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To: Members of the Executive Board

From: The Acting Secretary

Subject: **The General Data Dissemination System**

Attached for consideration by the Executive Directors is a paper on the development of standards for the dissemination of economic and financial statistics to the public by member countries, which will be scheduled for discussion on a date to be announced. Issues for discussion appear on pages 25-27.

The paper sets out the approach proposed by the staff for establishment of a General Data Dissemination System for Executive Board consideration, but does not contain specific decisions for carrying out the initiative. In its September 1996 meeting, the Interim Committee had called for the Executive Board to complete work on the general standard for data dissemination, that will apply to all countries, so that they are in place before the Spring 1997 meeting of the committee. If the Board is satisfied with the approach proposed in this paper, another brief paper would be prepared for Board consideration that would contain specific proposed decisions, as well as a draft report to the Interim Committee.

Executive Directors may wish to supply copies of this document to Directors of National Statistical Offices in member countries. The additional copies they may need for this purpose can be obtained from Documents Distribution (ext. 34630). Alternatively, if Executive Directors prefer that Mrs. Carson transmit copies directly to their National Statistical Offices, please call the office of Mrs. Carson (ext. 37952).

Mr. Elson (ext. 37845), Mr. O'Connor (ext. 37904), or Mr. Nord (ext. 37324) is available to answer technical or factual questions relating to this paper prior to the Board discussion.

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INTERNATIONAL MONETARY FUND

The General Data Dissemination System

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

March 4, 1997

EXECUTIVE SUMMARY

The approach that is proposed to providing guidance to all member countries about the dissemination of economic and financial data to the public takes into account, across the broad range of countries, (1) the diversity of their economies, (2) the level of market sensitivity to the release of key indicators, and (3) the still-developing state of data production and dissemination systems, including deficiencies in data quality. In light of these considerations, it is proposed that the guidance would (1) set out objectives for the short- and long-term development of national systems for the production and dissemination of economic and financial data; (2) recognize that improvements in data quality must be given a high priority and may need to precede improvements in dissemination practice; (3) avoid being unduly prescriptive, specific, and detailed; and (4) recognize that meeting the objectives could take considerable time and resources. Accordingly, it is proposed to refer to this guidance as a system, rather than a standard, in order to highlight that it is more qualitative, more developmental, and more long term in nature than the Special Data Dissemination Standard. Nevertheless, data users would be able to assess participating countries' current data production and dissemination practices against a good-practice standard incorporated in the General System.

The data dimension of the General System that is proposed would emphasize the development and dissemination of comprehensive statistical frameworks and recommend the development and dissemination of economic and financial indicators with a frequency and timeliness that reflect countries' abilities and the needs of diverse data users. Recognizing that there is often a tradeoff between quality and timeliness in still-developing statistical systems, the proposed timeliness specifications for most indicators are in terms of a range, where the more ambitious end of the range is that prescribed by the Special Standard while the other end of the range indicates good practices across a very diverse set of countries.

For the access, integrity, and quality dimensions, the proposed elements take into account that the degree of time sensitivity may vary across data users; that the facilities likely to be available to producers of statistics for their dissemination activities may be limited; that some administrative practices, such as pre-release access to data, may not be equally at issue for all data; and that information, such as documentation about methodology, may have to be developed before it can be disseminated.

Participation in the General System would, it is proposed, be voluntary and involve a commitment by the country (1) to use the General System as a framework for development and dissemination of the covered data, (2) to designate a country coordinator to work closely with Fund staff, and (3) to prepare metadata comprising (a) descriptions of current practices and (b) plans for short- and long-term improvement that could be disseminated by the Fund to the public. The descriptions of current practices would correspond to each of the objectives for the data, access, integrity, and quality dimensions. The plans would identify the major shortcomings relative to the objectives set out in the System; the steps by which the shortcomings would be addressed; the resources, including technical assistance, necessary to achieve the improvements; and the time frame during which the improvements would be achieved. In particular, the improvements to be undertaken within 3-5 years would be

identified. It is proposed that only when a country fulfills all three commitments would it be appropriate for the Fund to recognize a country's participation publicly. It is proposed that the Fund make a commitment to disseminate the metadata, but return later to the question of whether it would be by electronic means, following the precedent of the Dissemination Standards Bulletin Board, or by some other means. Public identification of countries' participation in the System would be desirable as recognition accorded a country's work toward the objectives of the General System is expected to be an important incentive to participate.

The General System would support data improvements needed by users, including investors, and for progressing towards the SDDS for countries interested in doing so. It would also complement and provide structure for the statistical activities and initiatives currently underway within the Fund: it would support data improvements needed for program work and surveillance, strengthen area department data management, improve identification of requirements for technical assistance in statistics and facilitate its delivery and assessment, and provide input and feedback relevant to *International Financial Statistics* and work on statistical methodologies.

A measured pace and medium-term time frame are proposed for implementation of the General System. Implementation would, however, imply incremental resource demands for technical assistance and administration of the System. The main responsibility within the Fund for work with countries would fall on the Statistics Department.

I. INTRODUCTION

1.   At the request of the Interim Committee, the Fund has worked to establish standards for dissemination of economic and financial data by members.[1] In October 1995, the Interim Committee endorsed a two-tier approach, comprising a general standard intended to guide all member countries and a special standard intended to guide countries that have or may seek access to international capital markets. Reflecting the priorities set by the Interim Committee, work on the Special Data Dissemination Standard[2] was undertaken first, and the Special Standard was opened for subscription in April 1996.[3] In October 1996, the Interim Committee called for the second of the two standards to be established by April 1997.

2.   In its previous discussions, the Executive Board indicated that the general standard should set goals for data dissemination toward which all Fund members could aspire. The consensus was that the general standard should have four dimensions as in the case of the Special Standard; namely, the data (coverage, periodicity, and timeliness), access, integrity, and quality dimensions. The specifications for coverage, periodicity, and timeliness of the data were expected to be less demanding than for the Special Standard. At that time, there was a view that, in contrast to the Special Standard, there should be no public identification of members observing the general standard and no formal subscription mechanism.

3.   Since the 1995 discussions, wide-ranging consultations have been undertaken with the producers of statistics in finance ministries, central banks, and statistical offices in many countries, including via staff missions and regional workshops. The staff has also consulted extensively with users of statistics, including in the public sector, other international organizations, research institutions, rating agencies, and financial institutions. More recently, consultations have been undertaken aimed specifically at the general standard, and a sample of countries has also been surveyed as to their current practices and their views on appropriate elements of the standard.

4.   This paper builds on the views expressed by the Board in mid-1995 and the subsequent discussions and experience. It outlines the staff's position on key issues and presents specific proposals for the General Data Dissemination System[4], the name proposed for the second of the two standards for reasons explained in Section II.

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[1]A bibliography of Board papers and other material related to data dissemination standards is provided in Appendix I.

[2]Hereafter referred to as the SDDS or the Special Standard.

[3]The associated Dissemination Standards Bulletin Board was launched in September 1996. By end-February 1997, 42 countries had subscribed to the Special Standard and sets of metadata for 27 of these countries were available on the electronic bulletin board.

[4]Hereafter referred to as the GDDS or General System.

5.   Section II of the paper discusses the orientation and nature of the General System and the System's place within the Fund's work. Section III deals with the data dimension and with the access, integrity, and quality dimensions of the proposed General System. Appendix II presents a statement of the proposed System. Section IV discusses implementation approaches and mechanisms, including the advantages and disadvantages of the Fund's disseminating information about country practices and improvement plans under the General System. Section V discusses resource and workload implications. Section VI outlines the future work program, while Section VII provides issues for discussion.

II. OVERVIEW

A. Orientation and Nature of the General System

6.   As noted above, while the Special Standard was designed to provide guidance to countries that have or may seek access to international capital markets, the general standard has been envisaged as a set of goals to guide all member countries. On the basis of best practices across a range of statistically developed countries, the Special Standard established specific requirements that were believed to be achievable for the relevant countries within a transition period that extends through 1998. [5] Although it is tempting to think that the guidance to all member countries would differ from the Special Standard only in the "height of the hurdle" represented by the sets of practices specified, at least four considerations about the data and data dissemination practices in the broader range of countries argue for an approach that differs more fundamentally.

7.   First, the underlying comprehensive statistical frameworks in the broader range of countries may be inadequate or incomplete. For example, national accounts aggregates may be underestimated because underlying source data for major sectors (e.g., the informal economy) are not available, or the fiscal stance may be mismeasured because the framework used for government transactions is not appropriate analytically or because potentially sizable transactions (e.g., privatization proceeds) are misclassified within a framework. As these comprehensive frameworks provide statistical overviews of the performance of the economy and are the structure within which many key macroeconomic indicators appear as aggregates or components, the full development of these statistical frameworks, including the development of the necessary source data, is crucial. However, improvements to the frameworks are typically major multi-year undertakings. For example, it may easily take five years from the design of a sample survey to the availability of useful data to fill a gap in the national accounts.

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[5]For convenience in drawing comparisons and contrasts with the Special Standard, Appendix III contains three passages from *The Special Data Dissemination Standard*, as agreed by Executive Board Meeting 96/36 (4/12/96): Box 1, "Summary of the Special Data Dissemination Standard"; Table 1, "The Special Data Dissemination Standard: Coverage, Periodicity, and Timeliness"; and Section II, "Implementation."

8.   Second, there may be basic shortcomings in the quality of economic and financial indicators. Indicators that are directly related to the comprehensive frameworks carry over any shortcomings due to undercoverage, misclassification of transactions, and the use of an inadequate analytical framework. Other indicators may be flawed by the use of unrepresentative samples, outdated weighting schemes, inappropriate valuation, and inappropriate application of statistical techniques (e.g., for estimating missing values, seasonal adjustment, and constructing index numbers). In some cases, the shortcomings may be so serious that dissemination is questionable unless quality improvements are made.[6] In other cases, serious consideration should be given to improving quality before scarce resources are devoted to improvements in other factors, such as timeliness, that are embodied in more assessable and higher visibility elements.[7]

9.   Third, basic socio-demographic data may be incomplete or inadequate. Accordingly, a wider umbrella of data coverage would encourage the development of data to complement the typical macroeconomic data as well as facilitate rational decision-making about resource allocation for statistics. Fourth, the infrastructure for statistical production and dissemination may be lacking. For example, where the responsibility for statistics is dispersed across several agencies, there may not be adequate coordination to identify and remedy gaps and other problems; or there may not be legal authority to undertake survey-based data collection; or there may not be a focus on dissemination of data as a key aspect of the agencies' mandate. (These considerations are compared with those underlying the Special Standard in Box 1.)

10.   In addition, and quite obviously, the countries to be covered by the General System will be highly diverse in terms of economic characteristics and structure that are to be covered by the data. Also, the General System would serve the information needs of direct investors, bank lenders, and a broad range of policy makers, domestic analysts, external private and official users, and the general public. While the Special Standard also served the needs of these groups, it paid particular attention to the needs of participants in international capital markets for timely indicators and to the market sensitivity of key economic and financial indicators for Special Standard countries. Consequently, the urgency that most data users attach to the acquisition of economic and financial data may be less for the broader range of countries.

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[6]For example, central government debt data that relate only to budgetary operations and thereby exclude large amounts of debt incurred through extrabudgetary operations may be so misleading as to make their dissemination questionable.

[7]For example, if the sample of prices on which a country's consumer price index is based is too small to be representative, serious consideration should be given to improving the quality of the index by increasing the sample size (e.g., covering services as well as basic goods or covering consumers throughout the country as well as those in the capital city) before resources are devoted to speeding up its calculation—the former a change that is less assessable and visible than the latter.

