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Session 4: Peer review methodologies

**ASSESSING QUALITY OF STATISTICAL DATA: THE ROSC PROCEDURE IN
ISRAEL**

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1. Introduction

A meeting between senior officials from the Ministry of Finance, the Bank of Israel and the Israeli Central Bureau of Statistics will be convened at the end of May 2006 to plan an earlier dissemination of monthly price indices. This is according to recommendations of IMF staff that recently completed the ROSC procedure (data module) among several agencies that produce statistical data in Israel. This meeting is only one of several positive outcomes of the process. Other important outcomes include enhanced coordination among data producers, preparation of work programs to improve coverage and timeliness of major surveys; and revision of design of agency websites in charge of disseminating statistical data. The full list of IMF recommendations and the response of the authorities in Israel, along with the detailed report can be found on the IMF website at:

<http://www.imf.org/external/pubs/ft/scr/2006/cr06125.pdf>.

The Report on the Observance of Standards and Codes (ROSC)—Data Module provides an assessment of macroeconomic statistics against the Special Data Dissemination Standard (SDDS) complemented by an assessment of data quality based on the IMF's Data Quality Assessment Framework (DQAF), July 2003. The DQAF lays out internationally accepted

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practices in statistics, ranging from good governance in data-producing agencies to practices specific to datasets.

As stated, IMF recently conducted, in Israel, an assessment of national accounts, consumer and producer price indices, government finance, and monetary statistics. The agencies responsible in Israel for these datasets are the Central Bureau of Statistics, the Bank of Israel and the Ministry of Finance².

The purpose of this short document is to present an informal analysis of the ROSC procedure in Israel and to stress the strengths and weaknesses as perceived by several Israeli officials that participated in the process. The issues raised below are based on my discussions with those individuals. However, the opinions expressed in this paper are based on the understanding of the author and do not necessarily reflect the policies of the agencies themselves. Section 2 will include a short description of the overall assessment by the IMF mission of the statistical system producing macroeconomic statistics; Section 3 will include a short description of the actual process; Section 4 will look at the prerequisites for success, the specific strengths of the procedure and some points that may be improved in the future.

2. Overall Assessment³

Israel subscribed to the Special Data Dissemination Standard (SDDS) on April 23, 1996 and met all requirements on June 5, 2000. The country is generally in observance of the SDDS, meeting the specifications for coverage, periodicity, timeliness, and the dissemination of advance release calendars. Israel avails itself of one of its two flexibility options for the timeliness of the industrial production index and disseminates the data one week later than prescribed. While practices generally meet or exceed SDDS requirements, monitoring of the data releases indicates that there have been some delays in the dissemination of the monetary and financial statistics, particularly the analytical accounts of the central bank. The mission

² The IMF did not directly assess the Ministry of Finance, however its data are a significant source for the government accounts compiled by the Central Bureau of Statistics.

³ IMF Country Report No. 06/125, March 2006, pp. 4-15.

noted that Israel does not fully manifest the intra- and interagency coordination and communication that are the hallmarks of most SDDS- subscribing countries. This has placed an undue burden on the Central Bureau of Statistics (CBS) as the national coordinator.

Israel's macroeconomic statistics are of generally high quality and are broadly adequate to conduct effective surveillance. Israel's statistical managers are highly aware of all dimensions of data quality and are undertaking reforms—some at the cutting edge—to continue, among other things, to enhance data quality. However, some shortcomings may impede the accurate and timely analysis of economic and financial developments and the formulation of appropriate policy. Foremost among these are deficiencies in the timeliness, concepts and definitions, and classification of monetary statistics. There also is room to enhance source data for national accounts, producer prices, and government finance statistics. The agencies comprising the statistical system, especially the CBS, need adequate and sustained resources to improve the scope and timeliness of data compiled under their mandates commensurate with the substantial transformation of the Israeli economy. The increasing importance of the service industries and the decreasing significance of agriculture, among other developments, characterizes this transformation. The serviceability and accessibility of monetary statistics and, to some extent, producer prices and government finance statistics could benefit from further improvements.

Israel has strong legal and institutional frameworks that support the compilation and dissemination of statistics.

The *Statistics Ordinance* clearly mandates responsibility to the CBS for compiling and disseminating national accounts, prices, and government finance statistics. The ordinance requires the CBS to ensure the confidentiality of individual data providers and administer sanctions for noncompliance with reporting requirements. The CBS resources are increasingly stretched, particularly for compiling national accounts and government finance statistics, because of limited financial and inflexible manpower budgets. The constrained resource situation is likely to tighten further in the face of the measurement demands of a rapidly changing economy. This applies especially to the growth in the service industries,

which should be monitored closely. The laws ensure the independence of the CBS. The mission found that the compilation and dissemination of the datasets it reviewed are based solely on statistical considerations and not subject to external influence. Management is highly sensitive to all dimensions of quality and is actively implementing a quality management system. The CBS actively promotes an environment of professionalism, transparency, and adherence to ethical standards.

The Bank of Israel (BOI) is responsible for compiling and disseminating monetary statistics by tradition, but the current Bank of Israel Law does not specifically spell out this mandate. However, this law explicitly empowers the central bank to collect data and ensures the confidentiality of the reported data. Resources are broadly adequate to enable the central bank to undertake its current and development work programs. The BOI management is keenly aware of quality issues and is undertaking a major institutional review of its internal organization with the aim of becoming more efficient in discharging its duties while ensuring continued professionalism, transparency, and observance of ethical norms.

Methodological soundness. The Israeli macroeconomic statistics broadly follow internationally accepted standards and guidelines on concepts and definitions, scope, classification and sectorization, and basis for recording. The recording basis for monetary statistics generally follows the recommendations of the *Monetary and Financial Statistics Manual (MFSM)*, but their classification/sectorization, concepts and definitions, and, to a lesser extent, scope, need to be improved. Government finance statistics are generally consistent with the *System of National Accounts 1993 (1993 SNA)* and the *Government Finance Statistics Manual 2001 (GFSM 2001)*. They could benefit from strengthened interagency coordination aimed at improving the scope and basis for recording. The scope and recording basis for producer prices also could be improved. The national accounts follow the *1993 SNA*, but the recording of GDP at market prices should be brought in line with international standards.

Accuracy and reliability. Macroeconomic statistics in Israel rate highly on accuracy and reliability. In large part, this reflects the efforts to assess source data and validate

intermediate data and statistical outputs across datasets. The CBS needs additional resources to improve the source data for national accounts, producer prices, and government finance statistics. For national accounts and producer prices, priority should be given to obtaining more comprehensive and timely inputs. Similarly, for government finance statistics, more timely source data on central and local government operations would contribute to better inputs in the compilation of the consolidated general government accounts. Revision studies for national accounts and, to a lesser extent, producer prices would enhance their accuracy and reliability. Source data for monetary statistics are very accurate.

Serviceability. Production and dissemination of real and fiscal sector statistics (for which the CBS uses some estimates) in Israel meet SDDS periodicity requirements and are commendably timely. The BOI has initiated steps to consolidate responsibility for monetary statistics and to improve timeliness. Consistency across datasets is broadly adequate, although there still is room to improve monetary statistics. Most datasets follow the international good practice of providing clear and transparent information about revision schedules and the revisions themselves.

Accessibility. Overall, data and metadata are readily accessible, reflecting to a great extent recent efforts of the CBS to revamp its website and enhance responsiveness to inquiries by **data users. The BOI is working to address current problems affecting users' access to** monetary data and metadata, including upgrading the BOI website.

3. The ROSC data module process in Israel

The objective of this paper (as stated) is to present the process as experienced by the country under review. Therefore, the focus will be on the time and efforts invested by the Israeli officials. An official request to conduct the review was sent by the Government Statistician of Israel, several months before the arrival of the IMF mission in Israel⁴.

⁴ Israel is being reviewed systematically under the ROSC procedure for the last few years. It was within that framework that the Ministry of Finance advised the CBS that the next stage would be the data module. This, in turn, prompted the request by the Israeli Government Statistician (as coordinator of statistical production agencies) for the review by the IMF.

The steps in the procedure can be divided into the following three stages: (a) preparation for the mission's visit, (b) during the mission's visit to Israel and (c) activities conducted after the mission left Israel.

(a) The main activities in the preparation stage included: setting up the dates for a visit by the mission, exposure to the DQAF's by the Israeli agencies involved, conducting an informal user survey at IMF's request (see results in Appendix 4) , joint consultation among the Israeli officials involved as the mission neared, getting numerous staff in the agencies involved (especially CBS) to prepare the subject matter (like DQAF's) and logistical issues involved.

(b) The arrival of the IMF mission in Israel accelerated the activities conducted by the involved agencies. These included daily meetings with the IMF officials, whether in plenary or among sectoral staff within the agencies, or consultations with user groups (see schedule of meetings in Appendix 1); reviewing the DQAF's and other reports, generated by IMF officials on a daily basis, translation of important legal and administrative documentation into English (see, for example, the Code of Ethics in Appendix 2 and the Rules for the Public Council of Statistics in Appendix 3).

(c) Main activities after the departure of the mission officials included: commenting on the draft reports that were generated based on the review process, at a later stage (about three months after the visit) submitting a written response by the authorities to the cross-cutting recommendations of IMF in the data module ROSC and planning implementation of recommendations, wherever possible.

