



National Accounts Workshop for SADC countries

16-19 June 2009, Windhoek, Namibia

Strengthening statistical capacity-building in support of progress
towards the Internationally Agreed Developments Goals in the
Southern African Development Community region

Quality assessment of national accounts data



Quality Assessment of National Accounts

National Accounts Workshop for
SADC Countries

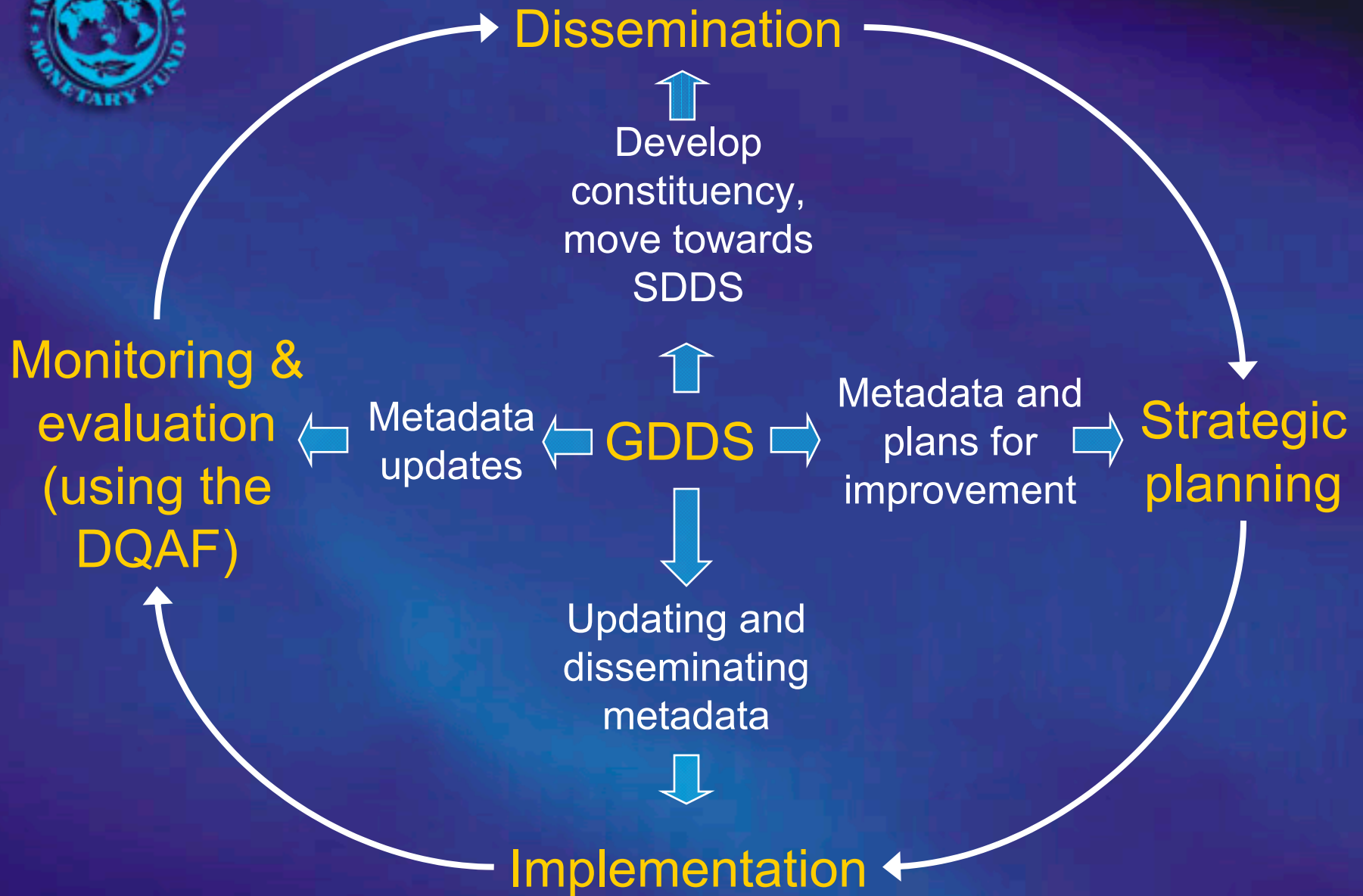
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outline