Box 1. Considerations Underlying the Special Standard and the Proposed General System

Consideration	Special Standard	Proposed General System
Assumptions as to the state of the data and data dissemination practices	Statistical systems are already mature: (1) comprehensive statistical frameworks are adequate and complete (2) accepted tradeoff between the quality of economic and financial indicators and other characteristics such as timeliness (3) socio-demographic data are adequate (4) basic infrastructure for data production and dissemination is in place	Statistical systems are still developing: (1) comprehensive statistical frameworks may be inadequate or incomplete (2) basic shortcomings in the quality of economic and financial indicators may exist (3) socio-demographic data may be incomplete or inadequate (4) basic infrastructure for data production and dissemination may be lacking
Country range to be reflected in the design	Subset of Fund members (currently 40-60) considered to have or be likely to seek access to international capital markets	All Fund members
Data users' needs reflected in the design	Broad range of policy makers and analysts as well as the general public, with an emphasis on participants in international capital markets and the market sensitivity of key indicators	Broad range of policy makers and analysts as well as the general public

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11. In light of these considerations about the state of data and data dissemination, the diversity of the economies, and of the users and uses of data in the broad range of countries for which the General System is intended, the staff proposes that the guidance to all member countries about data dissemination practices would have the four following interrelated characteristics. It would:

- Set out objectives for the short- and long-term development of their national systems for the production and dissemination of economic and financial data.

- Recognize that improvements may need to proceed in different sequences in different countries, especially noting that improvements in quality may need to precede efforts to broaden dissemination.

- Avoid being unduly prescriptive, specific, and detailed.

● Recognize that considerable time and resources may be required to implement the changes in the statistical infrastructure for data compilation and dissemination that may be called for if a country follows the guidance.

12.   To reflect these characteristics, it is proposed that the guidance to all member countries be in the form of objectives in order to capture the more qualitative, long-term developmental nature of the efforts needed to achieve comprehensive, reliable, accessible, and timely statistics. The approaches and mechanisms to implement the General Data Dissemination System would be consistent with these characteristics. Specifically, the implementation would incorporate a process that focuses on taking stock of current practices, formulating plans for improvement, and creating incentives for making improvements. The proposed GDDS and implementation are previewed below (and in Box 2) and discussed in more detail in Sections III and IV, respectively. Appendix II presents a General Data Dissemination System in line with these proposals.

13.   The GDDS, like the SDDS, would be comprehensive in scope, encompassing the four dimensions of data, access, integrity, and quality. However, to take into account the data and the data dissemination practices in the broad range of countries, the elements of the proposed GDDS would redirect several emphases and broaden coverage of the data dimension. For certain core economic and financial indicators, the great bulk of Fund members are able to supply information to the Fund on a regular and timely basis,[8] and the proposals for the periodicity and timeliness specifications for many of the indicators, as a minimum, would reflect the widely achieved practices of countries in their data provision to the Fund. Further, the GDDS would identify practices needed to support access, integrity, and quality across the broad range of countries.

14.   The role, time frames, and implementing approaches and mechanisms of the General System would be quite different from those of the Special Standard. The GDDS would establish objectives for the development of national systems to produce and disseminate the identified data. The improvements needed to meet these objectives are expected to be substantial for most countries. Some of these improvements could, for example, include the design and implementation of surveys to buttress data quality before wider and faster data dissemination could be responsibly undertaken. Such improvements can only be achieved in a longer-term setting.

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[8]See the treatment of issues related to data provision to the Fund in *Provision of Information to the Fund for Surveillance—Progress Report*, (SM/96/256, 10/11/96) and the *Summing Up by the Acting Chairman* (SUR/96/128, 11/6/96). The minimum core data that have been identified for provision of information to the Fund for surveillance purposes comprise: exchange rates, international reserves, reserve money, broad money, interest rates, consumer prices, external trade, the external current account balance, the fiscal balance, GDP/GNP, external debt, and the central bank balance sheet. It should be recognized, however, that in some cases data that are provided to the Fund for surveillance purposes may not be suitable for dissemination to the public.

Box 2. Features of the Special Standard and the Proposed General System

Feature	Special Standard	Proposed General System
Scope	Four dimensions[1]	Four dimensions,[1] with redirected emphases and broadened scope of the data dimension and identification of the basic infrastructure to support access, integrity, and quality
Elements within the dimensions	Specific requirements based on best practices in data dissemination of a subset of countries	Objectives for the development of national systems for the production and dissemination of statistics
Time frame	Expectation that subscribers or potential subscribers could come into observance over a relatively short time	Expectation that, for many countries, improvements could be achieved only over a relatively long time
Implementing approaches	Voluntary subscription; formal observance criteria	Voluntary participation; emphasis on development of plans for short- and long-term improvement
Implementing mechanisms	Dissemination Standards Bulletin Board to facilitate monitoring of observance of the Standard	Dissemination of metadata to provide public recognition of countries' plans and achievements in improving their statistical systems

[1]The four dimensions relate to data (coverage, periodicity, and timeliness), access, integrity, and quality.

15.   Participation in the GDDS would be voluntary, as is subscription to the SDDS. It is suggested that the term "participant" be used to describe those countries that have (1) committed to using the GDDS as a framework for statistical development, (2) designated a country coordinator to work closely with the Fund staff (and possibly others) in achieving improvements (see Section IV.A), and (3) prepared metadata comprising (a) descriptions of current statistical production and dissemination practices and (b) plans for short- and long-term improvements that could be disseminated by the Fund (see Section IV.B). Thus, participation as proposed here differs from subscription to the Special Standard. The latter is a

formal commitment to observe a specific list of practices, while participation in the GDDS involves a commitment to work toward more qualitative improvements.

16.   Data users would be able to assess members' current data production and dissemination practices against the good-practice standard incorporated in the General System and to track their progress toward reaching the System's objectives in the metadata to be disseminated by the Fund. However, in contrast to the SDDS, there would be no specific observance criteria for the GDDS.

B.   The General System as a Complement to the Fund's Work

17.   The proposed GDDS could be expected to play an integral role in improving data for the majority of the Fund's membership, beginning immediately and extending well into the future. Thus, it would complement and provide structure for the range of statistical activities and initiatives currently underway in the Fund.

- With regard to data provision to the Fund, the orientation of the GDDS toward strengthening the major comprehensive macroeconomic data frameworks and toward improving indicators of concern to the Fund would support both detailed analysis, as required in Article IV and program work, and ongoing surveillance. This would also provide incentive for the development and improvement of indicators that could be publicly disseminated.

- Area department data management would be strengthened in a number of ways. The designation of country coordinators by participating countries would provide a focus for discussion of statistical issues on mission and throughout the year. The metadata that are prepared by participating countries could be an integral part of the documentation of country databases.

- The metadata would provide ongoing input into improvements in the content of and processing underlying the Fund's statistical publications program, including *International Financial Statistics (IFS)*.

- The proposed implementing mechanisms, particularly the country coordinators, would improve identification of requirements for technical assistance and facilitate its delivery and assessment.

- Work with countries on the GDDS would provide ongoing feedback on the implementation of new statistical methodologies and input for modifications in these methodologies.

18.   The complementarity and integration of the full range of the Fund's statistical activities will be discussed in detail in the paper on the Fund's Statistical Policy that will be presented to the Board toward the end of 1997.

III. THE PROPOSED GENERAL SYSTEM

A. The Data Dimension

19.   The staff proposes that the data dimension of the General System be formulated
(1) to emphasize the development and dissemination of comprehensive statistical frameworks,
which are useful in their own right and provide the bedrocks on which indicators would be
developed, and (2) to recommend the development and dissemination of indicators of
performance with a frequency and timeliness[9] that reflect users' needs but with careful
recognition of countries' needs and abilities. In the data dimension, the System would give
explicit recognition, especially through its emphasis on frameworks, to the need to improve
data quality and would provide latitude to make tradeoffs with other specifications such as
timeliness; the quality dimension would explicitly address the issue of the soundness of the
data. The System would also encourage the development and dissemination of additional sets
of statistics—socio-demographic data—that would complement economic and financial
statistics in assessing economic development and structural change. The outline of the
proposed data dimension is presented in Table 1.

20.   The General System would focus on the development and dissemination of a full range
of economic and financial data. Section A of Table 1 presents objectives for comprehensive
statistical frameworks in terms of coverage of data and the classifications and analytical
frameworks to support development of components and indicators in the four
sectors—including national accounts, central government accounts, analytical accounts of the
banking system through a broad money survey, and the balance of payments accounts.
Section B presents the objectives for indicators in the four sectors, as well as for a set of
socio-demographic data.

Comprehensive frameworks

21.   Section A of Table 1 presents the broad objectives for long-term development for each
of the comprehensive frameworks and the recommended periodicity and timeliness for
production and dissemination of relatively complete sets of information. For national
accounts, the objective would be to produce and disseminate the full range of accounts that
encompass the principal aggregates and balancing items. Thus the focus is not solely on
producing GDP estimates, but also income, saving, consumption, investment, and financing
measures based on international and regional guidelines, e.g., the *System of National Accounts
1993 (1993 SNA)* and the *European System of Accounts 1995*. For the full range of accounts,
the recommended periodicity of dissemination is annual and the recommended timeliness is
within 10-14 months after the end of the reference period, which represent good practice
across a range of countries.

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[9]This recognizes that the periodicity and timeliness specifications for many of the indicators
should, as a minimum, reflect the widely achieved practices of countries in their provision of
core data to the Fund.

22.   The comprehensive framework in the fiscal sector is central government operations, while general government or public sector operations are encouraged.[10] The objective is to produce and disseminate complete data for all elements of central government, including budgetary and extrabudgetary operations, social security, and decentralized agencies. Detailed classifications of major aggregates within an accepted analytical framework are key features. It is recommended that complete data be disseminated annually within 6-9 months of the end of the reference period. After achieving this objective, countries are encouraged to extend the coverage of the fiscal sector to include subnational levels of government and nonfinancial public enterprises, if relevant for policy and analytical purposes. The existing *Manual on Government Finance Statistics* may serve as a basis for data development, but it is expected that the revision of this *Manual*, which is currently being prepared, will be better suited as a guide for long-term improvements in fiscal data and harmonization with the other data systems.

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[10]The development of general government or public sector operations is viewed for most countries as areas of lower priority and of longer-term development effort. For countries where subnational data or public enterprise data are of particular importance, the GDDS strongly encourages development of appropriate indicators or full data sets as a priority.

Table 1. The Data Dimension of the GDDS
A. Comprehensive Frameworks

Frameworks	Coverage, classification, and analytical framework	Periodicity	Timeliness
National accounts	Producing and disseminating the full range of national accounts aggregates and balancing items in nominal and real terms, yielding Gross Domestic Product, Gross National Income, Gross Disposable Income, Consumption, Saving, Capital Formation, and Net lending/ borrowing. Producing and disseminating sectoral accounts and national and sectoral balance sheets, as relevant. 1/	Annual	10-14 months
Central government operations 2/	Producing and disseminating comprehensive data on transactions and debt, emphasizing: (1) coverage of all central government units; (2) use of appropriate analytical framework; and (3) development of a full range of detailed classifications (tax and nontax revenue, current and capital expenditure, domestic and foreign financing) with breakdowns (debt holder, instrument, currency), as relevant.	Annual	6-9 months
Broad money survey	Producing and disseminating comprehensive data emphasizing: (1) coverage of all depository corporations (banking institutions); (2) use of an appropriate analytical framework; and (3) development of classifications of external assets and liabilities, domestic credit by sector, and components of money (liquidity) and nonmonetary liabilities.	Monthly	2-3 months
Balance of payments	Producing and disseminating comprehensive data on the main aggregates and balancing items of the balance of payments, including e.g. imports and exports of goods and services, trade balance, income and transfers, current account balance, reserves and other financial transactions, and overall balance, with detailed components, as relevant. International Investment Position (IIP) encouraged; external debt data recommended, as relevant. 3/	Annual	6-9 months

1/ The UN Statistical Commission has endorsed a set of benchmarks for the implementation of the *System of National Accounts 1993 (1993 SNA)* that may be used by countries to indicate progress toward the national accounts objective.

2/ The development of general government or public sector operations is encouraged, and strongly encouraged for those countries for which subnational levels of government or public enterprise operations are of significant analytical or operational importance.