Many working hours were invested by the Israeli authorities in the process: my rough estimation is that nearly 2,000 (local) working hours were spent on the process; about a total of 500 in the months of preparation and aftermath stages and nearly 1,500 working hours connected directly to the actual mission in Israel during the two week period in November of 2005.

4. Analysis of the ROSC procedure

This informal analysis will look at (a) our understanding of prerequisites for a high quality peer review, (b) the specific strengths of this procedure and (c) some points that could be improved in the future.

(a) Prerequisites for a successful process:

Building trust among the players in the process – officials from the IMF and the agencies being reviewed in Israel have current working relationships and treat each other as "equals" in the process. This led to trust and confidence in the professionalism of both sides from the beginning of the process.

Commitment of senior management – the process not only has to be accepted formally by the agencies involved, it must be endorsed by senior management who should take a leading role in the process. This will clarify to all parties involved the importance and seriousness of the review being conducted. In the Israeli case, the top officials in each agency accepted the process, endorsed it and took an active part in it⁵.

Participation of sectoral experts – there are several areas of expertise in macroeconomic statistics, therefore specific experts (and not necessarily from senior management) are required in the process. The exact mix of qualifications needed for different stages of the process must be planned ahead. This involves an understanding of the mission objectives, the tools being used in the review process, etc. In Israel, many experts were involved in the different stages of the process. This led to the vast amount of working hours invested by local authorities. However, we feel that this was a crucial point for the success of the review. If the local agencies wish to "profit" from the process, they must be willing to invest these working hours.

⁵ For example, the Government Statistician was in Washington DC before, during and after the IMF mission members came to Israel. Although he was there on other business, he met with IMF officials during these stages at the IMF office in Washington. This was an indication for the senior management of CBS and the other agencies involved of the importance of the mission.

(b) Specific strengths of this procedure (in addition to the prerequisites mentioned above)

The user survey and user meetings – although this is labeled as an informal survey, some of the most important lessons and insights were revealed from this survey and especially from the meetings held with the many users of macroeconomic data.

The DQAF's – The framework is clear and coherent and enables the experts to focus on the important issues that require their attention before and during the process. Also serves as a basis for discussion between mission members and senior officials and sectoral experts.

Current updates on the process – mission members met with senior management and sectoral experts on a daily basis. Plenary sessions with all "players" were held every few days to coordinate expectations, update the forum and readjust processes, if needed.

(c) Points that may be improved in the future

Learning about mutual expectations – time leading up to the mission may be utilized, not only for learning about the objectives of the reviewer and the tools to be used in the process, but in addition - to explore the expectations of the agencies being reviewed. While the tools of the process are excellent ones, it is well documented that standardization has its weaknesses. The common denominator may be at a "lower than expected" level for the more advanced countries. If possible, IMF may allow flexibility to cater to the needs of countries that may differ from the standard. A country that understands its gains from the process will prepare, participate and improve accordingly.

Translation of documentation – non English speaking countries should be informed much time in advance on the kind of documentation that is needed, in English. We found ourselves spending precious hours during the mission working on translation and were not always satisfied with the outcome of our work, due to the time constraints.

Focus on macroeconomic statistics – many consider these statistics as the most important ones produced by the agencies, therefore having an "upward bias" of resources, qualifications and abilities. The whole picture of statistical production is not exposed in this process. Other

statistical areas, whether connected directly (or not) to the total quality of official statistical production in the economy are left behind⁶.

⁶ This is not a specific problem for the IMF but rather for the attention of coordinators of international statistical activity.

Appendix 1: Schedule of Meetings with ROSC Mission

ISRAEL

IMF's Report on the Observance of Standards and Codes (ROSC)—

Data Module Mission (Jerusalem, November 31–15, 2005)

As agreed with the authorities, the data ROSC mission will visit Jerusalem during November 1–15, 2005.

The objectives of the mission are (1) to assess the quality of Israel's statistics using the IMF Data Quality Assessment Framework (DQAF) developed by STA, and (2) to prepare the ROSC report assessing the compilation and dissemination of five datasets (national accounts, consumer and producer price indices, government finance, and monetary statistics).

Based on these objectives, the following is the mission's **proposed** work program and schedule of meetings. As needed, additional meetings will be arranged.

Preliminary Schedule of Meetings	
Monday, October 31	
	Robin Kibuka, Pierre Papadacci, Gary Jones, and Barbara El Ouardighi (all STA) arrive from Washington. Mr. Kari Manninen (Expert) arrives from Helsinki. Ms. Ann Lisbet Brathaug (Expert) arrives from Oslo.
Tuesday, November 1	
8:45 a.m.	Pick up from hotel (by CBS driver)
9:00 a.m.	Mission's logistical arrangements (Mrs. Yodfat Malach and IMF staff).
10:00 a.m.	Opening session—Initial meeting with senior officials of the Bank of Israel (BI), Ministry of Finance (MoF), Central Bureau of Statistics (CBS), and other relevant institutions to discuss mission's objectives and mission plan. Mr. Kibuka to give powerpoint presentation on the generic DQAF. <i>Following the opening session IMF topical experts to discuss separately with representatives from institutions to arrange meetings.</i>
Afternoon	IMF topical experts to discuss separately with sectoral technical staff.
Wednesday, November 2	

Preliminary Schedule of Meetings	
09:00-10:00 a.m.	Mr. Kibuka: Meeting with the Deputy Governor of the BI - Dr. Meir Sokoler. (Courtesy meeting). IMF topical experts to discuss separately with sectoral technical staff.
11:15-13:00	Mr. Kibuka: Meeting with Users (public sector). Will be held at BI with representatives from: BI, MOF, Min. of Industry Trade & Labour, PMO, National Insurance Institute (updated list will be issued later on) IMF topical experts to discuss separately with sectoral technical staff.
Thursday, November 3	
10:00-12:00	Mr. Kibuka: Meeting with Users (private sector). The meeting will be held in the Head office of 'Bank Hapoalim' in Tel Aviv IMF topical experts to discuss separately with sectoral technical staff.
Afternoon	IMF topical experts to discuss separately with sectoral technical staff.
19:30	Welcome Dinner hosted by the CBS at The David Citadel Hotel in Jerusalem
Friday November 4	
Tour of Jerusalem, organized by the MOF	
Sunday, November 6	
Morning	Mr. Kibuka: Meeting with SDDS Coordinator - Mrs. Soly Peleg, ICBS IMF topical experts to discuss separately with sectoral technical staff.
14:00-16:00 Afternoon	Mr. Kibuka: Meeting with senior officials at the CBS IMF topical experts to discuss separately with sectoral technical staff.
Monday, November 7	
Morning	IMF topical experts to discuss separately with sectoral technical staff.
12:30-14:00	Lunch hosted by the BI
Afternoon	Mr. Kibuka: Meeting with senior officials at the BI IMF topical experts to discuss separately with sectoral technical staff.
Tuesday, November 8	
08:30 -12:00	Mr. Kibuka: Meeting with senior officials at the MOF
12:00-13:30	Lunch hosted by the MOF
Full day	IMF topical experts to discuss separately with sectoral technical staff.

Preliminary Schedule of Meetings	
Wednesday, November 9	
Full day	IMF topical experts to discuss separately with sectoral technical staff.
14:00-16:00	Interim meeting with senior officials from CBS, BI and MOF to discuss progress of the mission
Thursday, November 10	
Full day	IMF topical experts to discuss separately with sectoral technical staff.
Friday/Saturday, November 11 and 12	
Finalization of draft report by mission team.	
Sunday, November 13	
Morning	IMF topical experts to discuss separately with sectoral technical staff as needed.
Afternoon	Finalization of draft report.
	Dinner hosted by the BI
Monday, November 14	
9:00 a.m.	Submission of draft report to authorities.
Tuesday, November 15	
9:30 a.m.	Plenary meeting of IMF mission with senior officials to discuss the findings and conclusions of the mission.
	Follow-up any pending issues if needed.
Wednesday, November 16	
Mission members travel.	

Appendix 2: Code of Ethics of the Central Bureau of Statistics⁷

1. Introduction

This code is based on the understanding that the function of the Central Bureau of Statistics (hereinafter – the CBS) is to collect, analyze and publish statistical information on the population, the society, the economics and other aspects of Israel, and that the CBS acts under the authority of the Statistics Ordinance [New Version], 5732-1972.

The CBS carries out its activities in a scientific manner, transparent and fair, guided by the principle of making the results of its statistical activities available to the public.

This code establishes basic norms according to which the CBS carries out its professional activities, including obligations and behavioral norms based on legal sources.

The primary purpose of this code is to describe the appropriate relationship between the CBS and those with whom it comes into contact in the course of carrying out research, surveys, censuses or other statistical work (hereinafter – statistical activities) and in disseminating the results.

This code concentrates, in particular, on the obligations of the CBS towards society, the participants in the statistical activities, the customers who order statistical activities and professional colleagues.

