between reference lending and deposit rates	12	8	27	24
3.9 Share of assets of the three largest depository corporations in total assets of depository corporations	20	9	36	15
4. Liquidity Indicators				
4.1 Distribution of 3-month local-currency interbank rates for different depository corporations	9	4	9	4
4.2 Average interbank bid-ask spread for 3-month local-currency deposits	11	6	11	6
4.3 Ratio of liquid assets to total assets *	21	10	36	17
4.4 Ratio of liquid assets to liquid liabilities *	21	10	35	17
4.5 Average maturity of assets	9	3	16	7
4.6 Average maturity of liabilities	9	3	17	7
4.7 Average daily turnover in the T-bill (or central bank bill) market	15	10	15	10
4.8 Average bid-ask spread in the T-bill (or central bank bill) market	8	3	8	3
4.9 Ratio of central bank credit to depository corporations to depository corporations' total liabilities	11	7	36	29
4.10 Ratio of customer deposits to total (noninterbank) loans	19	7	40	33
4.11 Ratio of customer foreign currency deposits to total (noninterbank) foreign currency loans	14	7	35	24
5. Sensitivity to Market Risk Indicators				
5.1 Ratio of gross foreign currency assets to own funds	13	5	35	22
5.2 Ratio of net foreign currency position to own funds *	15	5	25	9
5.3 Average interest rate repricing period for assets	13	1	13	1
5.4 Average interest rate repricing period for liabilities	13	1	13	1
5.5 Duration of assets *	9	1	9	1
5.6 Duration of liabilities *	9	1	9	1
5.7 Ratio of gross equity position to own funds	12	4	32	22
5.8 Ratio of net equity position to own funds	9	4	15	8
5.9 Ratio of gross position in commodities to own funds	5	2	13	6
5.10 Ratio of net position in commodities to own funds	7	3	12	5

Note: Based on 47 out of the 49 SDDS subscribers.

* indicates MPIs included in the core set.