3/ In countries where external debt data are important from a policy or analytical perspective, the System recommends that data on debt securities and loans, within the IIP categories of portfolio investment and other investment, be developed as a priority.

Table 1. The Data Dimension of the GDDS
B. Data Categories and Indicators

Data categories	Indicators	Periodicity 1/	Timeliness 1/
Real sector			
National accounts aggregates	GDP (nominal and real)	Annual (quarterly encouraged)	6-9 months
Production index/ indices	Manufacturing or industrial Primary commodity, agricultural, or other indices, as relevant	Monthly As relevant	6 weeks - 3 months for all indices
Price indices	Consumer price index Producer price index encouraged	Monthly Monthly	1-2 months 1-2 months
Labor market indicators	Employment, unemployment, and wages/earnings, as relevant	Annual 2/	6-9 months 2/

Fiscal sector			
Central government aggregates	Revenue, expenditure, balance, and financing with breakdowns (debt holder, instrument, currency), as relevant	Quarterly	1 quarter
Central government debt	Domestic debt and foreign debt, as relevant, with appropriate breakdowns (currency, maturity, debt holder, instrument), as relevant	Annual (quarterly encouraged)	1-2 quarters

Financial sector			
Broad money and credit aggregates	Net external position, domestic credit, broad or narrow money	Monthly	1-3 months
Central bank aggregates	Reserve money	Monthly	1-2 months
Interest rates	Short and long-term government security rates, policy variable rate	Monthly	3/

Table 1. The Data Dimension of the GDDS (concluded)
B. Data Categories and Indicators

Data categories	Indicators	Periodicity 1/	Timeliness 1/
External sector			
Balance of payments aggregates	Imports and exports of goods and services, current account balance, reserves, overall balance; external debt data, as relevant	Annual (quarterly strongly encouraged)	6 months
International reserves	Gross official reserves denominated in U.S. dollars	Monthly	1 - 4 weeks
Merchandise trade	Total exports and total imports	Monthly	8 weeks - 3 months
Exchange rates	Spot rates	Daily	3/

Socio-demographic data			
Categories	Indicators 4/	Periodicity 5/	Timeliness 5/
Population	Population; population growth rate; urban population; rural population; population by gender		
Health	Population per physician; life expectancy; infant/child/maternal mortality		
Education	Adult literacy; pupil-teacher ratio; primary/secondary school enrollment		
Poverty	Access to safe water/sanitation; number of people per room; income distribution; families below minimum standard of income		

1/ The System should be viewed as encouraging improvements over time in the periodicity and timeliness of data dissemination that are consistent with improvements in data quality. The objectives for timeliness that are presented in Table 1 are set out in terms of ranges of time in recognition of the diversity of countries covered by the System. The short end of the timeliness range corresponds to the SDDS timeliness requirements for a given data category or indicator while the high end of the range relates to good practice across a broad group of countries.

2/ Periodicity and timeliness for labor indicators are recommended by the International Labor Organization.

3/ Dissemination as part of a high-frequency (e.g., monthly) publication.

4/ The UN Expert Group on the Statistical Implications of the Recent Major UN Conferences has compiled a list of 15 indicators to form a Minimum National Social Data Set (MNSDS) together with a number of other indicators that may serve as a basis for development of socio-demographic data. The 16 indicators shown here are examples of the types of commonly used indicators. No particular indicator should be viewed as a specified component of the GDDS.

5/ The periodicity of socio-demographic indicators will vary; some may be annual series while others may be compiled once in three or five years. Timeliness will also vary.

23. The broad money survey is recommended as the comprehensive framework for the accounts of the banking sector. The objective is full coverage of the banking sector and the development of detailed classifications of the components of broad money, domestic credit, and external positions. The draft *Manual on Monetary and Financial Statistics*, which was endorsed by a recent expert meeting sponsored by the Fund, has as its basic framework the broad money survey, and the *Manual* is expected to provide complete and flexible guidance for countries in producing and disseminating monetary data. Monthly data are recommended as this reflects good practice among a very broad range of countries; timeliness of no later than two months after the reference month is recommended.

24. For the external sector, balance of payments accounts are the comprehensive framework. The objective is to compile and disseminate the full range of balance of payments accounts to yield principal current and capital/financial account components. Annual periodicity and timeliness of 6-9 months are recommended for the full, detailed range of accounts. The fifth edition of the Fund's *Balance of Payments Manual* is the internationally recognized guideline for the development of balance of payments data. The System also encourages the development of the International Investment Position (IIP). In countries where external debt data are of particular importance, the System recommends that data on debt securities and loans, within the IIP categories of portfolio investment and other investment, be developed as a priority.

Indicators

25. The General System recognizes the importance of indicators for policy and analytical purposes. The System therefore recommends the production and dissemination of a full range of specific data categories and indicators, with a frequency and timeliness that reflect users' needs but with due regard to countries' abilities to produce indicators of sufficient quality. These are presented in Section B of Table 1. As in the SDDS, the four main sectors are covered, generally with three types of indicators for each sector: summary measures derived from the comprehensive frameworks, data that permit tracking of the principal measures in the comprehensive frameworks, and other data relevant to the sector. The specifications for these indicators are not as prescriptive as the specifications for components in the Special Standard because the General System is intended for some countries that, at least initially, can only provide tracking indicators.

26. Many of the indicators are expected to be produced and disseminated on a more timely basis, and in some cases on a higher periodicity, than the comprehensive frameworks. As was noted earlier, the General System recognizes that there is often a tradeoff in still-developing statistical systems between data quality and timeliness and that very timely data are often less critical for users of data relating to countries participating in the General System than is the case for Special Standard countries. The General System is therefore less prescriptive; timeliness for most data categories and indicators is specified as a range. For most categories, the more ambitious end of the range of timeliness is that prescribed by the Special Standard and the other end of the range indicates good practice across a broad range of countries. These timeliness ranges are based on (1) the staff's experience on data provision to the Fund for surveillance; (2) information obtained from questionnaires completed by a range of

countries; and (3) an analysis of countries' statistical publication practices. Nevertheless, it is recognized that these timeliness ranges must be used flexibly to guide countries' dissemination practices.

27. The General System also includes a set of socio-demographic data. The staff believes that socio-demographic data are important for measuring and analyzing economic development and structural change over time and are a key element in a country's statistical base. In many countries covered by the General System, these data are inadequate, and the System therefore recognizes that (1) their improvement is important and (2) improvements in economic data should not be at the expense of developing socio-demographic areas as both compete for the limited resources available for statistical development.

28. For the real sector, the indicators corresponding to the comprehensive framework are nominal and real GDP. It is recommended that estimates of GDP in nominal and real terms be disseminated annually within 6-9 months (in comparison with the full set of annual data to be disseminated within 10-14 months). The dissemination of quarterly GDP estimates is encouraged. The data category intended to track GDP is a production index or range of production indices. For some countries, this could be a selection of indicators that best match a country's sectoral origin of production, and the System recognizes that the different indices may have different periodicities (and timeliness). Thus, manufacturing or industrial production indices could be produced and disseminated monthly, but agricultural production indices or other volume measures could be produced semi-annually or annually. With regard to prices, the General System indicates that, reflecting international good practices, monthly consumer price indices are recommended, and that the development of producer price indices is encouraged. Labor market indicators are important for all countries and are therefore included, but the General System recognizes that for many countries unemployment, employment, and wages/earnings data may not have the same short-run significance as in industrial countries. Labor indicators are recommended to be disseminated annually within 6-9 months, the periodicity and timeliness recommended by the International Labor Organization.

29. For the fiscal sector, the indicators corresponding to the comprehensive framework are central government aggregates; relevant measures such as revenue, expenditure, an appropriate balance, and financing are recommended to be disseminated on a quarterly basis within one quarter. The coverage of units of central government reflected in the indicators should be broad enough to track closely the appropriate balance of the whole of central government. For some countries, this may be limited to budgetary accounts, but for many countries, social security funds and extrabudgetary accounts would need to be included. Central government domestic and external debt data (the latter in many countries being a useful tracking category for total external debt) are recommended to be disseminated annually within one to two quarters of the end of the reference year.

30. In the financial sector, the specifications of the General System most closely match those of the SDDS in recognition of existing good practice across a very broad range of countries. Thus, for the comprehensive framework, broad money and credit aggregates are recommended to be disseminated on a monthly basis within one to three months. Central bank

aggregates are recommended with the same periodicity and on a somewhat more timely basis. For countries participating in the General System, interest rates may not be as readily available as in SDDS countries, so there may be a greater need for official agencies to redisseminate these data. Monthly periodicity is recommended.

31.   With regard to the external sector, balance of payments indicators are specified to be disseminated on an annual basis, but quarterly indicators are strongly encouraged. International reserves and merchandise trade are the tracking categories, and monthly periodicity is recommended for both categories. As in the Special Standard, great importance is attached to the timeliness of data on international reserves, and dissemination of monthly data is recommended within 1-4 weeks after the reference period. For exchange rates, it is recommended that daily observations be available. Where these are available in the press or other media, the General System does not suggest the need for official redissemination of daily data, and dissemination of monthly data would suffice.

32.   As was indicated earlier, it is proposed that the General System provide for coverage of socio-demographic data. The intent would be to include indicators that may be useful in monitoring and evaluating long-term economic objectives, to complement core macroeconomic data categories, but to do so in a manner that is less prescriptive than for the latter group of data. Table 1.B lists broad categories of data—population, health, education, and poverty—and representative indicators in each category. Some of these indicators are normally included in Fund country staff analyses. The United Nations Statistical Commission has recommended for implementation in all UN member countries a set of 15 main indicators (along with a range of secondary indicators), designated as a *Minimum National Social Data Set*.[11] These indicators are reproduced in Appendix IV. Countries may find the primary and secondary indicators pointed to by the United Nations useful in deciding which indicators to use within the context of the System. The GDDS does not specify any particular indicator(s) as the objective; the expectation is that over time a consensus—drawing on the work of the World Bank, the United Nations, and other international organizations—about relative usefulness and feasibility will emerge that could be reflected in the General System in the future.

33.   The staff recognizes that environmental indicators should be included in the General System. However, at present, there is no agreed set of indicators that has received broad acceptance. The staff proposes to continue work with international organizations in this area and to consider adding environmental indicators to the System in the future.

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[11]United Nations, Economic and Social Council, Working Group on International Statistical Programmes and Coordination, Eighteenth Session, New York, 16-19 April 1996, *Social Statistics: Follow-Up to the World Summit for Social Development, E/CN.3/AC.1/1996.R.4.* (See especially Section VII.B, Suggested Composition of the Minimum National Social Data Set, and the Appendix.)

B. The Access, Integrity, and Quality Dimensions

34.   A flow of reliable, accessible, timely, and comprehensive statistics is indispensable to informed policy making, and the wide availability of statistics to the general public, including investors, helps provide discipline by supporting informed public debate and market assessment. These roles for statistics lead to certain basic principles for the official statistics function within a country.[12] These basic principles were reflected in the Executive Board's decision to include the access, integrity, and quality dimensions in the two sets of guidance. For the General System, it is necessary to formulate elements that embody these principles while giving due consideration to the state of data and data dissemination and to the uses and users of data in the broad range of countries.

35.   For the access dimension, the Special Standard focussed on situations in which financial market decisions could hinge on the summary data in the latest economic reports. Accordingly, the availability of information about the precise release time, together with ready and equal access to the data for all interested users, was critical. For the General System, the staff proposes that the importance of public advance release calendars be maintained but that there be recognition that scarcity of the resources available to statistical agencies and weaknesses in survey and other data collection mechanisms may often make it difficult to identify precise dates in advance. Moreover, the needs of most data users may be less time sensitive. The proposed formulation for the dissemination of advance release calendars is (1) in terms of no-later-than dates for the comprehensive statistical frameworks and indicators for which annual periodicity is recommended (these dates could be based on the prior year's actual results) and (2) in terms of indicative ranges of dates, such as 3-5 days, for other frameworks and indicators. Members would be encouraged to identify an office or a person who could provide the latest information about the likely date of release. For the element dealing with simultaneous release, it is proposed that the formulation of "simultaneous" be in terms of there being at least one publicly identified and accessible location where data are available to all at the same time and on an equal basis once they are released. Such a formulation is intended to take due account of the facilities available to the data-producing agency and the needs of data users.