2. General obligations

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|-----|--------------------------------|--|
| 2.1 | Professional Level | The CBS will maintain a proper professional level and will carry out its activities honestly and without prejudice, based on scientific principles. |
| 2.2 | Public trust | The CBS shall be aware that it is dependant on the trust of the public and that its work may invade privacy. Therefore, it shall act in a manner that will receive and promote the public trust in the profession. |
| 2.3 | The contribution of statistics | The CBS shall endeavor to bring to the attention of the general public the contribution of statistical activity and its findings. |
| 2.4 | Citing statistical sources | The CBS shall report fully and accurately regarding all previous statistical activity that served it in its work. This includes sources of information, data, concepts and methods. |

3. Obligations towards society

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| 3.1 | Distorted and misleading results | a. The CBS will not use, and will not assist in using, methods that could bring about misleading or false |
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⁷ This document is based on “The Code of Ethics for Statisticians”, which was adopted by the Public Council for Statistics and by the Israel Statistical Association. The principle changes made in this document are related to the statutory status of the CBS under the Statistics Ordinance.

results, or that could distort results by emphasizing them or by ignoring them.

- b. The CBS will not give out distorted and/or misleading information regarding statistical activity.
- c. The CBS shall act against giving a distorted and/or misleading interpretation of its findings by anyone else.

3.2 Publication of results The CBS shall bring its finding to the attention of the public in a widespread and trustworthy manner.

3.3 Information for the public The provision of statistical findings to the public shall be accompanied by the explanations necessary for the public to properly assess the findings. In research based on a sample, the CBS shall describe the sample population, the sample methodology, the size of the sample, the degree of non-compliance, the method of interview and any other matter that could affect the trustworthiness of the findings. In addition, the CBS shall bring to the attention of the public if the findings are direct, and interpretation of findings, or forecasts based on them.

4. Obligations toward the “participant” (the respondent and/or anyone else about whom the information is collected).

4.1 Privacy a. The CBS shall collect only that information that is relevant to the purposes of the statistical activity that it is carrying out.

- b. In cases in which the statistical activity could possibly invade privacy, the CBS shall act in order that this invasion of privacy does not exceed the minimum necessary.

4.2 Information for the respondent The CBS shall provide the respondent, at his or her request, information about the purpose of the statistical activity, the methods of preserving the confidentiality of the information gathered, and additional information regarding the statistical activity.

4.3 Agreement to participate a. In the event that the respondent is obligated under law to respond, the CBS shall explain to the respondent this obligation.

- b. The CBS shall not create the impression that a legal obligation to participate exists when it does not.

4.4 Preservation of confidentiality The CBS must preserve, in accordance with the law, the confidentiality of information it receives under the Statistics Ordinance.

5. Obligations towards the customer (such as the source of financing or the initiator)

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| 5.1 | Definition of functions | The CBS must define explicitly and ahead of time with the customer the rights and obligations of the parties. |
| 5.2 | Limitations regarding publication | The CBS shall establish with the customer, ahead of time, the manner of publication of the findings of the statistical activity. |
| 5.3 | Prohibition against pre-determined results | The CBS will not undertake any statistical activity whose results, in whole or in part, are dictated ahead of time, or that may contain an element of intentional distortion or deception. |
| 5.4 | Choice between methods | The CBS shall clarify for the customer the methods that it is willing to use to carry out the statistical activity and the implications arising from the various options. |
| 5.5 | Full disclosure | The CBS will provide the customer with information regarding itself that is relevant to the carrying out of the statistical activity, including limitations regarding its own knowledge, experience or capabilities. |

6. Obligations toward professional colleagues

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|-----|--|---|----|--|----|--|
| 6.1 | Disclosure before colleague | a. The CBS shall enable, for the sake of professional critique, examination of the information regarding its methods of work, to the extent necessary and subject to the preservation of confidentiality, in order to enable an assessment of how it arrived at its findings. | | | | |
| 6.2 | Secondary use | The CBS shall enable, in accordance with conditions it shall set, the use of material in its possession, as long as this does not prejudice the rights of the “participants” and of the customer, and subject to the preservation of confidentiality. | | | | |
| 6.3 | General application of principles | <table border="0"> <tr> <td style="vertical-align: top; padding-right: 10px;">a.</td> <td>The CBS shall act in order that those working in its name, with it or for it in carrying out statistical activities, shall act in accordance with this code.</td> </tr> <tr> <td style="vertical-align: top; padding-right: 10px;">b.</td> <td>The CBS shall take into consideration the ethical codes of other professionals working with it on the same statistical activity.</td> </tr> </table> | a. | The CBS shall act in order that those working in its name, with it or for it in carrying out statistical activities, shall act in accordance with this code. | b. | The CBS shall take into consideration the ethical codes of other professionals working with it on the same statistical activity. |
| a. | The CBS shall act in order that those working in its name, with it or for it in carrying out statistical activities, shall act in accordance with this code. | | | | | |
| b. | The CBS shall take into consideration the ethical codes of other professionals working with it on the same statistical activity. | | | | | |

Appendix 3: Rules of the Public Council for Statistics

Statistics Ordinance [New Version] 5732-1972

Rules of the Public Council for Statistics*

We hereby make it known that, in accordance with Article 4(c) of the Statistics Ordinance [New Version], 5732-1972⁸, the Public Council for Statistics has adopted these rules.

1. Name
The Public Council for Statistics
2. Location
Jerusalem
3. Address
The Central Bureau of Statistics
4. Functions and powers
 - a. To advise the Prime Minister and other Ministers on matters relating to the statistical acts of State agencies;
 - b. To advise the Statistician on matters relating to statistical acts which are performed by the Bureau; for this purpose, the council may inspect questionnaires addressed to the public;
 - c. To receive from State agencies their schemes for the performance of statistical acts and to give an opinion as to coordination between such agencies in respect of such schemes;
 - d. To make proposals for rendering more efficient and developing statistical acts or State agencies.
5. Composition of membership
 - a. The Council shall be composed of between 50 to 70 members, but it may, from time to time, set a higher number of members.
 - b. The Prime Minister will appoint the members of the Council from among representatives of the following bodies:
 1. Government offices, local authorities, the national institutions and other institutions established under law and that perform statistical acts or make use of them;
 2. Institutions of higher education that maintain an institute, a department or a faculty for the instruction or research of statistics;
 3. Other public bodies that deal with statistical activities or make use of them.
 - c. The representatives of the above bodies will be General Directors or experts in statistics or in the field of economics and society; in addition, the Prime Minister may appoint to the Council members who are not members of institutions, but who are experts as mentioned above.
 - d. Recommendations by the above-mentioned bodies for the appointment of their representatives to the Council, and recommendations for the appointment of experts to the Council, will be sent to the Prime Minister by the Chairman of the Council; the Chairman of the Council will add his recommendation regarding the candidates after consultation with the Council's Central Committee.
 - e. Members of the Council representing the Central Bureau of Statistics, will be determined from time to time by the Government Statistician, upon consultation with the Chairman of the Council; the number of such members shall not exceed one fourth of the number of members of the Council.
 - f. A member of the Council on behalf of any body, will be appointed for the period of three years, with the possibility of extending the appointment by the Chairman of the Council. His

* Published in the Official Gazette (*Yalkut HaPirsumim*) number 2467, page 2586, 21 September 1978

⁸ Laws of the State of Israel (*Dinei Medinat Yisrael*), New Version, Number 24, page 500; Book of Laws (*Sefer Ha'Chokim*) 5732-1978, page 201

appointment will lapse if the body that recommended him ceases to exist, or if it gave notice about the rescission of its representation, or if another representative was nominated in his place, or if the member did not participate, without sufficient cause, in three consecutive meetings.

6. Observers

- a. The Chairman of the Council may allow a member's proxy or alternate to take part in meetings of the Council, in the absence of the member, as an observer without voting rights.
- b. The Chairman of the Council may allow the participation in Council meetings, in general or for a specific matter, of other representatives of bodies referred to in these Rules or representatives of bodies that are not referred to in these Rules.

7. Invitation of Experts

The Chairman may invite experts to the Council meetings.

8. The Chairman of the Council

The Prime Minister will appoint the Chairman of the Council. The functions of the Chairman are:

- a. To bring before the full Council the reports on the activities of the Council;
- b. To set regular and special sessions of the full Council, and to serve as Chairman of these sessions;
- c. To manage Council business between Council sessions;
- d. To serve as the Chairman of the Central Committee of the Council;
- e. To represent the Council
- f. To do any other matter required of him, or that he is entitled to do, in accordance with these Rules.

9. Council Coordinator

The Chairman of the Council will appoint a Council Coordinator and he may also appoint an alternative Coordinator, either in general or for a special purpose.

The Council Coordinator, or his alternative, will participate in the Council meetings and the meetings of the committees. The Coordinator is responsible for the functioning of the Council and the committees.

10. Council Meetings

- a. The Council Coordinator will set Council meetings as needed but at least two times a year, and will determine the location of the meetings, their times and their agendas – all in accordance with the instructions of the Chairman of the Council.
- b. The Council shall also meet upon the demand of at least one fourth of the Council members, to discuss a matter brought up by them.
- c. Upon setting a Council meeting and its agenda, an invitation will be sent to the Council members by the Coordinator at least thirty days before the meeting. The material that will be discussed at the Council meeting, and any other material, will be sent to the members no later than seven days before the date of the Council meeting.
- d. A member of the Council may request from the Chairman of the Council, at least twenty days before a meeting date, the addition of an item to the agenda. If the Chairman shall decide to include the item on the agenda, the item will be sent to the members of the Council at least ten days before the date of the meeting.
- e. A minimum of one third of the members of the Council shall constitute a quorum for making decisions at the Council meetings.
- f. Council decisions shall be reached by a majority of Council members attending the meeting.
- g. Decisions regarding changes to the Council Rules shall be received by a majority of the members of the Council.
- h. The Council discussions, conclusions and decisions will be recorded in a protocol. The Council Coordinator will be responsible for preparing the protocol.