- ◆ Dissemination standards:
- ◆ GDDS
- ◆ SDDS
- ◆ Data Quality Assessment Framework (DQAF)
- ◆ ROSCs





General Data Dissemination System

the General Data Dissemination Standard (GDDS)

- ◆ was established in 1997 by the IMF
- ◆ to encourage countries to improve data quality
- ◆ through the provision to the public of comprehensive, timely, accessible, and reliable economic, financial, and socio-demographic data; and
- ◆ to provide a framework for evaluating needs for data improvement and setting priorities in this respect
- ◆ participation is voluntary, and in doing so, countries commit to:
 - (i) use the GDDS as a framework for statistical development
 - (ii) prepare and provide metadata to describe country practices
- ◆ information from participating countries can be found at <http://dsbb.imf.org/Applications/web/getpage/?pagename=gddshome>



GDDS (ctd)

- ◆ four monitorable *dimensions*:
 - data characteristics (coverage, periodicity, and timeliness)
 - quality
 - access
 - integrity
- ◆ comprehensive frameworks for the four economic and financial sectors, plus socio-demographic data
- ◆ encouraged extensions



GDDS – data dimension

- ◆ **coverage** – components of data categories are prescribed
- ◆ **periodicity** – frequency of compilation
- ◆ **timeliness** – speed at which data are disseminated; time between the end of the reference period and the date of dissemination



GDDS – recommended good practice

for national accounts:

- ◆ countries to determine their specific medium-term needs and develop realistic implementation plans

proposes to begin with:

- ◆ GDP in current and volume terms
- ◆ annual (quarterly encouraged)
- ◆ to be disseminated 6-9 months after the end of the reference period

and longer-term

- ◆ to focus on sectors of particular importance



GDDS – quality dimension

- ◆ dissemination of documentation on methodology and sources (summary methodology statements are included on the IMF's Dissemination Standards Bulletin Board)
- ◆ dissemination of component detail (subscribers maintain a national summary data page that is hyperlinked to the IMF's Bulletin Board)



GDDS – access dimension

objective is to provide equal access to all users

- ◆ advance release calendars
- ◆ simultaneous release to all interested parties



GDDS – integrity dimension

- ◆ dissemination of terms and conditions under which official statistics are produced
- ◆ identification of internal government access to data before release
- ◆ identification of ministerial commentary
- ◆ identification of information about data revision and advance notice of major changes in methodology