36.   For the integrity and quality dimensions, it is proposed that the General System, like the Special Standard, follow a transparency principle, drawing on openness to public scrutiny to foster good practice. For the integrity dimension, the Special Standard prescribed that countries provide to the public information about certain administrative practices, such as pre-release access, and about revisions and changes in methodology. For the quality dimension, it prescribed that countries disseminate information about source data and methodology and about statistical cross-checks.

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[12]The *Fundamental Principles of Official Statistics* (United Nations Economic and Social Council, 1994, *Report of the Special Session of the Statistical Commission*, New York, 11-15 April 1994, E/1994/29) provides a widely accepted reminder of these principles.

37. For the General System, it is proposed that the thrust of the four elements for the integrity dimension remain unchanged. For the two elements that deal with the dissemination of information, it is proposed that each element provide for a first step in terms of development of the information. Thus, the element that deals with the <u>terms and conditions under which official statistics are produced</u> provides, for example, for the enactment or updating of statistical laws and charters (e.g., to set out the legal basis for obtaining source data from the private sector and/or from administrative records or to recognize a role in the dissemination of data to the public). Similarly, the element that deals with <u>information about revisions</u> acknowledges that the information about revision may well need to be developed before it can be disseminated. The two elements of the integrity dimension that deal with administrative aspects of data release—<u>internal government access to data before release</u> and <u>ministerial commentary on the occasion of release</u>—are especially important when data are politically or otherwise sensitive; it is recommended that members start to work toward these objectives with the data categories and indicators that are most sensitive. Also, points of emphasis in the elements reflect the differing situations. For example, in the context of the long-term building of comprehensive frameworks and the improvements of quality, the advance notice of major changes in methodology assumes particular importance.

38. The formulations of the elements for the quality dimension are especially important in light of the emphasis given to the improvement of data quality in the General System. It is proposed that the formulations take into account that both <u>documentation on methodology and sources</u> and <u>statistical cross-checks</u> (perhaps to a lesser extent) will often have to be developed. However, developing adequate documentation is likely to be difficult and time consuming. To ease the burden on data producers as well as facilitate reference to the documentation across a broad range of data users, it is proposed that the Fund staff prepare quality assessment frameworks tailored to the data covered by the General System and that these provide basic information about source data and compilation methods designed to shed light on the aspects of data quality. Data producers would be encouraged to use these frameworks.

IV. IMPLEMENTATION OF THE GENERAL SYSTEM

39. As previewed earlier, the staff proposes that "participation" would be voluntary and that a country would be considered to be participating in the General System when it (1) committed to using the GDDS as a framework for statistical development, (2) designated a country coordinator, and (3) prepared descriptions of (a) current statistical production and dissemination practices and (b) plans for short- and long-term improvements that could be disseminated by the Fund in electronic or other form. A country may work with the Fund staff in any of these aspects of participation, as many have done in the past. However, it is proposed that only in the case where a country fulfills all three commitments would it be appropriate for the Fund to recognize a country's participation publicly. A country could opt for participation from the outset or move gradually toward participation. A country would initiate participation in the General System by indicating its intention to the Fund.

40. The staff believes that there would be a number of incentives for countries to participate in the General System. For some countries, participation in the General System could be a means of indicating the actions being taken to be able to subscribe to the SDDS within a certain period (longer than the SDDS transition period). For other countries, participation would provide the general public recognition of their plans for, and later their achievements in, improving statistical systems and enhance the credibility of their plans. The formulation of detailed plans for statistical improvements within the GDDS framework could also heighten official recognition of the importance of statistics, help mobilize budgetary support for statistical improvements, and indicate serious intent to providers of technical assistance.

41. It is expected that a number of countries would opt for participation in the near term, partly as a bridge to the SDDS, and that over time other countries would choose participation. Countries that already subscribe to the SDDS may well find it useful to assess their practices relative to the General System, although they would not be expected to participate as described above. SDDS subscribing countries that wished to provide some information on socio-demographic data could use the optional additional data categories that are already available within the SDDS framework and the DSBB.[13]

A. Country Implementation and Coordination with the Fund

42. Participation would entail a commitment to produce a full set of descriptions of current practices and plans for improvement. The descriptions of current practices would be expected to correspond to each of the objectives for the data, access, integrity, and quality dimensions. The plans would be expected to identify the major shortcomings relative to the objectives set out in the System; the steps by which the shortcomings would be addressed; the resources, including technical assistance, necessary to achieve the improvements; and the time frame during which the improvements would be achieved. A number of the kinds of improvements that would be needed are achievable within 3-5 years, and countries would be expected to identify the improvements to be undertaken within that time frame and, once the metadata have been prepared, provide updates as necessary to facilitate tracking of progress. (Countries could also opt not to participate but to continue a dialogue with the Fund staff on statistical issues using the metadata as a frame of reference for assessing current practices and plans for improvement.) It is envisaged that these metadata would be part of a metadata information system to be developed and maintained by Fund staff (see below).

43. Participation would also entail the designation of a country coordinator. To date, one of the most important results of the SDDS for subscribing countries has been the enhanced coordination of statistical activities among national agencies, and this result has been achieved in large measure due to the role of the SDDS country coordinator. Improved coordination among agencies producing statistics in GDDS countries would be even more important than for SDDS countries. It is envisaged that the country coordinator would be the main counterpart to Fund staff on all GDDS-related issues, including development of metadata. In

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[13]It is not envisaged that the requirements for metadata that SDDS countries provide for the DSBB would be affected by either participation or non-participation in the General System.

addition, the coordinator would be positioned to play a lead role in coordinating work plans for statistical improvements in areas covered by the GDDS.

44. It is envisaged that the main responsibility within the Fund for work with country coordinators will fall on the Statistics Department. The Data Dissemination Standards Division and the Country Data Review Division would take the lead in this work, the former being responsible for the development and maintenance of the country metadata information system and the latter for assessment of statistical improvements, as this aspect relates to its existing surveillance role.

45. It is not expected that area departments or functional departments other than STA would be required to play a basic role in the implementation of the General System in countries with which they deal, but they would clearly have major continuing input, as at present, in identifying data weaknesses and suggesting priorities for areas where data improvements are most needed. Over time, the GDDS country coordinator's role could also develop into being a primary point of contact for Fund missions for discussions of statistical matters and this may lead to greater efficiency in area and functional department data work and in technical assistance efforts.

46. The staff believes, based on its experience with the Special Standard, that the development of the two remaining modules of the *Guide to the Data Dissemination Standards*[14] and the presentation of regional seminar/workshops will be essential for the successful launching of the General System. It is expected that the GDDS data module of the *Guide* would be completed during 1997. The seminar/workshops—of about one week in duration in regional venues and conducted in Arabic, English, French, Russian, and Spanish—would be planned for 1998 and 1999. It is expected that they would devote considerable time to the discussion of plans, providing guidance on content and format in line with the importance of their role in the General System.

47. The GDDS is expected to play a major role in shaping data compilation and dissemination plans in many member countries. Its timely implementation will therefore be quite important. Nevertheless, there are two factors that place implementation in a medium-term time frame. First, because the GDDS would provide a long-run framework for the enhancement of data compilation and dissemination, countries will need time to assess whether and when to begin participation. In some cases, technical assistance may be required before a country is in a position to decide on participation.

48. This medium-term time frame is consistent with the necessity in the coming two years to advance the Special Standard and its DSBB. Substantial resources will be required inter alia (a) to establish hyperlinks between the DSBB and countries' own Internet sites so that users can move efficiently between metadata and the actual statistics; (b) to place summary methodologies for all data categories for all subscribing countries on the DSBB; and,

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[14]The second and third of the three modules would cover the GDDS data dimension and the access, integrity, and quality dimensions for both the SDDS and GDDS.

(c) to conduct reviews of the SDDS before the end of 1997 and before the end of the transition period.

49.   It is therefore expected that in the coming two years work on the GDDS will primarily involve development of the remaining modules of the *Guide*, presentation of the seminar/workshops, and preliminary work on a metadata information system with a small selection of countries that elect early to participate in the GDDS. In addition, ongoing technical assistance in statistics would use GDDS implementation as a core feature of the program.

B.   Disseminating Metadata for General System Participants

50.   A central issue in the implementation of the General System concerns whether or not the Fund should provide a mechanism for disseminating information about countries' practices and plans in relation to the General System. While the previous sections have implicitly assumed that the Fund should carry out this role, this section of the paper discusses the advantages and disadvantages of such an approach, including the possibility of providing an Internet-based electronic bulletin board to display metadata for participating countries. The staff believes on balance that some form of dissemination of information about participating countries' practices and the attendant recognition will be a necessary incentive for many countries to participate in the GDDS.

51.   The considerations favoring a Fund role in the dissemination of country information for General System participants would include the following: (a) this would be a valuable service since the information about such countries' statistical practices is typically difficult to obtain, and (b) dissemination would recognize the efforts of countries to improve their statistical practices and track improvements as they occur. The experience so far with the DSBB has been very favorable. The ease of access to information on country practice and the incentive it provides to countries to improve their statistical practices may argue for providing for more public access in the case of the GDDS as well. The considerations that could work against dissemination of country information for General System participants may include the following: (a) the advantage of disseminating frequent and timely information on country practice such as through a bulletin board—important for SDDS subscribers seeking access to international financial markets—may be less compelling for the GDDS, and the systemic implications of unsatisfactory data dissemination practices are likely to be less pronounced in the case of countries participating in the GDDS, and (b) as the work associated with the SDDS has indicated, the preparation and maintenance of a metadata information system is a resource-intensive activity and would require additional resources.

52.   The staff proposes that the General System be launched (as described in Section IV on timing) with the understanding, made known to countries at the outset, that the Fund would provide some mechanism to display information for participating countries. This understanding would allow staff to begin work with those countries that attach high priority to the recognition attendant with participation. Meanwhile, the staff would work on the

infrastructure for a metadata information system.[15] The issue of how best to disseminate the metadata could be taken up later, perhaps in 1998. In addition to an electronic bulletin board, the means of dissemination could include occasional special supplements to *IFS* and stand-alone reviews of the implementation of the GDDS that would be published by the Fund.

V. RESOURCE AND WORKLOAD IMPLICATIONS

53.   Implementation of the GDDS would, of course, have resource implications. The staff evaluated the possibility of recommending a fast-paced approach to implementation of the GDDS in light of the critical need to improve statistical systems. A schedule accelerated beyond what is indicated below would, however, require substantial additional Fund resources in the near term. Furthermore, it would very likely also strain countries' resource availability and absorptive capacities. In light of these concerns, as well as the need to ensure the firm establishment of the Special Standard, a more measured approach is recommended. It should be noted, however, that the estimates of resource cost presented in the paper are inevitably tentative and that they depend to some extent on factors that are beyond the control of Fund staff. In particular, if the number of countries wishing to participate in the General System at an early stage were to exceed the figures that underlie the estimates presented here—a development that would indicate that the services provided by the General System were proving more popular to Fund members than expected—the resource cost issue would need to be revisited.

54.   The adoption by the Fund of the General System and its promotion as a frame of reference for guiding statistical development in member countries should have considerable benefits by way of providing a coherent framework within which to organize area department activities dealing with provision of statistics by members and also in helping to make more efficient the existing program of technical assistance in statistics. Nevertheless, the implementation of the System along the lines set out in the preceding section would imply incremental resource demands for both technical assistance and the administration of the System.