11. Publication

Decisions of the Council that may be of interest to the general public will be published through the Chairman of the Council at his discretion.

12. The Central Committee
- a. The Council will create a Central Committee composed of 7 members: the Chairman of the Council, who will serve as Chairman of the Committee, the Government Statistician, the Council Coordinator; 2 representatives of State agencies and 2 representatives of other institutions, who shall be chosen by the Council from among their members for a period of 3 years.
 - b. The functions of the committee are:
 1. To manage matters of the Council between Council meetings;
 2. To raise matters for discussion at the Council meetings;
 3. To create committees to deal with specific topics, and to report on such at the next meeting of the Council;
 4. To make recommendations to the Chairman of the Council regarding the Chairman's recommendations to the Prime Minister concerning the membership of the Council;
 5. To follow up on the implementation of Council decisions;
 6. To do any other matter the Council shall require of him.
 - c. The Committee shall determine its own procedures.
13. Committees
- a. The Council may create permanent committees and special committees for looking into any matter in the jurisdiction of the Council.
 - b. Such committee will be allowed to invite observers to provide advice.
 - c. Every such committee will have a Chairman from among the Council members, appointed by the Chairman of the Council, and in the absence of such an appointment -- y the committee itself.
 - d. Every committee is entitled to receive expert opinions and to invited experts to take part in their meetings.
14. Committee meetings
- a. The chairman of the committee will set meetings of the committee as needed, and will determine their location, time and agenda for discussion.
 - b. An invitation to a meeting will be sent at least two weeks head of time; however, the members of a committee may decide on a shorter period.
 - c. Decisions and conclusions reached by the committee will be recorded in a protocol. The Chairman of the committee will be responsible for preparing the protocol and for reporting on the activities of the committee before the Council.

Prof. Roberto Bachi
Chairman of the Public Council for Statistics

24 August 1978

Appendix 4⁹: Results of Israel's Users' Survey

1. With the assistance of the Central Bureau of Statistics (CBS), and to complement the assessment of the quality of official statistics produced by Israel, the mission conducted an informal survey of key users of macroeconomic statistics. Questionnaires were sent to 40 users with 18 responses received from a broad range of users, including academics, banks, public and private sector analysts, and consulting companies. Users were asked to evaluate the coverage, periodicity, timeliness, dissemination practices, accessibility, and overall quality of the official statistics. Major and informed users were well represented among the respondents and in the follow-up discussions held in both Jerusalem and Tel Aviv.

2. Data users informed the mission that there had been recent improvements in data production and dissemination, particularly the CBS's website and the Bureau's timely responses to inquiries. However, they noted that there was room to improve the BOI and the MOF websites and the two agencies' services in response to inquiries. They were also concerned about the scope and dissemination of monetary, government tax, and expenditure data; the timeliness of the CPI and other real sector data; the unavailability of quality data on some service industries; and the large revisions in national accounts, including trade statistics. There was also a widespread view that given the substantial ongoing transformation of the Israeli and world economies, the CBS faced a daunting task to cope with the growing statistical demands, which is exacerbated by severe manpower and financial budget constraints. Respondents also indicated that while ad hoc funding arrangements with various national institutions had alleviated some of these constraints, the situation was not sustainable without a longer-term solution.

Questionnaire Results Analyzed by Type of User November 5, 2005

Type of Respondent	Total Sent	Total Received
Government	10	4
State-owned agencies (enterprises)	5	1
Banks	5	4
Other enterprises	5	1
Embassies	5	
Universities (researcher)	10	8
Media		
Supervisory, regulatory institutions (stock exchange)		
Total	40	18

Source: Survey carried out by the Central Bureau of Statistics.

⁹ IMF Country Report No. 06/125, March 2006, pp. 131-134.

Results of Israel's Users' Survey, November 5, 2005

General Information about Uses of Official Macroeconomic Statistics of Israel	
	Total Number of Responses
3. Which official statistics do you use regularly?	# / 18
<ul style="list-style-type: none"> a. National accounts (NA) b. Prices c. Government finance statistics (GFS) d. Monetary statistics (Monetary) e. Balance of payments (BOP) f. Other: <ul style="list-style-type: none"> • Production indices • Labor market • Merchandise trade • International reserves and foreign currency liquidity • External debt • International investment position • Other 	<ul style="list-style-type: none"> 17 16 12 11 14 2 13 13 12 6 6 6 0
4. Where do you obtain the official statistics?	
<ul style="list-style-type: none"> a. Official press releases and publications on macroeconomic statistics b. Private sector summaries and analyses c. Official policy papers d. Publications from international organizations about the country e. Other sources 	<ul style="list-style-type: none"> 16 3 9 5 1
5. Do you refer to official descriptions of the sources and methods that were used to compile the official statistics?	
<ul style="list-style-type: none"> • Yes • No 	<ul style="list-style-type: none"> 16 2
6. For what purposes do you use the official statistics?	
<ul style="list-style-type: none"> a. Analysis of current developments for short-term decision making b. Analysis of trends for longer-term policy formulation? c. Econometric model building and forecasting d. Economic research e. Comparison with economic developments in other countries f. General economic background g. Other 	<ul style="list-style-type: none"> 14 12 13 13 15 12 0

General Information about Uses of Official Macroeconomic Statistics of Israel						
	NA	Prices	GFS	Mone- tary	BOP	Other
7. Coverage and detail						
7.1 In general, are you satisfied with the coverage of official statistics?						
• Yes	15	16	13	10	14	3
• No	3	2	5	8	4	0
7.2 In general, are you satisfied with the official statistics in terms of their level of detail?						
• Yes	13	14	11	10	13	3
• No	5	4	7	8	5	15
8. Periodicity and timeliness						
8.1 Are you satisfied with the frequency of compilation of the official statistics (e.g., weekly, monthly, quarterly, annual)?						
• Yes	14	14	11	10	11	3
• No	4	4	7	8	7	14
8.2 In general, do you consider that the official statistics are disseminated with the appropriate timeliness (the time lag after the period to which they pertain, e.g., 60 days after the reference period)?						
• Yes	11	12	11	10	10	0
• No	7	6	7	8	8	0
9. Other dissemination practices						
9.1 Do you know if there is a publicly disseminated calendar that announces in advance the dates on which the various official statistics will be disseminated?						
• Yes	12	12	9	10	11	3
• No	6	6	9	8	7	14
9.2 If there is a calendar of release dates, in your experience, are the official statistics released on the dates announced?						
• Yes	13	13	10	6	8	2
• No	5	5	8	12	10	16
9.3 Is there enough information about revisions to official statistics?						
• Yes	6	10	8	6	5	0
• No	12	8	10	12	13	0
10. Accessibility						
10.1 Can you easily access the official statistics?						
• Yes	15	14	14	11	14	3
• No	8	4	4	7	4	15

General Information about Uses of Official Macroeconomic Statistics of Israel						
	NA	Prices	GFS	Monetary	BOP	Other
10.2 Can you easily access information pertaining to official statistics you use (explanatory notes, methodological descriptions, reference concerning concepts, classification, statistical practice)?						
• Yes	11	11	10	6	9	1
• No	7	7	8	12	9	17
					Yes	No
10.3 Is the above information on methodology sufficiently clear and at an adequate level of detail to be useful to you?					11	7
10.4 How do you get access to official statistics?						
• Official releases					5	13
• Hard copy publications					6	12
• Data specifically requested					9	9
• Official website					18	0
• Other					0	0
• E-mail requests					5	12
	NA	Prices	GFS	Monetary	BOP	Other
11. Overall assessment						
11.1 In your opinion, is the underlying methodology of official statistics sound and appropriate?						
• Yes	15	14	14	11	11	2
• No	3	4	4	7	7	16
11.2 In general, do you consider the official statistics to be unbiased and accurate?						
• Yes	13	12	11	10	11	0
• No	5	6	7	8	7	0
11.3 How would you compare the quality of official statistics of the country with those of other countries in the region?						
• Better	11	10	7	7	6	0
• Same	7	8	10	10	12	0
• Worse	0	0	1	1	0	0
11.4 How do you assess the overall quality of the official statistics? (1 rated as poor and 5 as excellent)						
	5: 3	5: 10	5: 2	5: 0	5: 2	5: 0
	4: 6	4: 2	4: 5	4: 0	4: 6	4: 0
	3: 2	3: 0	3: 0	3: 1	3: 2	3: 0
	2: 0	2: 0	2: 4	2: 0	2: 0	2: 0
	1: 0	1: 0	1: 1	1: 0	1: 0	1: 0
No Comment (N.C.)	N.C.: 6	N.C.: 6	N.C.: 6	N.C.: 9	N.C.: 6	N.C.: 0

General Information about Uses of Official Macroeconomic Statistics of Israel						
	NA	Prices	GFS	Monetary	BOP	Other

NA = National Accounts; Prices refers to: CPI (Consumer Price Index) and PPI (Producer Price Index);
 GFS = Government Finance Statistics; Monetary = Monetary Statistics; and BOP = Balance of Payments Statistics



Committee for the Coordination of Statistical Activities
Conference on Data Quality for International Organizations
Newport, Wales, United Kingdom, 27 - 28 April 2006



Session 4: Peer review methodologies

**ASSESSING QUALITY OF STATISTICAL DATA: THE ROSC PROCEDURE IN
ISRAEL**

Yoel Finkel¹, Israel Central Bureau of Statistics

1. Introduction

A meeting between senior officials from the Ministry of Finance, the Bank of Israel and the Israeli Central Bureau of Statistics will be convened at the end of May 2006 to plan an earlier dissemination of monthly price indices. This is according to recommendations of IMF staff that recently completed the ROSC procedure (data module) among several agencies that produce statistical data in Israel. This meeting is only one of several positive outcomes of the process. Other important outcomes include enhanced coordination among data producers, preparation of work programs to improve coverage and timeliness of major surveys; and revision of design of agency websites in charge of disseminating statistical data. The full list of IMF recommendations and the response of the authorities in Israel, along with the detailed report can be found on the IMF website at:

<http://www.imf.org/external/pubs/ft/scr/2006/cr06125.pdf>.