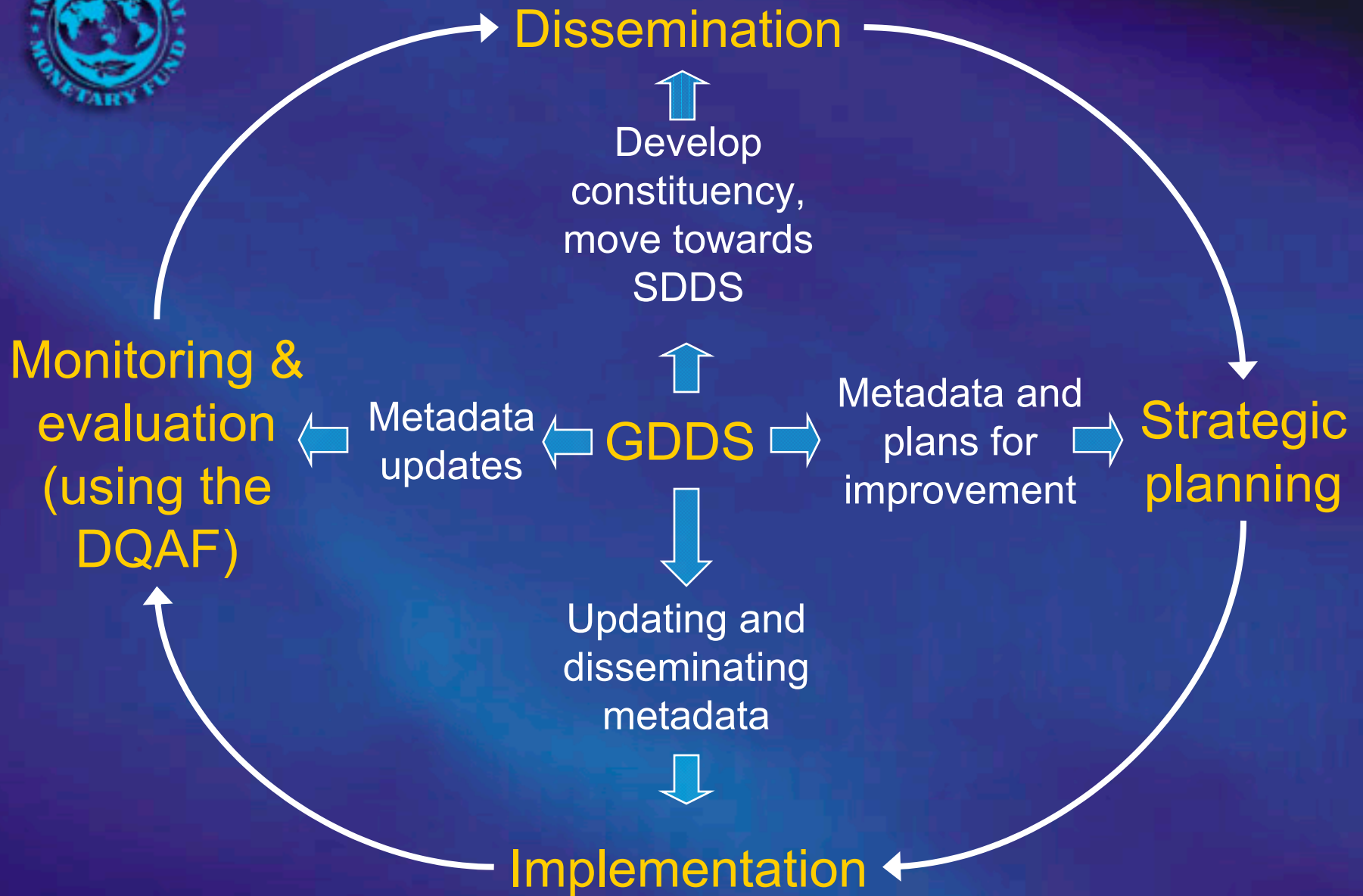
the role of the GDDS coordinator

- ◆ liaison between the country and the IMF on all GDDS matters
- ◆ metadata development
- ◆ annual metadata updating (or confirming that the current information is up-to-date)
- ◆ other functions decided by the country



plans for improvement

- ◆ plans for short- and longer-term improvements to the data are a key feature of the GDDS
- ◆ the national authorities set their own priorities and timing to achieve their objectives
 - plans follow the DQAF structure





Special Data Dissemination System

the Special Data Dissemination Standard (SDDS)

- ◆ was established in 1996 by the IMF
- ◆ to guide countries that have, or that might seek, access to international capital markets in the dissemination of economic and financial data to the public
- ◆ subscription is voluntary, but subscribers commit to observe the standards and to provide certain information to the IMF about their practices in disseminating economic and financial data
- ◆ transparency in data compilation and dissemination is an important focus
- ◆ information from subscribing member countries, including links to country statistics, can be found at <http://dsbb.imf.org/Applications/web/sddshome/>



SDDS (ctd)

- ◆ is designed to enhance the availability of timely and comprehensive statistics and, therefore, to contribute to the pursuit of sound macroeconomic policies; the SDDS is also expected to contribute to the improved functioning of financial markets
- ◆ identifies “best” practices in the dissemination of economic and financial data in four dimensions
- ◆ promotes transparency and facilitates informed user judgments on the quality of statistical products



SDDS (ctd)

- ◆ there are four monitorable *dimensions*:
 - **data** (coverage, periodicity, and timeliness) in 18 categories;
 - **access** by the public;
 - **integrity** of the disseminated data;
 - **quality** of the disseminated data
- ◆ there are between two and four monitorable elements for each of these
- ◆ there is some flexibility in some data categories (but not for coverage)
- ◆ some components are “encouraged” rather than prescribed



SDDS prescribes for national accounts:

- ◆ production approach: GDP in current prices and volume terms with disaggregated components

or

- ◆ expenditure approach: GDP in current prices and in volume terms with disaggregated components
- ◆ to be produced quarterly
- ◆ within one quarter

but note other real sector requirements:

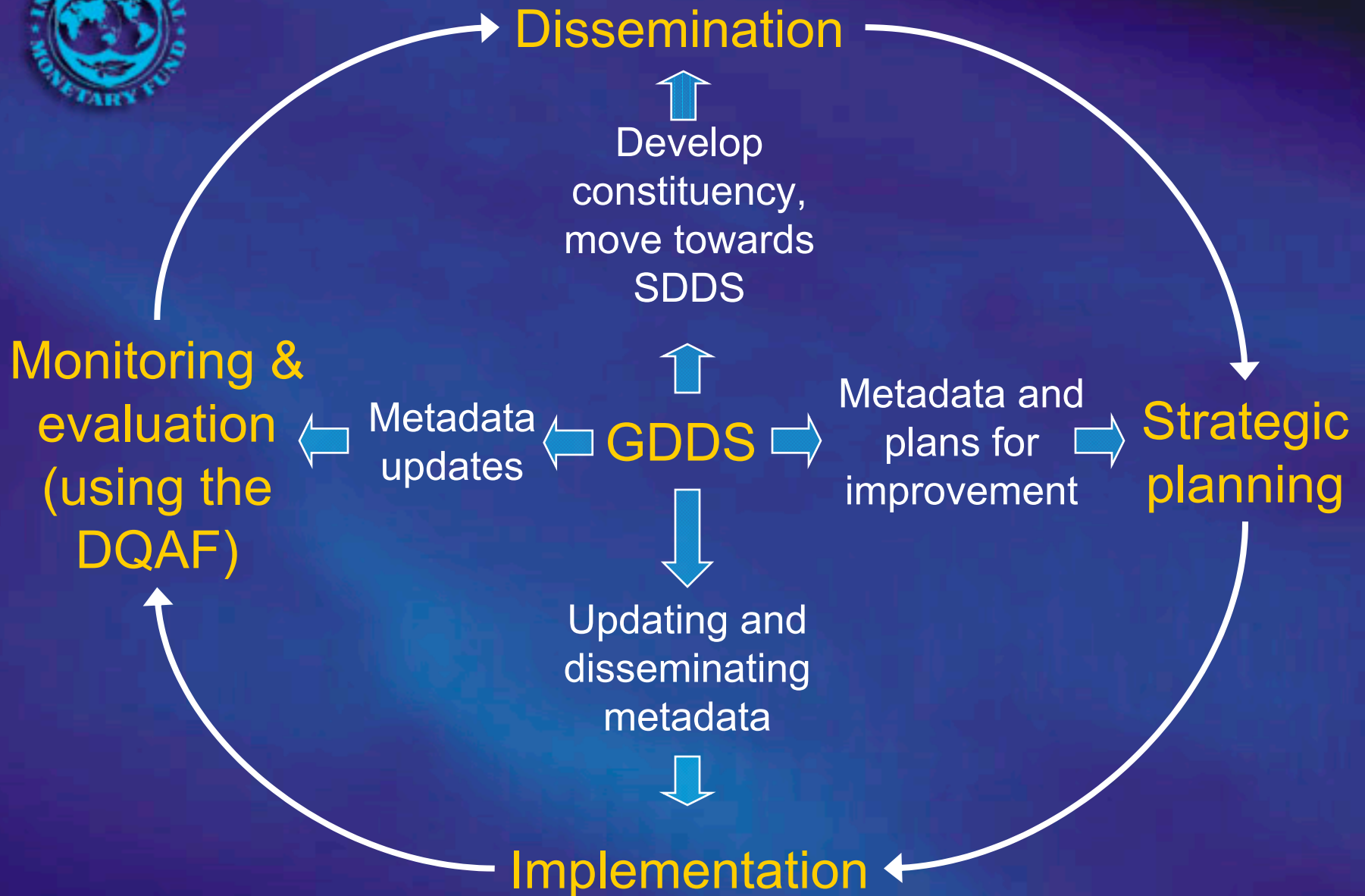
- ◆ production index
- ◆ labor market
- ◆ price indices (CPI, and PPI or WPI)



SDDS encourages

- ◆ savings
- ◆ gross national income
- ◆ quarterly
- ◆ within one quarter of the reference period

- ◆ (and forward looking indicators)





what is quality?