55.   Much of the technical assistance for countries that are viewing participation in the General System as a long-term project would, in the near term, be absorbed in the Fund's current program of technical assistance in statistics of roughly 42 staff years. However, some countries would have a strong interest in stepped up technical assistance under the General System, as they might see it as a bridge to the Special Standard. If it is assumed, as a first approximation, that about 20 countries would have such interest, responding to their needs would call for about a 10 percent increase in technical assistance resources during the coming 3-5 years. Once the GDDS is formally established, maintaining a dialogue with member countries and establishing a metadata information system would require on the order of 3 staff

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[15]It is the development and maintenance of this system, which would be useful within the Fund to guide the staff's work with countries, that would be the resource-intensive activity, not the dissemination of the information.

years annually for the foreseeable future on the assumption that some 15-20 (out of a potential population of about 120) countries were absorbed into the system successively over periods of 1-2 years.

56. The burden on area departments of the work with countries in relation to the General System is not seen at this stage as adding significantly to staff work on data issues in the context of surveillance. The existence of the System, together with the establishment of country coordinators in statistics, is expected to facilitate staff data work in area departments.

VI. FUTURE WORK

57. Following the Board discussion expected in March 1997, the staff expects to undertake its future work on the General System in the following steps:

- The staff would prepare for the consideration of Executive Directors a paper to incorporate into the System (the present Appendix II) the results of the Board's discussion and a brief status report for the Interim Committee meeting in April 1997.

- Following the April 1997 meeting, the staff expects that it would begin to consult with countries about the General System and prepare modules II and III of the *Guide to the Data Dissemination Standards* dealing with the data element of the General System and the access, integrity, and quality elements of the Special Standard and General System.

VII. ISSUES FOR DISCUSSION

58. The staff proposes that the GDDS should provide a framework to guide members in the development of national systems for the production and dissemination of the identified statistics, but should do so in a way that avoids being unduly prescriptive, specific, and detailed. The staff also considers that the GDDS should take a different approach from the Special Standard with respect to timeliness in preparation of data for dissemination, recognizing the highly diverse characteristics of GDDS countries. The staff also recognizes that changes in the statistical infrastructure for data compilation and dissemination called for under the GDDS may be far reaching and thus may take considerable time and resources.

Do Executive Directors agree with these assessments concerning the thrust of the staff approach?

59. Reflecting the nature of the General System as a framework providing objectives toward which all countries can work over time, the staff proposes that participation in the System should be voluntary and involve provision of metadata that would facilitate assessments by users of members' practices against the objectives of the System and tracking of their progress.

Are Executive Directors in agreement with these proposals on the implementation of the General System?

60.   The staff has recommended that, concerning the coverage, periodicity, and timeliness of the data, the General System should be somewhat less prescriptive than the Special Standard, should distinguish between improvements in broad statistical frameworks and indicators, and, because of the important data quality issues that may arise for many General System countries, should emphasize efforts to improve data quality. In preparing the specific proposals for periodicity and timeliness specifications, the experience in members' data provision to the Fund provided an important input. The staff has also indicated that, for many countries participating in the General System, social and demographic data would also need to be considered. ·

Do Executive Directors support the thrust of the staff's approach regarding the data dimension (coverage, periodicity and timeliness) and the suggested consideration of attention to social/demographic data? Are there particular issues with respect to Table 1 that Directors would like to emphasize?

61.   With respect to the access dimension of the General System, the staff takes the view that the principle of equal access to data is important in all countries while also noting that the focus on the precise timing of data release may be less intense in many General System countries, because of lower market sensitivity of the information involved. With regard to the integrity dimension of the General System, the staff proposes an approach (as for the Special Standard) based on transparency and provision to the public of information by countries about their practices. With respect to the quality dimension of the General System, the staff proposes to emphasize provision of information by statistical agencies concerning documentation of statistical methodologies and cross-checks (similar to the Special Standard approach).

Do Executive Directors support the envisaged approach concerning the access, integrity and quality dimensions of the General System?

62.   With regard to public dissemination of information concerning the statistical practices of General System countries, the staff would propose to begin preparation and compilation of a metadata information system once the General System has been approved. It would also explore, over a period of time, alternative approaches to dissemination of information about countries that would elect to provide metadata, including the possibility of an electronic bulletin board. At a later stage—perhaps toward the end of 1998—the staff would return to the issue and present a specific proposal.

Do Executive Directors support the proposed approach to the public provision of information on the statistical practices of countries that choose to participate in the General System?

63. The paper presents the staff assessment of the resource implications of the envisaged adoption of the General System, which will need to be considered in the context of the Fund's overall budget requirements.

How do Executive Directors react to the staff's assessment of resource costs?

Do Executive Directors support the thrust of the envisaged work program for the General Data Dissemination System?

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The General Data Dissemination System

The System's objectives, comprising four dimensions of good practices in data production and dissemination, are set out in Section I, and the System's mechanism of implementation is set out in Section II.

I. The System: Objectives

The system's purpose is to guide member countries in the provision to the public of comprehensive, timely, accessible, and reliable economic and financial statistics in a world of increasing economic and financial integration. The guidance comprises four dimensions:

- The data: coverage, periodicity, and timeliness
- Access by the public
- Integrity of the disseminated data
- Quality of the disseminated data

For each of the four dimensions, the system describes two to four good practices to serve as objectives in the development of national systems of data production and dissemination. Box 1 provides an overview of the four dimensions and these elements.

Box 1. Summary of the General Data Dissemination System

1. The data: coverage, periodicity, and timeliness: Dissemination of reliable, comprehensive, and timely economic and financial data is essential to the transparency of macroeconomic performance and policy.

    Dissemination of economic and financial data as described in Table 1.

2. Access by the public: Dissemination of official statistics is an essential feature of statistics as a public good. Ready and equal access are principal requirements for the public.

    a. Advance dissemination of release calendars

    b. Simultaneous release to all interested parties

3. Integrity: To fulfill the purpose of providing the public with information, official statistics must have the confidence of their users. In turn, confidence in the statistics ultimately becomes a matter of confidence in the objectivity and professionalism of the agency producing the statistics. Transparency of its practices and procedures is a key factor in creating this confidence.

    a. Dissemination of the terms and conditions under which official statistics are produced, including those relating to the confidentiality of individually identifiable information.

    b. Identification of internal government access to data before release.

    c. Identification of ministerial commentary on the occasion of statistical releases.

    d. Provision of information about revision and advance notice of major changes in methodology.

4. Quality: Data quality must have a high priority. Data users must be provided with information to assess quality and quality improvements.

    a. Dissemination of documentation on methodology and sources used in preparing statistics.

    b. Dissemination of component detail, reconciliations with related data, and statistical frameworks that support statistical cross-checks and provide assurance of reasonableness.

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1.   The data: coverage, periodicity, and timeliness

*Dissemination of reliable, comprehensive, and timely economic and financial
data is essential to the transparency of macroeconomic performance and policy.*

a.   Definitions and general considerations

(1)   Coverage

The System focuses on the data that are most important in evaluating performance
and policy in four sectors across the economy—real, fiscal, financial, and external—as well as
complementary socio-demographic data that shed light on economic development and
structural change. The System addresses the development and dissemination of a full range of
economic and financial data: (1) presenting objectives for the development and dissemination
of comprehensive frameworks in each of the four sectors; and (2) encouraging the
development and dissemination of indicators of appropriate frequency and timeliness reflecting
countries' needs and abilities. Table 1 presents these two aspects of the data dimension.

With regard to comprehensive frameworks, Section A of Table 1 presents a set of
objectives for national accounts (real sector), central government operations (fiscal sector),
the broad money survey (financial sector), and balance of payments accounts (external sector).
The objectives emphasize the development, production, and dissemination of full-coverage
data in each framework, the use of appropriate analytical frameworks following international
standards, and the development of detailed aggregates and detailed classifications.

With regard to indicators, Section B of Table 1 provides for each sector (i) indicators
for the comprehensive frameworks—GDP for national accounts, central government
budgetary aggregates for central government operations, broad money and credit aggregates
for the broad money survey, and balance of payments aggregates for the complete balance of
payments; (ii) additional data that permit tracking of the principal measures in the
comprehensive frameworks; and (iii) other data relevant to the sector. The so-called other
data are often in the form of a price, including interest rates and exchange rates. Section B
also presents a section for socio-demographic data, which includes categories of population,
health, education, and poverty.

The System emphasizes development of comprehensive frameworks, but does not
specify in detail the component breakdowns of these frameworks to be produced and
disseminated. Internationally accepted aggregates and balancing items are recommended. In
the case of national accounts and balance of payments statistics, the *1993 System of National
Accounts* and the fifth edition of the *Balance of Payments Manual* were recently introduced,
and provide appropriate guidance for the development of frameworks and aggregates. The
IMF *Manual on Monetary and Financial Statistics* is nearing completion, and the revision of
the *Manual on Government Finance Statistics* is underway; these may provide the basis for
development of frameworks and classifications in the financial and fiscal sectors.

Table 1. The Data Dimension of the GDDS
A. Comprehensive Frameworks

Frameworks	Coverage, classification, and analytical framework	Periodicity	Timeliness
National accounts	Producing and disseminating the full range of national accounts aggregates and balancing items in nominal and real terms, yielding Gross Domestic Product, Gross National Income, Gross Disposable Income, Consumption, Saving, Capital Formation, and Net lending/ borrowing. Producing and disseminating sectoral accounts and national and sectoral balance sheets, as relevant. 1/	Annual	10-14 months
Central government operations 2/	Producing and disseminating comprehensive data on transactions and debt, emphasizing: (1) coverage of all central government units; (2) use of appropriate analytical framework; and (3) development of a full range of detailed classifications (tax and nontax revenue, current and capital expenditure, domestic and foreign financing) with breakdowns (debt holder, instrument, currency), as relevant.	Annual	6-9 months
Broad money survey	Producing and disseminating comprehensive data emphasizing: (1) coverage of all depository corporations (banking institutions); (2) use of an appropriate analytical framework; and (3) development of classifications of external assets and liabilities, domestic credit by sector, and components of money (liquidity) and nonmonetary liabilities.	Monthly	2-3 months
Balance of payments	Producing and disseminating comprehensive data on the main aggregates and balancing items of the balance of payments, including e.g. imports and exports of goods and services, trade balance, income and transfers, current account balance, reserves and other financial transactions, and overall balance, with detailed components, as relevant. International Investment Position (IIP) encouraged; external debt data recommended, as relevant. 3/	Annual	6-9 months

1/ The UN Statistical Commission has endorsed a set of benchmarks for the implementation of the *System of National Accounts 1993 (1993 SNA)* that may be used by countries to indicate progress toward the national accounts objective.

2/ The development of general government or public sector operations is encouraged, and strongly encouraged for those countries for which subnational levels of government or public enterprise operations are of significant analytical or operational importance.

3/ In countries where external debt data are important from a policy or analytical perspective, the System recommends that data on debt securities and loans, within the IIP categories of portfolio investment and other investment, be developed as a priority.