The Report on the Observance of Standards and Codes (ROSC)—Data Module provides an assessment of macroeconomic statistics against the Special Data Dissemination Standard (SDDS) complemented by an assessment of data quality based on the IMF's Data Quality Assessment Framework (DQAF), July 2003. The DQAF lays out internationally accepted

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practices in statistics, ranging from good governance in data-producing agencies to practices specific to datasets.

As stated, IMF recently conducted, in Israel, an assessment of national accounts, consumer and producer price indices, government finance, and monetary statistics. The agencies responsible in Israel for these datasets are the Central Bureau of Statistics, the Bank of Israel and the Ministry of Finance².

The purpose of this short document is to present an informal analysis of the ROSC procedure in Israel and to stress the strengths and weaknesses as perceived by several Israeli officials that participated in the process. The issues raised below are based on my discussions with those individuals. However, the opinions expressed in this paper are based on the understanding of the author and do not necessarily reflect the policies of the agencies themselves. Section 2 will include a short description of the overall assessment by the IMF mission of the statistical system producing macroeconomic statistics; Section 3 will include a short description of the actual process; Section 4 will look at the prerequisites for success, the specific strengths of the procedure and some points that may be improved in the future.

2. Overall Assessment³

Israel subscribed to the Special Data Dissemination Standard (SDDS) on April 23, 1996 and met all requirements on June 5, 2000. The country is generally in observance of the SDDS, meeting the specifications for coverage, periodicity, timeliness, and the dissemination of advance release calendars. Israel avails itself of one of its two flexibility options for the timeliness of the industrial production index and disseminates the data one week later than prescribed. While practices generally meet or exceed SDDS requirements, monitoring of the data releases indicates that there have been some delays in the dissemination of the monetary and financial statistics, particularly the analytical accounts of the central bank. The mission

² The IMF did not directly assess the Ministry of Finance, however its data are a significant source for the government accounts compiled by the Central Bureau of Statistics.

³ IMF Country Report No. 06/125, March 2006, pp. 4-15.

noted that Israel does not fully manifest the intra- and interagency coordination and communication that are the hallmarks of most SDDS- subscribing countries. This has placed an undue burden on the Central Bureau of Statistics (CBS) as the national coordinator.

Israel's macroeconomic statistics are of generally high quality and are broadly adequate to conduct effective surveillance. Israel's statistical managers are highly aware of all dimensions of data quality and are undertaking reforms—some at the cutting edge—to continue, among other things, to enhance data quality. However, some shortcomings may impede the accurate and timely analysis of economic and financial developments and the formulation of appropriate policy. Foremost among these are deficiencies in the timeliness, concepts and definitions, and classification of monetary statistics. There also is room to enhance source data for national accounts, producer prices, and government finance statistics. The agencies comprising the statistical system, especially the CBS, need adequate and sustained resources to improve the scope and timeliness of data compiled under their mandates commensurate with the substantial transformation of the Israeli economy. The increasing importance of the service industries and the decreasing significance of agriculture, among other developments, characterizes this transformation. The serviceability and accessibility of monetary statistics and, to some extent, producer prices and government finance statistics could benefit from further improvements.

Israel has strong legal and institutional frameworks that support the compilation and dissemination of statistics.

The *Statistics Ordinance* clearly mandates responsibility to the CBS for compiling and disseminating national accounts, prices, and government finance statistics. The ordinance requires the CBS to ensure the confidentiality of individual data providers and administer sanctions for noncompliance with reporting requirements. The CBS resources are increasingly stretched, particularly for compiling national accounts and government finance statistics, because of limited financial and inflexible manpower budgets. The constrained resource situation is likely to tighten further in the face of the measurement demands of a rapidly changing economy. This applies especially to the growth in the service industries,

which should be monitored closely. The laws ensure the independence of the CBS. The mission found that the compilation and dissemination of the datasets it reviewed are based solely on statistical considerations and not subject to external influence. Management is highly sensitive to all dimensions of quality and is actively implementing a quality management system. The CBS actively promotes an environment of professionalism, transparency, and adherence to ethical standards.

The Bank of Israel (BOI) is responsible for compiling and disseminating monetary statistics by tradition, but the current Bank of Israel Law does not specifically spell out this mandate. However, this law explicitly empowers the central bank to collect data and ensures the confidentiality of the reported data. Resources are broadly adequate to enable the central bank to undertake its current and development work programs. The BOI management is keenly aware of quality issues and is undertaking a major institutional review of its internal organization with the aim of becoming more efficient in discharging its duties while ensuring continued professionalism, transparency, and observance of ethical norms.

Methodological soundness. The Israeli macroeconomic statistics broadly follow internationally accepted standards and guidelines on concepts and definitions, scope, classification and sectorization, and basis for recording. The recording basis for monetary statistics generally follows the recommendations of the *Monetary and Financial Statistics Manual (MFSM)*, but their classification/sectorization, concepts and definitions, and, to a lesser extent, scope, need to be improved. Government finance statistics are generally consistent with the *System of National Accounts 1993 (1993 SNA)* and the *Government Finance Statistics Manual 2001 (GFSM 2001)*. They could benefit from strengthened interagency coordination aimed at improving the scope and basis for recording. The scope and recording basis for producer prices also could be improved. The national accounts follow the *1993 SNA*, but the recording of GDP at market prices should be brought in line with international standards.

Accuracy and reliability. Macroeconomic statistics in Israel rate highly on accuracy and reliability. In large part, this reflects the efforts to assess source data and validate

intermediate data and statistical outputs across datasets. The CBS needs additional resources to improve the source data for national accounts, producer prices, and government finance statistics. For national accounts and producer prices, priority should be given to obtaining more comprehensive and timely inputs. Similarly, for government finance statistics, more timely source data on central and local government operations would contribute to better inputs in the compilation of the consolidated general government accounts. Revision studies for national accounts and, to a lesser extent, producer prices would enhance their accuracy and reliability. Source data for monetary statistics are very accurate.

Serviceability. Production and dissemination of real and fiscal sector statistics (for which the CBS uses some estimates) in Israel meet SDDS periodicity requirements and are commendably timely. The BOI has initiated steps to consolidate responsibility for monetary statistics and to improve timeliness. Consistency across datasets is broadly adequate, although there still is room to improve monetary statistics. Most datasets follow the international good practice of providing clear and transparent information about revision schedules and the revisions themselves.

Accessibility. Overall, data and metadata are readily accessible, reflecting to a great extent recent efforts of the CBS to revamp its website and enhance responsiveness to inquiries by **data users. The BOI is working to address current problems affecting users' access to** monetary data and metadata, including upgrading the BOI website.

3. The ROSC data module process in Israel

The objective of this paper (as stated) is to present the process as experienced by the country under review. Therefore, the focus will be on the time and efforts invested by the Israeli officials. An official request to conduct the review was sent by the Government Statistician of Israel, several months before the arrival of the IMF mission in Israel⁴.

⁴ Israel is being reviewed systematically under the ROSC procedure for the last few years. It was within that framework that the Ministry of Finance advised the CBS that the next stage would be the data module. This, in turn, prompted the request by the Israeli Government Statistician (as coordinator of statistical production agencies) for the review by the IMF.

The steps in the procedure can be divided into the following three stages: (a) preparation for the mission's visit, (b) during the mission's visit to Israel and (c) activities conducted after the mission left Israel.

(a) The main activities in the preparation stage included: setting up the dates for a visit by the mission, exposure to the DQAF's by the Israeli agencies involved, conducting an informal user survey at IMF's request (see results in Appendix 4) , joint consultation among the Israeli officials involved as the mission neared, getting numerous staff in the agencies involved (especially CBS) to prepare the subject matter (like DQAF's) and logistical issues involved.

(b) The arrival of the IMF mission in Israel accelerated the activities conducted by the involved agencies. These included daily meetings with the IMF officials, whether in plenary or among sectoral staff within the agencies, or consultations with user groups (see schedule of meetings in Appendix 1); reviewing the DQAF's and other reports, generated by IMF officials on a daily basis, translation of important legal and administrative documentation into English (see, for example, the Code of Ethics in Appendix 2 and the Rules for the Public Council of Statistics in Appendix 3).