- ◆ how good are the data that we produce?
- ◆ how do we know?



what is quality?

- ◆ accuracy (to what extent do the data represent the true situation?)
- ◆ other aspects?
 - timeliness (how quickly are the data available?)
 - periodicity (how frequently are the data compiled?)
 - consistency (over time, across datasets, between countries...)
 - coverage and comprehensiveness
- ◆ and more broadly:
 - the statistical institutions
 - the statistical processes and practices
 - statistical outputs (data, metadata)
- ◆ what else?



What is the Data Quality Assessment Framework?

- ◆ developed to meet the need to provide a quantitative measure of the quality of statistics
- ◆ covers:
 - national accounts
 - consumer price index
 - producer price index
 - government finance statistics
 - monetary statistics,
 - balance of payments statistics,
 - external debt statistics
 - (poverty statistics, developed in collaboration with the World Bank)
- ◆ used to conduct the data module of each Report on Standards and Codes (ROSC)



DQAF (ctd)

comprises

- ◆ a general framework – encompassing internationally accepted principles and “good practices”
- ◆ specific frameworks for the main economic datasets (including national accounts)
- ◆ supporting notes
- ◆ considers quality of
 - the statistical product
 - the statistical institution
 - the statistical process



DQAF architecture

- ◆ a set of prerequisites
- ◆ five dimensions of data quality:
 - ▶ integrity
 - ▶ methodological soundness
 - ▶ accuracy and reliability
 - ▶ serviceability
 - ▶ accessibility
- ◆ identifies a non-exhaustive set of “good practices” for the compilation and dissemination of statistics