Table 1. The Data Dimension of the GDDS
B. Data Categories and Indicators

Data categories	Indicators	Periodicity 1/	Timeliness 1/
Real sector			
National accounts aggregates	GDP (nominal and real)	Annual (quarterly encouraged)	6-9 months
Production index/ indices	Manufacturing or industrial Primary commodity, agricultural, or other indices, as relevant	Monthly As relevant	6 weeks - 3 months for all indices
Price indices	Consumer price index Producer price index encouraged	Monthly Monthly	1-2 months 1-2 months
Labor market indicators	Employment, unemployment, and wages/earnings, as relevant	Annual 2/	6-9 months 2/

Fiscal sector			
Central government aggregates	Revenue, expenditure, balance, and financing with breakdowns (debt holder, instrument, currency), as relevant	Quarterly	1 quarter
Central government debt	Domestic debt and foreign debt, as relevant, with appropriate breakdowns (currency, maturity, debt holder, instrument), as relevant	Annual (quarterly encouraged)	1-2 quarters

Financial sector			
Broad money and credit aggregates	Net external position, domestic credit, broad or narrow money	Monthly	1-3 months
Central bank aggregates	Reserve money	Monthly	1-2 months
Interest rates	Short and long-term government security rates, policy variable rate	Monthly	3/

Table 1. The Data Dimension of the GDDS (concluded)
B. Data Categories and Indicators

Data categories	Indicators	Periodicity 1/	Timeliness 1/
External sector			
Balance of payments aggregates	Imports and exports of goods and services, current account balance, reserves, overall balance; external debt data, as relevant	Annual (quarterly strongly encouraged)	6 months
International reserves	Gross official reserves denominated in U.S. dollars	Monthly	1 - 4 weeks
Merchandise trade	Total exports and total imports	Monthly	8 weeks - 3 months
Exchange rates	Spot rates	Daily	3/

Socio-demographic data			
Class	Indicators 4/	Periodicity 5/	Timeliness 5/
Population	Population; population growth rate; urban population; rural population; population by gender		
Health	Population per physician; life expectancy; infant/child/maternal mortality		
Education	Adult literacy; pupil-teacher ratio; primary/secondary school enrollment		
Poverty	Access to safe water/sanitation; number of people per room; income distribution; families below minimum standard of income		

1/ The System should be viewed as encouraging improvements over time in the periodicity and timeliness of data dissemination that are consistent with improvements in data quality. The objectives for timeliness that are presented in Table 1 are set out in terms of ranges of time in recognition of the diversity of countries covered by the System. The short end of the timeliness range corresponds to the SDDS timeliness requirements for a given data category or indicator while the high end of the range relates to good practice across a broad group of countries.

2/ Annual periodicity for labor indicators is recommended by the International Labor Organization.

3/ Dissemination as part of a high-frequency (e.g., monthly) publication.

4/ The UN Expert Group on the Statistical Implications of the Recent Major UN Conferences has compiled a list of 15 indicators to form a Minimum National Social Data Set (MNSDS) together with a number of other indicators that may serve as a basis for development of socio-demographic data. The 16 indicators shown here are examples of the types of commonly used indicators. No particular indicator should be viewed as a specified component of the GDDS.

5/ The periodicity of socio-demographic indicators will vary; some may be annual series while others may be compiled once in three or five years. Timeliness will also vary.

Most of the data categories identified for inclusion in the System are produced by official national agencies. The inclusion in the System of some data categories that are produced by private organizations (at least in some countries) introduces some complexities, including the implicit stamp of quality that is given by official re-publishing. The inclusion of privately compiled data is warranted in the interest of obtaining a more complete picture of the economy and more consistent coverage across countries. However, including them requires some adaptation in the responsibilities that the official (disseminating) agency has with respect to some elements of access by the public, integrity, and data quality.

(2)   Periodicity and timeliness

The General System recognizes the importance of dissemination of data that are of appropriately high periodicity and timeliness, but attaches priority to improvements in data quality, in recognition of the tradeoffs that may exist in still-developing statistical systems between improving data quality on the one hand and periodicity and timeliness on the other.

Periodicity refers to the frequency of compilation of the data. The periodicity of a particular data category is determined by several factors, including the ease of observation or compilation and the needs of analysis. The System should be viewed as encouraging improvements over time in periodicity of data dissemination that are consistent with improvements in data quality.

Timeliness refers to the speed of dissemination of the data—i.e., the lapse of time between a reference date (or close of a reference period) and dissemination of the data. It reflects many factors, including some related to institutional arrangements, such as the preparation of accompanying commentary and printing. Dissemination of statistics takes several forms, among them—

- providing a formal publication, such as news releases (perhaps presenting only summary statistics), periodicals such as monthly bulletins, or one-time volumes;
- announcing the availability of statistics on request (but not necessarily without charge), increasingly pointing to electronic databases;
- providing a diskette, tape, or CD-ROM version of a formal publication or a database;
- providing brief recorded telephone messages and fax services, especially in the case of data categories justifying high-frequency distribution.

The objectives for timeliness that are presented in Table 1 are set out in terms of ranges of time in recognition of the diversity of countries covered by the System. The short end of the timeliness range corresponds to the SDDS timeliness requirements for a given indicator while the high end of the range relates to good practice across a broad group of countries. The System should be viewed as encouraging improvements over time in the timeliness of data dissemination that are consistent with improvements in data quality.

b. The specifications

The System provides objectives for data production and dissemination for both comprehensive frameworks and other data categories and indicators; these are summarized in Table 1.

(1) Comprehensive frameworks

With regard to the comprehensive frameworks described in Section A of the table, the objective is to encourage the production and dissemination of complete sets of data with widest coverage, using appropriate analytical frameworks and classification schemes. Particular aggregates and balances are provided for illustration, but the emphasis is placed on complete data sets rather than specific indicators.

For national accounts, the objective is producing and disseminating data covering the widest scope of economic activity, including that of the informal sector. The emphasis in on producing the full range of national accounts aggregates and balances, not only production-oriented measures. Thus, in addition to GDP, the System encourages the development of measures of national and disposable income, consumption, saving, capital formation, and financing. The development of the full range of measures is a long-term effort for most countries and all countries need not follow the same path of implementation, as the appropriate path in a country will depend on analytical and policy needs and resource availability. International and regional manuals—the *1993 SNA* and the *European System of Accounts 1995*, for example—are recommended to guide development of national accounts. The UN Statistical Commission has endorsed a set of benchmarks to guide countries on the path of implementation. The System also recommends as long-term objectives and as relevant the development of accounts for principal sectors of the economy and of national and sectoral balance sheets. The System recommends that complete national accounts data be disseminated annually and within 10-14 months after the end of the reference year.

For the comprehensive framework for central government operations, the System recommends complete coverage of all central government units, including budgetary and extrabudgetary accounts, social security funds, and decentralized agencies; complete coverage is essential in most countries to assess the actual fiscal stance. The System encourages development of an appropriate analytical framework and classification schemes, but does not prescribe a particular framework or set of classification tables. The current *Manual on Government Finance Statistics* may be used as a guideline for development of central government data. This manual provides a broadly used analytical framework that identifies revenue, expenditure, and financing aggregates and deficit concepts, as well as detailed classification schemes. The revision of this manual that is currently underway is expected to provide a suitable guide for development of fiscal data for a broad range of countries. The System recommends that complete data on the operations of central government be disseminated annually within 6-9 months. The System also encourages the development of data on general government operations and/or public sector operations. When these data are of particular policy and analytical significance—for example, when the public sector

borrowing requirement is a focus of policy—their development may be accorded a high priority, at least with regard to summary indicators.

The broad money survey is the comprehensive framework for the financial sector. The coverage of this framework includes all depository corporations (banking institutions) that have liabilities included in broad money aggregates. The System suggests an analytical framework that is based on a measure of broad money and factors that affect changes in money, especially domestic credit and external assets and liabilities. The IMF *Manual on Monetary and Financial Statistics*, to be published in 1997, may serve as a flexible guide to the development of monetary and financial data, as the broad money survey is the central analytical device of this manual. In recognition of existing good practice across a broad range of countries, the System recommends monthly data to be disseminated within 1-3 months of the end of the reference month.

For the external sector, balance of payments is the comprehensive framework. The objective is the production and dissemination of complete balance of payments accounts. The fifth edition of the IMF *Balance of Payments Manual* is recommended as a guide to development of a full range of external transactions measures. The manual provides a very widely used analytical framework and classification scheme of detailed components that identifies current (imports and exports of goods and services, net income and net transfer transactions), capital, and financial (direct investment, portfolio investment, other investment, and reserves) account transactions; a range of analytical balances, such as the trade balance, current account balance, and the overall balance may also be compiled within this framework. The System recommends the dissemination of complete balance of payments data annually within 6-9 months of the end of the reference year.

The international investment position is increasingly recognized as a useful framework in which to develop an integrated picture of a country's stock of external financial assets and liabilities. However, only a few countries now prepare an international investment position, and international guidelines were introduced only recently (in the fifth edition of the *Balance of Payments Manual*). Accordingly, the System encourages that countries work toward component detail according to the *Balance of Payments Manual*—direct investment; portfolio investment, including equity and debt; other investment; and (for assets), reserves—and disseminate the framework or components of it as appropriate and feasible. Breakdowns of the debt securities and loans, within portfolio and other investment, respectively, by currency of issue and by original maturity (short-term versus medium- and long-term using classifications by instrument) would be highly desirable for a view of external debt.

(2) Indicators

Section B of Table 1 presents the indicators that the System recommends to be produced and disseminated. The four main sectors that are covered in the comprehensive frameworks—real, fiscal, financial, and external—are included; in addition, a set of socio-demographic indicators is included. In general, three types of indicators are provided for each of the four sectors: summary measures derived from the comprehensive frameworks; data that

permit tracking of the principal measures in the comprehensive frameworks; and other data relevant to the sector.

Many of the indicators are expected to be produced and disseminated on a more timely basis, and in some cases on a higher periodicity, than the comprehensive frameworks. Timeliness for most indicators is specified as a range. These ranges must be viewed as approximations to be used flexibly as objectives.

The recommended indicator corresponding to the comprehensive statistical framework for the real sector is GDP at nominal levels and real (price-adjusted) levels. The System does not recommend specific data components, but breakdowns of GDP by major expenditure category and/or productive sector are encouraged. While not specifically recommended, saving and gross national income (formerly GNP) are data components that countries are encouraged to provide. Classification according to the *1993 System of National Accounts* (or a regional counterpart) is strongly encouraged. Annual indicators are recommended, but quarterly indicators are encouraged; dissemination within 6-9 months is recommended for annual indicators.

The data category intended to track GDP on a more frequent basis is a single production index or a selection of production indices. The index or selection of indices that is relevant will depend on a country's economic structure—manufacturing or industrial production in some countries, primary commodity production (e.g., petroleum or rice) in other countries, and/or agriculture in still others. To provide a guide to developments in GDP, a monthly measure is recommended for manufacturing or industrial production. The "as relevant" notation for periodicity is a recognition that in many countries, such as those where seasonal crop production is important, production may be better represented by a quarterly or half-yearly index.

For price statistics, consumer price indices are recommended and producer price indices are encouraged. They are widely used in their own right; in addition, their underlying detail is needed for price-adjusted national accounts. Monthly periodicity is recommended with timeliness of 1-2 months after the end of the reference period.

Labor market data are critically important statistics in industrial countries but may be less meaningful in others, such as those with large informal or subsistence sectors. The "as relevant" notation recognizes that the coverage of the specified employment, unemployment, and wages/earnings components may, of necessity, be less than the total economy and that such concepts may not be meaningful. The annual periodicity and 6-9 months timeliness are the recommendations of the International Labor Organization.

For the fiscal sector, the indicators corresponding to the comprehensive framework are central government aggregates; relevant measures such as revenue, expenditure, an appropriate balance, and financing are recommended to be disseminated on a quarterly basis within one quarter. The coverage of units of central government reflected in the indicators should be broad enough to track closely the appropriate balance of the whole of central

government. For some countries, this may be limited to budgetary accounts, but for many countries, social security funds and extrabudgetary accounts would need to be included.

The recommended data coverage for debt is the total debt of central government. Debt data should be classified as domestic and foreign, on an "as relevant" basis. Breakdowns may be provided, as relevant, by maturity (short- versus medium- and long-term, preferably by remaining maturity but on an original maturity basis if the former is not available), by currency, by debt holder, and/or by debt instrument. Annual periodicity is recommended for central government debt, but where debt is of major policy significance, quarterly periodicity is encouraged.

For the financial sector, broad money and credit aggregates are the indicators for the broad money survey relating to the analytical accounts of the banking system. Data should cover all units of the system that are included in principal national measures of money aggregates (such as M2 or M3). Major indicators should include the net external position, domestic credit, and narrow or broad money. Monthly dissemination within 1-3 months is recommended.

With regard to data for the central bank, the component specified is reserve money. Monthly dissemination within one to two months is recommended.

