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March 9, 2022

**Statement by Mr. Binzarah and Mr. Abdel-Rahman on Review of Data Provision to the Fund for Surveillance Purposes
(Preliminary)
Executive Board Meeting
March 14, 2022**

We thank staff for the informative report and the helpful background paper. We are encouraged that staff are mindful of the trade-offs involved in the data provision review in current circumstances and we note that the proposals have benefited from extensive consultations with the Board, Fund staff, and country authorities. We also recognize that a lot has changed since the list of indicators that members are required to provide to the Fund was last updated in 2004, and that the data provision framework needs to evolve in line with the current surveillance priorities. Against this background, we are in a broad agreement with staff's assessment and proposals and would like to offer the following remarks for emphasis.

- **We see merit in a more structured approach to assessing data adequacy for surveillance.** Such an approach would lessen the reliance on judgment by country teams and provide more explicit rationale for the classification. We also note that a more structured approach will also help facilitate a more constructive policy dialogue with the authorities on data issues and improve prioritization of capacity development efforts for areas where Fund support is most needed.
- **We underscore the importance of recognizing the diverse statistical capacity across the membership.** As staff rightly noted, data provision has reflected strong cooperation between the Fund and its members as both parties have a shared interest in ensuring sound surveillance and policies. Therefore, it is important that the data provision framework continues to recognize diverse surveillance needs and conditions across the Fund membership, including statistical capacity. Here, we are encouraged that staff's proposals

seek to prioritize and gradually phase in new data requirements based on current availability and the different capacities across the membership. Moreover, we concur that when capacity constraints prevent provision of specific mandatory data series, the Fund should stand ready to support its members through capacity development. We also encourage staff to continue to work with key stakeholders to adjust the CD product mix in line with country needs and absorptive capacity and to enhance its effectiveness.

- **Addressing data sensitivity and confidentiality concerns is crucial for the Fund's role as a trusted advisor.** Here, we note that results from the survey of country authorities as reported by staff point to confidentiality concerns as the main reason for not reporting FXI data to the Fund. Therefore, we positively note that the proposed data scope and reporting lag seek to strike a balance between the Fund's surveillance needs and concerns about confidentiality. We also underscore the importance of ensuring adequate safeguards against data leaks and cyberattacks which are crucial for maintaining the membership confidence in the Fund as a trusted advisor.