(c) Main activities after the departure of the mission officials included: commenting on the draft reports that were generated based on the review process, at a later stage (about three months after the visit) submitting a written response by the authorities to the cross-cutting recommendations of IMF in the data module ROSC and planning implementation of recommendations, wherever possible.

Many working hours were invested by the Israeli authorities in the process: my rough estimation is that nearly 2,000 (local) working hours were spent on the process; about a total of 500 in the months of preparation and aftermath stages and nearly 1,500 working hours connected directly to the actual mission in Israel during the two week period in November of 2005.

4. Analysis of the ROSC procedure

This informal analysis will look at (a) our understanding of prerequisites for a high quality peer review, (b) the specific strengths of this procedure and (c) some points that could be improved in the future.

(a) Prerequisites for a successful process:

Building trust among the players in the process – officials from the IMF and the agencies being reviewed in Israel have current working relationships and treat each other as "equals" in the process. This led to trust and confidence in the professionalism of both sides from the beginning of the process.

Commitment of senior management – the process not only has to be accepted formally by the agencies involved, it must be endorsed by senior management who should take a leading role in the process. This will clarify to all parties involved the importance and seriousness of the review being conducted. In the Israeli case, the top officials in each agency accepted the process, endorsed it and took an active part in it⁵.

Participation of sectoral experts – there are several areas of expertise in macroeconomic statistics, therefore specific experts (and not necessarily from senior management) are required in the process. The exact mix of qualifications needed for different stages of the process must be planned ahead. This involves an understanding of the mission objectives, the tools being used in the review process, etc. In Israel, many experts were involved in the different stages of the process. This led to the vast amount of working hours invested by local authorities. However, we feel that this was a crucial point for the success of the review. If the local agencies wish to "profit" from the process, they must be willing to invest these working hours.

⁵ For example, the Government Statistician was in Washington DC before, during and after the IMF mission members came to Israel. Although he was there on other business, he met with IMF officials during these stages at the IMF office in Washington. This was an indication for the senior management of CBS and the other agencies involved of the importance of the mission.

(b) Specific strengths of this procedure (in addition to the prerequisites mentioned above)

The user survey and user meetings – although this is labeled as an informal survey, some of the most important lessons and insights were revealed from this survey and especially from the meetings held with the many users of macroeconomic data.

The DQAF's – The framework is clear and coherent and enables the experts to focus on the important issues that require their attention before and during the process. Also serves as a basis for discussion between mission members and senior officials and sectoral experts.

Current updates on the process – mission members met with senior management and sectoral experts on a daily basis. Plenary sessions with all "players" were held every few days to coordinate expectations, update the forum and readjust processes, if needed.

(c) Points that may be improved in the future

Learning about mutual expectations – time leading up to the mission may be utilized, not only for learning about the objectives of the reviewer and the tools to be used in the process, but in addition - to explore the expectations of the agencies being reviewed. While the tools of the process are excellent ones, it is well documented that standardization has its weaknesses. The common denominator may be at a "lower than expected" level for the more advanced countries. If possible, IMF may allow flexibility to cater to the needs of countries that may differ from the standard. A country that understands its gains from the process will prepare, participate and improve accordingly.

Translation of documentation – non English speaking countries should be informed much time in advance on the kind of documentation that is needed, in English. We found ourselves spending precious hours during the mission working on translation and were not always satisfied with the outcome of our work, due to the time constraints.

Focus on macroeconomic statistics – many consider these statistics as the most important ones produced by the agencies, therefore having an "upward bias" of resources, qualifications and abilities. The whole picture of statistical production is not exposed in this process. Other

statistical areas, whether connected directly (or not) to the total quality of official statistical production in the economy are left behind⁶.

⁶ This is not a specific problem for the IMF but rather for the attention of coordinators of international statistical activity.

Appendix 1: Schedule of Meetings with ROSC Mission

ISRAEL

IMF's Report on the Observance of Standards and Codes (ROSC)—

Data Module Mission (Jerusalem, November 31–15, 2005)

As agreed with the authorities, the data ROSC mission will visit Jerusalem during November 1–15, 2005.

The objectives of the mission are (1) to assess the quality of Israel's statistics using the IMF Data Quality Assessment Framework (DQAF) developed by STA, and (2) to prepare the ROSC report assessing the compilation and dissemination of five datasets (national accounts, consumer and producer price indices, government finance, and monetary statistics).

Based on these objectives, the following is the mission's **proposed** work program and schedule of meetings. As needed, additional meetings will be arranged.

Preliminary Schedule of Meetings	
Monday, October 31	
	Robin Kibuka, Pierre Papadacci, Gary Jones, and Barbara El Ouardighi (all STA) arrive from Washington. Mr. Kari Manninen (Expert) arrives from Helsinki. Ms. Ann Lisbet Brathaug (Expert) arrives from Oslo.
Tuesday, November 1	
8:45 a.m.	Pick up from hotel (by CBS driver)
9:00 a.m.	Mission's logistical arrangements (Mrs. Yodfat Malach and IMF staff).
10:00 a.m.	Opening session—Initial meeting with senior officials of the Bank of Israel (BI), Ministry of Finance (MoF), Central Bureau of Statistics (CBS), and other relevant institutions to discuss mission's objectives and mission plan. Mr. Kibuka to give powerpoint presentation on the generic DQAF. <i>Following the opening session IMF topical experts to discuss separately with representatives from institutions to arrange meetings.</i>
Afternoon	IMF topical experts to discuss separately with sectoral technical staff.
Wednesday, November 2	

Preliminary Schedule of Meetings	
09:00-10:00 a.m.	Mr. Kibuka: Meeting with the Deputy Governor of the BI - Dr. Meir Sokoler. (Courtesy meeting). IMF topical experts to discuss separately with sectoral technical staff.
11:15-13:00	Mr. Kibuka: Meeting with Users (public sector). Will be held at BI with representatives from: BI, MOF, Min. of Industry Trade & Labour, PMO, National Insurance Institute (updated list will be issued later on) IMF topical experts to discuss separately with sectoral technical staff.
Thursday, November 3	
10:00-12:00	Mr. Kibuka: Meeting with Users (private sector). The meeting will be held in the Head office of 'Bank Hapoalim' in Tel Aviv IMF topical experts to discuss separately with sectoral technical staff.
Afternoon	IMF topical experts to discuss separately with sectoral technical staff.
19:30	Welcome Dinner hosted by the CBS at The David Citadel Hotel in Jerusalem
Friday November 4	
Tour of Jerusalem, organized by the MOF	
Sunday, November 6	
Morning	Mr. Kibuka: Meeting with SDDS Coordinator - Mrs. Soly Peleg, ICBS IMF topical experts to discuss separately with sectoral technical staff.
14:00-16:00 Afternoon	Mr. Kibuka: Meeting with senior officials at the CBS IMF topical experts to discuss separately with sectoral technical staff.
Monday, November 7	
Morning	IMF topical experts to discuss separately with sectoral technical staff.
12:30-14:00	Lunch hosted by the BI
Afternoon	Mr. Kibuka: Meeting with senior officials at the BI IMF topical experts to discuss separately with sectoral technical staff.
Tuesday, November 8	
08:30 -12:00	Mr. Kibuka: Meeting with senior officials at the MOF
12:00-13:30	Lunch hosted by the MOF
Full day	IMF topical experts to discuss separately with sectoral technical staff.

Preliminary Schedule of Meetings	
Wednesday, November 9	
Full day	IMF topical experts to discuss separately with sectoral technical staff.
14:00-16:00	Interim meeting with senior officials from CBS, BI and MOF to discuss progress of the mission
Thursday, November 10	
Full day	IMF topical experts to discuss separately with sectoral technical staff.
Friday/Saturday, November 11 and 12	
Finalization of draft report by mission team.	
Sunday, November 13	
Morning	IMF topical experts to discuss separately with sectoral technical staff as needed.
Afternoon	Finalization of draft report.
	Dinner hosted by the BI
Monday, November 14	
9:00 a.m.	Submission of draft report to authorities.
Tuesday, November 15	
9:30 a.m.	Plenary meeting of IMF mission with senior officials to discuss the findings and conclusions of the mission.
	Follow-up any pending issues if needed.
Wednesday, November 16	
Mission members travel.	

Appendix 2: Code of Ethics of the Central Bureau of Statistics⁷

1. Introduction

This code is based on the understanding that the function of the Central Bureau of Statistics (hereinafter – the CBS) is to collect, analyze and publish statistical information on the population, the society, the economics and other aspects of Israel, and that the CBS acts under the authority of the Statistics Ordinance [New Version], 5732-1972.

The CBS carries out its activities in a scientific manner, transparent and fair, guided by the principle of making the results of its statistical activities available to the public.

This code establishes basic norms according to which the CBS carries out its professional activities, including obligations and behavioral norms based on legal sources.

The primary purpose of this code is to describe the appropriate relationship between the CBS and those with whom it comes into contact in the course of carrying out research, surveys, censuses or other statistical work (hereinafter – statistical activities) and in disseminating the results.

This code concentrates, in particular, on the obligations of the CBS towards society, the participants in the statistical activities, the customers who order statistical activities and professional colleagues.