Interest rates should include short- and long-term government securities rates as appropriate to the country (e.g., three-month Treasury bill rate and ten-year government bond rate) and a policy variable rate, such as the central bank lending rate. Dissemination of deposit and lending rates is encouraged. Monthly data observations are called for. Because the data are very often available in the news media and from commercial data vendors, official dissemination is less time-sensitive than otherwise would be the case and therefore no specific timeliness is recommended. Where rates are administratively determined, changes in rates should be disseminated as soon as possible after rate changes.

For the external sector, balance of payments indicators relate to the comprehensive statistical framework. Recommended indicators include, for the current account, imports and exports of goods and services and the current account balance. Financial (capital) account components should include at least reserves data and an overall balance. Classification according to the *Balance of Payments Manual* (fifth edition) is strongly encouraged. Annual periodicity is recommended, but quarterly dissemination is strongly encouraged. For annual data, dissemination within 6 months is recommended

On a more frequent and timely basis, international reserves should be provided in U.S. dollars; dissemination of monthly gross official reserve assets within one to four weeks is recommended. Merchandise trade data, also on a more frequent and timely basis, are recommended first with at least total imports and exports. Monthly periodicity within eight weeks to three months is recommended.

The System recommends that spot exchange rates be available to the public on a daily basis. If these are readily available in the media or through on-line systems, public

redissemination may be limited to monthly, or preferably weekly, end period and period average rates.

The General System provides for the coverage of socio-demographic data that may be useful in monitoring and evaluating long-term economic objectives to complement core macroeconomic data categories. The System does not recommend specific indicators, but identifies four categories—population, health, education, and poverty—and a number of commonly used indicators within each category. The United Nations has produced a *Minimum National Social Data Set* consisting of 15 primary indicators and a range of secondary indicators that it has recommended for implementation in all UN member countries. These are presented in Appendix IV. The System does not specifically include these indicators, but countries may find the primary and secondary indicators useful in deciding which indicators to use within the context of the System.

2.   Access by the public

Dissemination of official statistics is an essential feature of statistics as a public good. Ready and equal access are principal requirements for the public.

a.   Advance dissemination of release calendars

Advance release calendars highlight sound management and transparency of statistical compilation and provide data users with information needed to take a more active, organized approach to acquiring the raw materials for their work. The objective may be met by the dissemination of calendars for the year ahead that show no-later-than targets for the release of comprehensive frameworks and indicators with annual periodicity and a range of dates, such as 3-5 days, for data released more frequently. Members are encouraged to make widely known the name and address of an office or a person who could provide the latest information about the likely date of release, including release of data for which periodicity and timeliness are irregular and newly disseminated data.

b.   Simultaneous release to all interested parties

The objective is to release data to all interested parties at the same time in recognition that data are valuable commodities and in the interest of equity. Release is not intended to refer to access by government agencies, including those other than the producing agency; pre-release access is governed by conditions set out in the description of integrity (see subsection 3.b below). The act of release may consist of providing summary data, to be accompanied perhaps later, by provision of detail. The objective may be met by providing at least one publicly identified and accessible location where data are available to all on an equal basis once they are released.

3. <u>Integrity</u>

To fulfill the purpose of providing the public with information, official statistics must have the confidence of their users. In turn, confidence in the statistics ultimately becomes a matter of confidence in objectivity and professionalism of the agency producing the statistics. Transparency of its practices and procedures is a key factor in creating this confidence.

a. Dissemination of the terms and conditions under which official statistics are produced, including those relating to the confidentiality of individually identifiable information

The practice, which was embodied in the "Fundamental Principles of Official Statistics" adopted in 1994 by the United Nations Statistical Commission is indirect, but nevertheless fundamental to fostering confidence in the objectivity and professionalism of official statistics. The terms and conditions under which statistical agencies operate may take various forms, including statistics law(s), charters, and codes of conduct; these may not be in place or they may be out of date. Accordingly, a first step toward the objective would be to put such laws, charters, and codes in place. The terms and conditions incorporated in them may refer to matters such as the relationship of the statistical unit to a larger department or ministry of which it is part (if relevant), the legal authority to collect data, the requirement to publish data it has collected, the terms of reference for the chief statistician/director, and procedures and processes related to confidentiality of individual responses. Dissemination of this information may take a variety of forms, including annual reports of the producer of statistics, abstracts in key publications, and statements of relevant passages referring to confidentiality of survey forms. Producers may find it convenient to use logos and other insignia to remind users of the terms under which statistics carrying the logo are produced.

b. Identification of internal government access to data before release

In the interest of transparency about possible undue influence on the data before release, this element calls for listing the persons/positions within the government, but outside the agency producing the data, who have pre-release access. Such identification—that is, statements of "who knows what"—may take a variety of forms, including brief notices to the public and annual reports of the producer of statistics. This practice is addressed mainly to situations in which the data are sensitive for policy or other reasons, and the objective may be met, at a minimum, by following this practice for the most sensitive data categories and indicators.

c. Identification of ministerial commentary on the occasion of statistical releases

Ministerial commentary is not necessarily expected to maintain the same degree of objectivity or freedom from political judgment as would be expected of good practice for a producer of official statistics. Therefore, the practice is to identify such commentary so that its

source will be transparent to the public. The identification of ministerial commentary on the occasion of statistical release may take several forms—including separate statements by the minister (or other policy or political official) or, alternatively, identification of a statistical agency's material in a release that contains both ministerial commentary and data. The agency's material may include data, explanatory text (e.g., of an unusual event affecting the data), and objective analysis; the identification as agency material may be made in various ways, including the use of source lines in tables and of the producer's logos or other insignia. This practice is addressed mainly to situations in which the data are sensitive for policy or other reasons, and the objective may be met, at a minimum, by following this practice for the most sensitive data categories and indicators.

    d. Provision of information about revision and advance notice
        of major changes in methodology

In the interest of transparency about the data producers' practices, this element provides for the provision of information about past revisions and about one of the major prospective sources of revision. Relevant information about revisions in data may include statements about the policy followed (e.g., a policy of revising monthly data when an annual, more comprehensive survey becomes available or a policy of no revision) and data about the size of past revisions; both policies and data on revisions may have to be developed before they can be disseminated. Changes in methodology (e.g., changes in base year, major expansions of sample size, introduction of alternative data sources, reclassification of transactions or industries) are to be expected in developing statistical systems. The advance notices may take a variety of forms, including, at a minimum, a short statement in the last presentation of unrevised data or a stand-alone basis. These statements would identify the kinds of changes to be made and give a source for additional information, such as a paper available on request or the name and address of a person able to explain the upcoming change. Members are encouraged, as well, to provide easy access to information explaining revisions after they are released (e.g., by access to a person able to answer questions about revisions).

4.   Quality

Data quality must have a high priority. Data users must be provided with information to assess quality and quality improvements.

    a. Dissemination of documentation on methodology and sources
        used in preparing statistics

The availability of documentation on methodology and sources underlying statistics is key to users' awareness of the strengths and weaknesses of the data. The documentation may take several forms, including summary notes accompanying release of the data, separate publications, and papers available on request from the producers. Members are encouraged to prepare and disseminate statements about important features of quality (e.g., the kind of error to which the data are subject, sources of noncomparability over time, measures of coverage

for census data or sample error for survey data).[1] Members are encouraged to provide documentation in the form of quality assessment frameworks to be provided by the International Monetary Fund.

    b. Dissemination of component detail, reconciliations with related
        data, and statistical frameworks that support statistical cross-checks
        <u>and provide assurance of reasonableness</u>

       To support and encourage users' checks and verification of data, this element provides for dissemination of components underlying aggregate series, dissemination within a statistical framework, and/or dissemination of comparisons and reconciliations with related data. Component detail is, of course, to be at a level that does not conflict with other desirable characteristics such as the confidentiality of individually identifiable information or statistical reliability. Statistical frameworks include accounting identities and statistical relationships (such as balance sheets). Comparisons and reconciliations include those that cut across frameworks, such as exports and imports as part of the national accounts and as part of the balance of payments.

II. Implementation

       Members are encouraged to participate in the GDDS on a voluntary basis. Participation involves a commitment (1) to use the GDDS as a framework for the development of their national systems for the production and dissemination of economic and financial data, (2) to designate a country coordinator to work with Fund staff, and (3) to prepare descriptions of (a) current statistical production and dissemination practices and (b) plans for short- and long-term improvements that could be disseminated by the Fund. The descriptions of current practices would correspond to each of the objectives for the data, access, integrity, and quality dimensions. The plans would identify the major shortcomings relative to the objectives set out in the System; the steps by which the shortcomings would be addressed; the resources, including technical assistance, necessary to achieve the improvements; and the time frame during which the improvements would be achieved. In particular, the improvements to be undertaken within 3-5 years would be identified. Members may indicate participation by sending an appropriate communication to the Fund; only after completing the three elements and indicating participation would the Fund publicly recognize a country as a participant.

       A country could opt for participation from the outset, move gradually toward participation, or continue to work with the Fund on the improvement of national systems for the production and dissemination of statistics, as in the past, without participation. Members that subscribe to the SDDS would not be expected to participate, although they may well find

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[1]The size of past revisions, which is often in the list of aspects of quality, is included in an element on integrity, drawing on its role as an indicator of the transparency of conditions under which data are produced.

the GDDS useful as a framework within which to assess their data and data dissemination practices.

The Fund will maintain a system to store the information about current practices and plans (metadata) provided by countries and will, as a service to its members, disseminate those metadata. The means of dissemination will be determined by [...., 199x], after further consultation with countries on the most appropriate means to provide wide and easy access to the metadata and recognition of countries' effort to achieve comprehensive, reliable, accessible, and timely statistics. The responsibility for the accuracy of the metadata and of the economic and financial statistics underlying the metadata rests with the member countries. Members will be expected to review their metadata at least once a year and update them as necessary.

Members may withdraw their participation at any time. They may do so by sending an appropriate communication to the Fund.

Reviews of the System's content and implementing procedures will be conducted by the Fund at appropriate intervals. The views of both producers and users of data will be sought.

Extracts from *The Special Data Dissemination Standard*[1]

Box 1. Summary of the Special Data Dissemination Standard

1. The data: coverage, periodicity, and timeliness: Comprehensive economic and financial data, disseminated on a timely basis, are essential to the transparency of macroeconomic performance and policy.

    Dissemination of economic and financial data categories as prescribed in Table 1 (as relevant for the country), with the components, the periodicity, and the timeliness indicated.

2. Access by the public: Dissemination of official statistics is an essential feature of statistics as a public good. Ready and equal access are principal requirements for the public, including market participants.

    a. Advance dissemination of release calendars

    b. Simultaneous release to all interested parties

3. Integrity: To fulfill the purpose of providing the public with information, official statistics must have the confidence of their users. In turn, confidence in the statistics ultimately becomes a matter of confidence in the objectivity and professionalism of the agency producing the statistics. Transparency of its practices and procedures is a key factor in creating this confidence.

    a. Dissemination of the terms and conditions under which official statistics are produced, including those relating to the confidentiality of individually identifiable information.

    b. Identification of internal government access to data before release.

    c. Identification of ministerial commentary on the occasion of statistical releases.

    d. Provision of information about revision and advance notice of major changes in methodology.

4. Quality: A set of standards that deals with the coverage, periodicity, and timeliness of data must also address the quality of statistics. Although quality is difficult to judge, monitorable proxies, designed to focus on information the user needs to judge quality, can be useful.

    a. Dissemination of documentation on methodology and sources used in preparing statistics.

    b. Dissemination of component detail, reconciliations with related data, and statistical frameworks that support statistical cross-checks and provide assurance of reasonableness.

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[1]This appendix reproduces Box 1, Table 1, and Section II from *The Special Data Dissemination Standard*, approved by the Executive Board in April 1996.