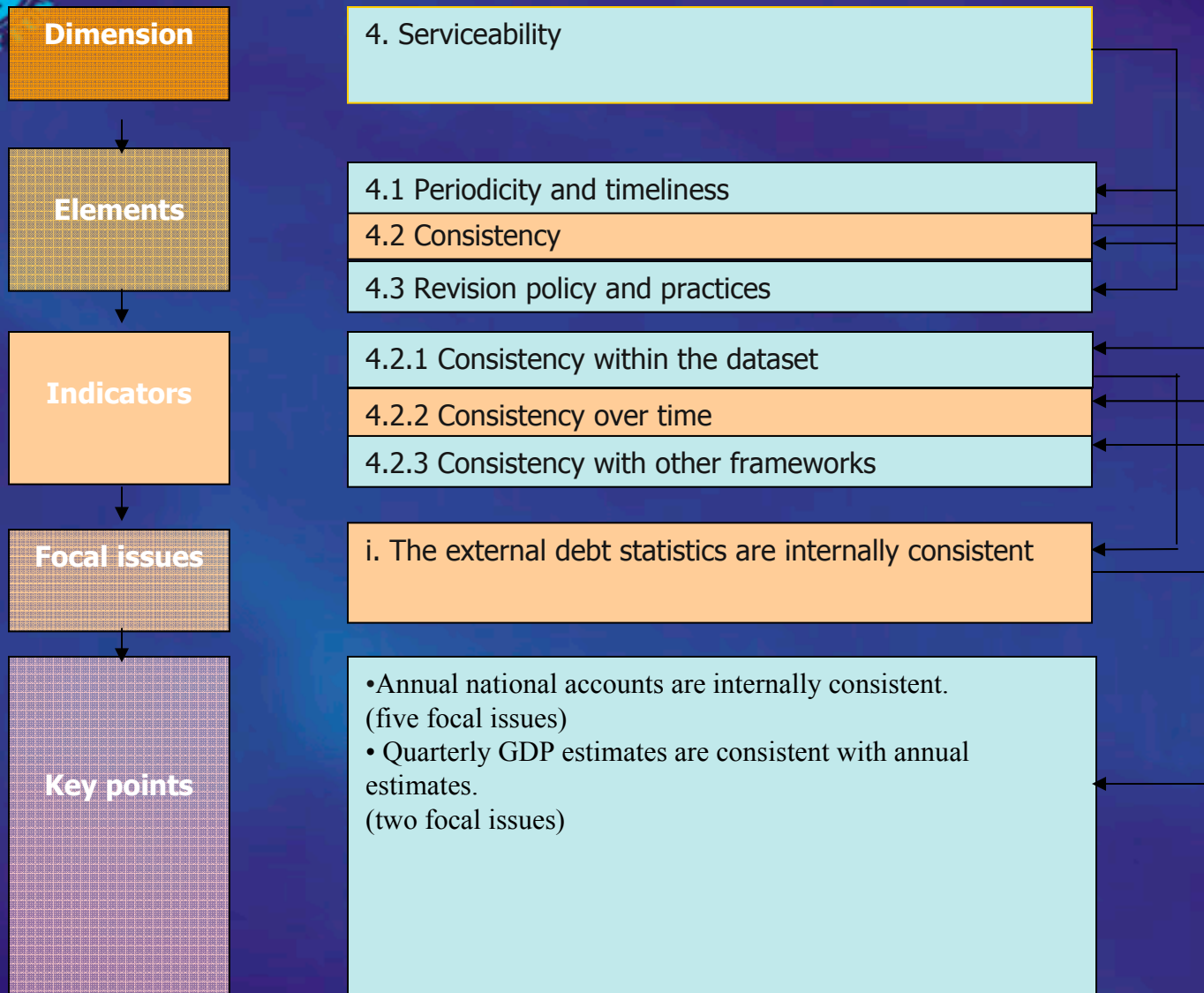


DQAF: cascading structure

- five dimensions of quality
 - and for each dimension,
- elements that can be used in assessing quality
 - and for each element,
- indicators that are more concrete and detailed
 - and for each indicator,
- focal issues that are tailored to the dataset
- refer to factsheet (and detailed document)



example of the cascading structure





key points – focal issues

Annual national accounts are internally consistent.

- ◆ - a set of consistent GDP estimates by activity and expenditure components is derived;
- ◆ - if not, a statistical discrepancy between these estimates has not been large and has been stable over time;
- ◆ - similar and consistent growth rates are obtained from the GDP series by activity and the GDP series by expenditure categories;
- ◆ - total supply of goods and services matches the independently derived total uses;
- ◆ - GDP estimates at current prices, volume measures, and (implicit) deflators are consistent within the “value = volume × price” framework.

Quarterly GDP estimates are consistent with annual estimates.

- ◆ - concepts, definition, and classification for compiling quarterly GDP estimates are the same as those used to compile annual estimates;
- ◆ - the quarterly GDP estimates are consistent with the annual estimates.



Report on Standards and Codes

- ◆ Reports on the Observance of Standards and Codes (ROSCs), produced by the IMF, summarize the extent to which countries observe certain internationally recognized standards and codes
- ◆ twelve areas and associated standards are recognized as useful for the operational work of the Fund (and the World Bank), including data dissemination



ROSCs

- ◆ reports summarizing countries' observance of the standards for these twelve areas are prepared and published at the request of the member country
- ◆ ROSC modules are used to help sharpen the IMF and World Bank policy discussions with national authorities, and also in the private sector (including by rating agencies) for risk assessments
- ◆ short updates are produced regularly and new reports are produced every few years



what is a ROSC data assessment

- ◆ the IMF carries out the data assessment, known as the data module of a ROSC
- ◆ in a ROSC data module, a country's statistical practices are assessed against either the SDDS or the GDDS using the DQAF
- ◆ a broad assessment of the quality of a set of statistics, based on current compilation and dissemination procedures (and plans for their improvement)



ROSC data module

- ◆ DQAFs for six datasets have been used in most ROSC data modules:
 - consumer price index (CPI)
 - producer price index (PPI)
 - national accounts
 - government finance
 - monetary statistics
 - balance of payments statistics



some uses of the DQAF

- ◆ assessment of quality through the ROSC data module
- ◆ PARIS21 Statistical Capacity Building Indicators
- ◆ technical assistance and training
- ◆ self assessment (and planning)
- ◆ peer assessment
- ◆ user assessment



summary

- ◆ GDDS *leads to*
- ◆ SDDS
- ◆ IMF promotes the adoption by countries of the SDDS or the GDDS, whichever is more appropriate to the country's circumstances
- ◆ GDDS metadata and plans for improvement provide important and useful information for a country's authorities, as well as users (and donors)
- ◆ monitor quality using the DQAF
- ◆ and IMF produces ROSC data module reports using the DQAF