2. General obligations

- | | | |
|-----|--------------------------------|--|
| 2.1 | Professional Level | The CBS will maintain a proper professional level and will carry out its activities honestly and without prejudice, based on scientific principles. |
| 2.2 | Public trust | The CBS shall be aware that it is dependant on the trust of the public and that its work may invade privacy. Therefore, it shall act in a manner that will receive and promote the public trust in the profession. |
| 2.3 | The contribution of statistics | The CBS shall endeavor to bring to the attention of the general public the contribution of statistical activity and its findings. |
| 2.4 | Citing statistical sources | The CBS shall report fully and accurately regarding all previous statistical activity that served it in its work. This includes sources of information, data, concepts and methods. |

3. Obligations towards society

- | | | |
|-----|----------------------------------|---|
| 3.1 | Distorted and misleading results | a. The CBS will not use, and will not assist in using, methods that could bring about misleading or false |
|-----|----------------------------------|---|

⁷ This document is based on “The Code of Ethics for Statisticians”, which was adopted by the Public Council for Statistics and by the Israel Statistical Association. The principle changes made in this document are related to the statutory status of the CBS under the Statistics Ordinance.

results, or that could distort results by emphasizing them or by ignoring them.

- b. The CBS will not give out distorted and/or misleading information regarding statistical activity.
- c. The CBS shall act against giving a distorted and/or misleading interpretation of its findings by anyone else.

3.2 Publication of results The CBS shall bring its finding to the attention of the public in a widespread and trustworthy manner.

3.3 Information for the public The provision of statistical findings to the public shall be accompanied by the explanations necessary for the public to properly assess the findings. In research based on a sample, the CBS shall describe the sample population, the sample methodology, the size of the sample, the degree of non-compliance, the method of interview and any other matter that could affect the trustworthiness of the findings. In addition, the CBS shall bring to the attention of the public if the findings are direct, and interpretation of findings, or forecasts based on them.

4. Obligations toward the “participant” (the respondent and/or anyone else about whom the information is collected).

4.1 Privacy a. The CBS shall collect only that information that is relevant to the purposes of the statistical activity that it is carrying out.

- b. In cases in which the statistical activity could possibly invade privacy, the CBS shall act in order that this invasion of privacy does not exceed the minimum necessary.

4.2 Information for the respondent The CBS shall provide the respondent, at his or her request, information about the purpose of the statistical activity, the methods of preserving the confidentiality of the information gathered, and additional information regarding the statistical activity.

4.3 Agreement to participate a. In the event that the respondent is obligated under law to respond, the CBS shall explain to the respondent this obligation.

- b. The CBS shall not create the impression that a legal obligation to participate exists when it does not.

4.4 Preservation of confidentiality The CBS must preserve, in accordance with the law, the confidentiality of information it receives under the Statistics Ordinance.

5. Obligations towards the customer (such as the source of financing or the initiator)

- | | | |
|-----|--|--|
| 5.1 | Definition of functions | The CBS must define explicitly and ahead of time with the customer the rights and obligations of the parties. |
| 5.2 | Limitations regarding publication | The CBS shall establish with the customer, ahead of time, the manner of publication of the findings of the statistical activity. |
| 5.3 | Prohibition against pre-determined results | The CBS will not undertake any statistical activity whose results, in whole or in part, are dictated ahead of time, or that may contain an element of intentional distortion or deception. |
| 5.4 | Choice between methods | The CBS shall clarify for the customer the methods that it is willing to use to carry out the statistical activity and the implications arising from the various options. |
| 5.5 | Full disclosure | The CBS will provide the customer with information regarding itself that is relevant to the carrying out of the statistical activity, including limitations regarding its own knowledge, experience or capabilities. |

6. Obligations toward professional colleagues

- | | | | |
|-----|-----------------------------------|---|--|
| 6.1 | Disclosure before colleague | a | The CBS shall enable, for the sake of professional critique, examination of the information regarding its methods of work, to the extent necessary and subject to the preservation of confidentiality, in order to enable an assessment of how it arrived at its findings. |
| 6.2 | Secondary use | The CBS shall enable, in accordance with conditions it shall set, the use of material in its possession, as long as this does not prejudice the rights of the “participants” and of the customer, and subject to the preservation of confidentiality. | |
| 6.3 | General application of principles | a. | The CBS shall act in order that those working in its name, with it or for it in carrying out statistical activities, shall act in accordance with this code. |
| | | b. | The CBS shall take into consideration the ethical codes of other professionals working with it on the same statistical activity. |

Appendix 3: Rules of the Public Council for Statistics

Statistics Ordinance [New Version] 5732-1972

Rules of the Public Council for Statistics*

We hereby make it known that, in accordance with Article 4(c) of the Statistics Ordinance [New Version], 5732-1972⁸, the Public Council for Statistics has adopted these rules.

1. Name
The Public Council for Statistics
2. Location
Jerusalem
3. Address
The Central Bureau of Statistics
4. Functions and powers
 - a. To advise the Prime Minister and other Ministers on matters relating to the statistical acts of State agencies;
 - b. To advise the Statistician on matters relating to statistical acts which are performed by the Bureau; for this purpose, the council may inspect questionnaires addressed to the public;
 - c. To receive from State agencies their schemes for the performance of statistical acts and to give an opinion as to coordination between such agencies in respect of such schemes;
 - d. To make proposals for rendering more efficient and developing statistical acts or State agencies.
5. Composition of membership
 - a. The Council shall be composed of between 50 to 70 members, but it may, from time to time, set a higher number of members.
 - b. The Prime Minister will appoint the members of the Council from among representatives of the following bodies:
 1. Government offices, local authorities, the national institutions and other institutions established under law and that perform statistical acts or make use of them;
 2. Institutions of higher education that maintain an institute, a department or a faculty for the instruction or research of statistics;
 3. Other public bodies that deal with statistical activities or make use of them.
 - c. The representatives of the above bodies will be General Directors or experts in statistics or in the field of economics and society; in addition, the Prime Minister may appoint to the Council members who are not members of institutions, but who are experts as mentioned above.
 - d. Recommendations by the above-mentioned bodies for the appointment of their representatives to the Council, and recommendations for the appointment of experts to the Council, will be sent to the Prime Minister by the Chairman of the Council; the Chairman of the Council will add his recommendation regarding the candidates after consultation with the Council's Central Committee.
 - e. Members of the Council representing the Central Bureau of Statistics, will be determined from time to time by the Government Statistician, upon consultation with the Chairman of the Council; the number of such members shall not exceed one fourth of the number of members of the Council.
 - f. A member of the Council on behalf of any body, will be appointed for the period of three years, with the possibility of extending the appointment by the Chairman of the Council. His

* Published in the Official Gazette (*Yalkut HaPirsumim*) number 2467, page 2586, 21 September 1978

⁸ Laws of the State of Israel (*Dinei Medinat Yisrael*), New Version, Number 24, page 500; Book of Laws (*Sefer Ha'Chokim*) 5732-1978, page 201

appointment will lapse if the body that recommended him ceases to exist, or if it gave notice about the rescission of its representation, or if another representative was nominated in his place, or if the member did not participate, without sufficient cause, in three consecutive meetings.

6. Observers

- a. The Chairman of the Council may allow a member's proxy or alternate to take part in meetings of the Council, in the absence of the member, as an observer without voting rights.
- b. The Chairman of the Council may allow the participation in Council meetings, in general or for a specific matter, of other representatives of bodies referred to in these Rules or representatives of bodies that are not referred to in these Rules.

7. Invitation of Experts

The Chairman may invite experts to the Council meetings.

8. The Chairman of the Council

The Prime Minister will appoint the Chairman of the Council. The functions of the Chairman are:

- a. To bring before the full Council the reports on the activities of the Council;
- b. To set regular and special sessions of the full Council, and to serve as Chairman of these sessions;
- c. To manage Council business between Council sessions;
- d. To serve as the Chairman of the Central Committee of the Council;
- e. To represent the Council
- f. To do any other matter required of him, or that he is entitled to do, in accordance with these Rules.

9. Council Coordinator

The Chairman of the Council will appoint a Council Coordinator and he may also appoint an alternative Coordinator, either in general or for a special purpose.

The Council Coordinator, or his alternative, will participate in the Council meetings and the meetings of the committees. The Coordinator is responsible for the functioning of the Council and the committees.

10. Council Meetings

- a. The Council Coordinator will set Council meetings as needed but at least two times a year, and will determine the location of the meetings, their times and their agendas – all in accordance with the instructions of the Chairman of the Council.
- b. The Council shall also meet upon the demand of at least one fourth of the Council members, to discuss a matter brought up by them.
- c. Upon setting a Council meeting and its agenda, an invitation will be sent to the Council members by the Coordinator at least thirty days before the meeting. The material that will be discussed at the Council meeting, and any other material, will be sent to the members no later than seven days before the date of the Council meeting.
- d. A member of the Council may request from the Chairman of the Council, at least twenty days before a meeting date, the addition of an item to the agenda. If the Chairman shall decide to include the item on the agenda, the item will be sent to the members of the Council at least ten days before the date of the meeting.
- e. A minimum of one third of the members of the Council shall constitute a quorum for making decisions at the Council meetings.
- f. Council decisions shall be reached by a majority of Council members attending the meeting.
- g. Decisions regarding changes to the Council Rules shall be received by a majority of the members of the Council.
- h. The Council discussions, conclusions and decisions will be recorded in a protocol. The Council Coordinator will be responsible for preparing the protocol.