Table 1. The Special Data Dissemination Standard: Coverage, Periodicity, and Timeliness

Coverage			Periodicity	Timeliness
Prescribed		Encouraged categories and/or components		
Category	Components			
Real sector				
National accounts: nominal, real, and associated prices *	GDP by major expenditure category and/or by productive sector	Saving gross national income	Q	Q
Production index/indices #	Industrial, primary commodity, or sector, as relevant		M (or as relevant)	6W (M encouraged, or as relevant)
		Forward-looking indicator(s), e.g., qualitative business surveys, orders, composite leading indicators index	M or Q	M or Q
Labor market	Employment, unemployment, and wages/earnings, as relevant		Q	Q
Price indices	Consumer prices and producer or wholesale prices		M	M
Fiscal sector				
General government or public sector operations, as relevant *	Revenue, expenditure, balance, and domestic (bank and nonbank) and foreign financing	Interest payments	A	2Q
Central government operations #	Budgetary accounts: revenue, expenditure, balance, and domestic (bank and nonbank) and foreign financing	Interest payments	M	M
Central government debt	Domestic and foreign, as relevant, with a breakdown by currency (including indexed), as relevant, and a breakdown by maturity; debt guaranteed by central government, as relevant	Debt service projections: interest and amortization on medium and long-term debt (Q for next 4 quarters and then A) and amortization on short-term debt (Q)	Q	Q

Table 1 (concluded). The Special Data Dissemination Standard:
Coverage, Periodicity, and Timeliness

Coverage			Periodicity	Timeliness
Prescribed		Encouraged categories and/or components		
Category	Components			
Financial sector				
Analytical accounts of the banking sector *	Money aggregates, domestic credit by public and private sector, external position		M	M
Analytical accounts of the central bank #	Reserve money, domestic claims on public and private sector, external position		M (W encouraged)	2W (W encouraged)
Interest rates	Short-term and long-term government security rates, policy variable rate	Range of representative deposit and lending rates	D	1/
Stock market	Share price index, as relevant		D	1/
External sector				
Balance of payments *	Goods and services, net income flows, net current transfers, selected capital (or capital and financial) account items (including reserves)	Foreign direct investment and portfolio investment	Q	Q
International reserves #	Gross official reserves (gold, foreign exchange, SDRs, and Fund position) denominated in U.S. dollars	Reserve-related liabilities, as relevant	M (W encouraged)	W
Merchandise trade #	Exports and imports	Major commodity breakdowns with longer time lapse	M	8W (4-6W encouraged)
International investment position	See accompanying text		A (Q encouraged)	2Q (Q encouraged)
Exchange rates	Spot rates and 3- and 6-month forward market rates, as relevant		D	1/
Addendum: Population		Key distributions, e.g., by age and sex	A	...

Periodicity and timeliness: Daily ("D"); weekly or with lapse of no more than one week ("W") after the reference date or close of the reference week; monthly or with lapse of no more than one month ("M"); quarterly or with lapse of no more than one quarter ("Q"); annual ("A").

* Comprehensive statistical frameworks

Tracking categories

1/ Given that data are widely available from private sources, dissemination of official producers may be less time-sensitive. Although dissemination by recorded telephone messages or fax services is encouraged, dissemination of these data can be made part of other (preferably high-frequency) dissemination products.

Implementation

Subscription to the standard

Members are invited to subscribe to the special data dissemination standard on a voluntary basis. In support of this formal invitation, the Fund staff will communicate with country authorities to provide information about procedures and information requirements for subscription and will be prepared, informally and upon request, to assist them in evaluating the extent of the adjustments to their current practices that would be needed to observe the standard. Members may subscribe by sending an appropriate communication to the Fund.

As a cornerstone of the implementation of the special data dissemination standard, the Fund will maintain the Dissemination Standard Bulletin Board (DSBB) on the Internet at a World Wide Web site. Members subscribing to the standard will provide information about the data disseminated under the standard for the DSBB. The DSBB will identify publicly the member countries that subscribe to the standard and provide wide and easy access to the information describing their data and their dissemination practices--the metadata--that will be useful in its own right and that will facilitate monitoring of the observance of the standard by financial market participants and others. A prototype metadata page is shown as Appendix I. The DSBB is being established and will be maintained by the Fund as a service to its members. The responsibility for the accuracy of the metadata and of the economic and financial statistics underlying the metadata rests with the member countries.

The opening of subscription will set in train a sequence of events. Country metadata, to be provided no later than three months after subscription (except for the summary methodologies, which are to be provided by the end of the transition period described below), will be reviewed by the staff to ensure that it is comprehensive and presented in a reasonably internationally comparable fashion. The metadata will be placed on the DSBB and the DSBB opened to the public by August 31, 1996. Thereafter, the metadata will be amended by the Fund staff on the basis of information to be provided by the country.

The period through December 31, 1998 will be a transition period. During this period, countries may subscribe to the standard even though they are not able to observe it fully. In these circumstances, countries will be expected to delineate the elements on which they fall short and to provide a reasonable plan, which will be accessible on the DSBB, to attain the level of the standard by the end of the transition period. The transition will also provide an interval during which members can seek technical assistance to improve practices. During this period the Fund will also elaborate more fully certain operational aspects.

Members may also subscribe after the transition period, when the standard is in full operation. Subscription will then require that members be able to observe the standard fully.

Members may withdraw their subscription at any time during the transition period or after. They may do so by writing the Fund, and the Fund will, as soon as possible but not later than 30 days later, remove the member's metadata from the DSBB.

Reviews of the standard's content and implementing procedures will be conducted by the Fund at appropriate intervals. The views of both producers and users of data, including financial market participants, will be sought.

Observance of the standard

Countries that subscribe to the standard will be expected to observe the elements of its four dimensions, availing themselves to the extent that they wish of the flexibility provided in the standard for coverage, periodicity, and timeliness. Data users are interested in knowing not only which countries subscribe to the standard but also (and more importantly) whether they actually observe the standard. The Fund, too, has a direct interest in promoting observance of the standard in order for subscription to the standard to give accurate signals to data users and to preserve the standard's credibility.

Data users may be the first to notice if certain data do not meet the timeliness and frequency indicated in the country metadata on the DSBB and may be well positioned to detect shortfalls with respect to the access, integrity, or quality elements of the standard. While issues related to possible slippage will be taken up directly by users with the data producers, the Fund will also need to know of problems and an appropriate point of contact for users will be established. Fund staff will also consult periodically with interested users. The staff assessment of observance of the dissemination standards will be submitted to the Executive Board.

To serve the purposes for which the standard is designed, it will be necessary to signal if a subscribing member is no longer fulfilling the expectation that it is observing the standard. This signal will be given by the removal of the country's metadata from the DSBB.

In the course of the transition period, there will be no removal of subscribers from the DSBB except in cases of egregious nonobservance. For example, this procedure could be invoked if a subscribing country stops publishing international reserves data or is generally releasing them with a long lag (such as a month) that represents backsliding from its practice at the time it subscribed. The removal will be by decision of the Executive Board, which could draw on the advice of a panel of independent statistical experts.

Following the transition period, when concerns arise that a member may not be acting in a manner consistent with its commitments under the standard, the first steps will be taken within the Fund, between the member and the Fund in consultation with the Executive Director concerned. If bilateral discussions do not resolve the issue, the Fund's Executive Board will be informed that concerns of severe and persistent nonobservance had arisen and that formal procedures for a review of observance are to be triggered. These procedures, including the modalities for assessing observance of performance, will be elaborated fully during the transition period in a dialogue with interested members. Such procedures, which would need to operate in a timely fashion, could involve arrangements to draw on the advice of a panel of independent statistical experts and would, of course, provide the country concerned with a full opportunity to present its position. The removal of a subscribing member from the DSBB, which would provide a public indication that a member was not in observance of its commitments, would be decided by the IMF Executive Board.

United Nations Minimum National Social Data Set

The UN Expert Group on the Statistical Implications of the Recent Major UN Conferences has compiled a list of 15 indicators to form a suggested Minimum National Social Data Set (MNSDS).[1] These indicators are listed below together with a number of other indicators (indented) also seen as valuable and relevant for monitoring and evaluating the progress within the policy areas of the UN Summits.

0. General

• Population estimates by sex, age and (where appropriate and feasible) ethnic group

1. Population and development

• Life expectancy at birth, by sex
• Infant mortality, by sex
• Child mortality, by sex
• Maternal mortality
• Percentage of infants weighing less than 2 500g at birth, by sex[2]
• Average number of years of schooling completed, by urban/rural, sex and, where possible, by income classes

    - % of pregnant women who have at least one ante-natal visit
    - % of pregnant women who have a trained attendant at delivery
    - % of pregnant women immunized against tetanus
    - Contraceptive prevalence rate[2]
    - Incidence and prevalence of sexually transmitted diseases
    - Quality of family planning services
    - Access to, and quality of, maternal health services
    - Incidence of female genital mutilation.

2. Eradicating poverty

    - Physical and mental health
    - Literacy
    - Family conditions
    - Unemployment
    - Social exclusion and isolation

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[1]United Nations, Economic and Social Council, Working Group on International Statistical Programmes and Coordination, Eighteenth Session, New York, 16-19 April 1996, *Social Statistics: Follow-Up to the World Summit for Social Development, E/CN.3/AC.1/1996.R.4.*

[2]At the Twenty-Ninth Session of the United Nations Statistical Commission (11-14 February, 1997), contraceptive prevalence rate was substituted for low-birth weight rate in the minimum list of 15 indicators.

- Homelessness
- National and international causes underlying poverty.

Absolute poverty

- Number of people per room (excluding kitchen and bathroom)
- Access to safe water
- Access to sanitation
- Monetary value of the basket of food needed for minimum nutritional requirement.

  - Percentage of the population in poverty (poverty or poverty line defined nationally)
  - Access to services related to health, nutrition, and community or environmental infrastructure
  - Income
  - Education
  - Possibility of entering the labour force
  - Food
  - Food prices
  - Access to productive assets, especially land and water
  - Geographic location
  - Public transfers.

Relative poverty

  - Families below a minimum standard of income (poverty line)
  - Poverty gap
  - Families with less than 25% and 40% of mean income
  - Gini coefficients (summary measure of inequality in income distribution)
  - Income share of lowest income quintile
  - Income share of highest income quintile

3. Expansion of productive employment and reduction of unemployment

- GDP per capita
- Household income per capita (level and distribution)
- Unemployment rate, by sex
- Employment-population ratio, by sex and (where appropriate) formal and informal sector.

  - Wage employment as a percent of the population age 16-61, for males and females separately where possible
  - Formal sector employment as a percent of total employment
  - Median and average length of job tenure in years, for males and females separately where possible

- Index of real wages in manufacturing and in the economy as a whole where possible
- Ratio of average wage in the formal sector to GDP (or total wage bill) per person employed in the economy
- Wage dispersion in manufacturing industries, measured by the coefficient of variation, for males and females separately where possible
- Ratio of average female to average male wage in manufacturing and in the economy as a whole where possible
-Unpaid work outside of the market economy
- Non-wage compensation (fringe benefits)
- Time-use •
- Precariousness of employment
- Visible underemployment
- Invisible underemployment
- Training data, including informal kinds of training.

4. Social integration

- Number of people in vulnerable groups
- Age/gender structure
- Occupational profile
- Economic activity profile
- Income levels
- Position within overall income distribution
- Housing standards/amenities - e.g., access to safe water; sanitation; floor space per person
- Health status - e.g., infant mortality rate; age specific mortality rates; expectation of life; nutritional intake
- Educational standards - e.g., adult literacy rate; number of years formal education; participation rates (for children)
- Crime victimisation rate
- Proportion eligible to vote.

5. Status of women and men

Data distributed by sex on:

- Population and households
- Health
- Diseases and causes of death
- Education
- Enrolment rates
- Drop-out rates
- Higher level education by subject
- Time-use
- Childcare
- Gainful employment

- Wage, salary and income
- Individual and household income
- Informal sector
- Income control
- Access to land and credit
- Influence and power
- Decision-making
- Time-use
- Violence and crime.