11. Publication

Decisions of the Council that may be of interest to the general public will be published through the Chairman of the Council at his discretion.

12. The Central Committee
 - a. The Council will create a Central Committee composed of 7 members: the Chairman of the Council, who will serve as Chairman of the Committee, the Government Statistician, the Council Coordinator; 2 representatives of State agencies and 2 representatives of other institutions, who shall be chosen by the Council from among their members for a period of 3 years.
 - b. The functions of the committee are:
 1. To manage matters of the Council between Council meetings;
 2. To raise matters for discussion at the Council meetings;
 3. To create committees to deal with specific topics, and to report on such at the next meeting of the Council;
 4. To make recommendations to the Chairman of the Council regarding the Chairman's recommendations to the Prime Minister concerning the membership of the Council;
 5. To follow up on the implementation of Council decisions;
 6. To do any other matter the Council shall require of him.
 - c. The Committee shall determine its own procedures.
13. Committees
 - a. The Council may create permanent committees and special committees for looking into any matter in the jurisdiction of the Council.
 - b. Such committee will be allowed to invite observers to provide advice.
 - c. Every such committee will have a Chairman from among the Council members, appointed by the Chairman of the Council, and in the absence of such an appointment -- y the committee itself.
 - d. Every committee is entitled to receive expert opinions and to invited experts to take part in their meetings.
14. Committee meetings
 - a. The chairman of the committee will set meetings of the committee as needed, and will determine their location, time and agenda for discussion.
 - b. An invitation to a meeting will be sent at least two weeks head of time; however, the members of a committee may decide on a shorter period.
 - c. Decisions and conclusions reached by the committee will be recorded in a protocol. The Chairman of the committee will be responsible for preparing the protocol and for reporting on the activities of the committee before the Council.

Prof. Roberto Bachi
Chairman of the Public Council for Statistics

24 August 1978

Appendix 4⁹: Results of Israel's Users' Survey

1. With the assistance of the Central Bureau of Statistics (CBS), and to complement the assessment of the quality of official statistics produced by Israel, the mission conducted an informal survey of key users of macroeconomic statistics. Questionnaires were sent to 40 users with 18 responses received from a broad range of users, including academics, banks, public and private sector analysts, and consulting companies. Users were asked to evaluate the coverage, periodicity, timeliness, dissemination practices, accessibility, and overall quality of the official statistics. Major and informed users were well represented among the respondents and in the follow-up discussions held in both Jerusalem and Tel Aviv.

2. Data users informed the mission that there had been recent improvements in data production and dissemination, particularly the CBS's website and the Bureau's timely responses to inquiries. However, they noted that there was room to improve the BOI and the MOF websites and the two agencies' services in response to inquiries. They were also concerned about the scope and dissemination of monetary, government tax, and expenditure data; the timeliness of the CPI and other real sector data; the unavailability of quality data on some service industries; and the large revisions in national accounts, including trade statistics. There was also a widespread view that given the substantial ongoing transformation of the Israeli and world economies, the CBS faced a daunting task to cope with the growing statistical demands, which is exacerbated by severe manpower and financial budget constraints. Respondents also indicated that while ad hoc funding arrangements with various national institutions had alleviated some of these constraints, the situation was not sustainable without a longer-term solution.

Questionnaire Results Analyzed by Type of User November 5, 2005

Type of Respondent	Total Sent	Total Received
Government	10	4
State-owned agencies (enterprises)	5	1
Banks	5	4
Other enterprises	5	1
Embassies	5	
Universities (researcher)	10	8
Media		
Supervisory, regulatory institutions (stock exchange)		
Total	40	18

Source: Survey carried out by the Central Bureau of Statistics.

⁹ IMF Country Report No. 06/125, March 2006, pp. 131-134.

Results of Israel's Users' Survey, November 5, 2005

General Information about Uses of Official Macroeconomic Statistics of Israel	
	Total Number of Responses
3. Which official statistics do you use regularly?	# / 18
<ul style="list-style-type: none"> a. National accounts (NA) b. Prices c. Government finance statistics (GFS) d. Monetary statistics (Monetary) e. Balance of payments (BOP) f. Other: <ul style="list-style-type: none"> • Production indices • Labor market • Merchandise trade • International reserves and foreign currency liquidity • External debt • International investment position • Other 	<ul style="list-style-type: none"> 17 16 12 11 14 2 13 13 12 6 6 6 0
4. Where do you obtain the official statistics?	
<ul style="list-style-type: none"> a. Official press releases and publications on macroeconomic statistics b. Private sector summaries and analyses c. Official policy papers d. Publications from international organizations about the country e. Other sources 	<ul style="list-style-type: none"> 16 3 9 5 1
5. Do you refer to official descriptions of the sources and methods that were used to compile the official statistics?	
<ul style="list-style-type: none"> • Yes • No 	<ul style="list-style-type: none"> 16 2
6. For what purposes do you use the official statistics?	
<ul style="list-style-type: none"> a. Analysis of current developments for short-term decision making b. Analysis of trends for longer-term policy formulation? c. Econometric model building and forecasting d. Economic research e. Comparison with economic developments in other countries f. General economic background g. Other 	<ul style="list-style-type: none"> 14 12 13 13 15 12 0

General Information about Uses of Official Macroeconomic Statistics of Israel						
	NA	Prices	GFS	Mone- tary	BOP	Other
7. Coverage and detail						
7.1 In general, are you satisfied with the coverage of official statistics?						
• Yes	15	16	13	10	14	3
• No	3	2	5	8	4	0
7.2 In general, are you satisfied with the official statistics in terms of their level of detail?						
• Yes	13	14	11	10	13	3
• No	5	4	7	8	5	15
8. Periodicity and timeliness						
8.1 Are you satisfied with the frequency of compilation of the official statistics (e.g., weekly, monthly, quarterly, annual)?						
• Yes	14	14	11	10	11	3
• No	4	4	7	8	7	14
8.2 In general, do you consider that the official statistics are disseminated with the appropriate timeliness (the time lag after the period to which they pertain, e.g., 60 days after the reference period)?						
• Yes	11	12	11	10	10	0
• No	7	6	7	8	8	0
9. Other dissemination practices						
9.1 Do you know if there is a publicly disseminated calendar that announces in advance the dates on which the various official statistics will be disseminated?						
• Yes	12	12	9	10	11	3
• No	6	6	9	8	7	14
9.2 If there is a calendar of release dates, in your experience, are the official statistics released on the dates announced?						
• Yes	13	13	10	6	8	2
• No	5	5	8	12	10	16
9.3 Is there enough information about revisions to official statistics?						
• Yes	6	10	8	6	5	0
• No	12	8	10	12	13	0
10. Accessibility						
10.1 Can you easily access the official statistics?						
• Yes	15	14	14	11	14	3
• No	8	4	4	7	4	15

General Information about Uses of Official Macroeconomic Statistics of Israel						
	NA	Prices	GFS	Monetary	BOP	Other
10.2 Can you easily access information pertaining to official statistics you use (explanatory notes, methodological descriptions, reference concerning concepts, classification, statistical practice)?						
• Yes	11	11	10	6	9	1
• No	7	7	8	12	9	17
					Yes	No
10.3 Is the above information on methodology sufficiently clear and at an adequate level of detail to be useful to you?					11	7
10.4 How do you get access to official statistics?						
• Official releases					5	13
• Hard copy publications					6	12
• Data specifically requested					9	9
• Official website					18	0
• Other					0	0
• E-mail requests					5	12
	NA	Prices	GFS	Monetary	BOP	Other
11. Overall assessment						
11.1 In your opinion, is the underlying methodology of official statistics sound and appropriate?						
• Yes	15	14	14	11	11	2
• No	3	4	4	7	7	16
11.2 In general, do you consider the official statistics to be unbiased and accurate?						
• Yes	13	12	11	10	11	0
• No	5	6	7	8	7	0
11.3 How would you compare the quality of official statistics of the country with those of other countries in the region?						
• Better	11	10	7	7	6	0
• Same	7	8	10	10	12	0
• Worse	0	0	1	1	0	0
11.4 How do you assess the overall quality of the official statistics? (1 rated as poor and 5 as excellent)						
	5: 3	5: 10	5: 2	5: 0	5: 2	5: 0
	4: 6	4: 2	4: 5	4: 0	4: 6	4: 0
	3: 2	3: 0	3: 0	3: 1	3: 2	3: 0
	2: 0	2: 0	2: 4	2: 0	2: 0	2: 0
	1: 0	1: 0	1: 1	1: 0	1: 0	1: 0
No Comment (N.C.)	N.C.: 6	N.C.: 6	N.C.: 6	N.C.: 9	N.C.: 6	N.C.: 0

General Information about Uses of Official Macroeconomic Statistics of Israel						
	NA	Prices	GFS	Mone- tary	BOP	Other

NA = National Accounts; Prices refers to: CPI (Consumer Price Index) and PPI (Producer Price Index);
GFS = Government Finance Statistics; Monetary = Monetary Statistics; and BOP = Balance of Payments Statistics