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

June 16-19, 2009
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Dissemination standards:
- GDDS
- SDDS
- Data Quality Assessment Framework (DQAF)
- ROSCs
Dissemination

Develop constituency, move towards SDDS

Metadata and plans for improvement

Metadata updates

Updating and disseminating metadata

Monitoring & evaluation (using the DQAF)

GDDS

Implementation

Strategic planning
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
Dissemination

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Metadata and disseminating metadata

Implementation

Strategic planning
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/](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
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)
Dissemination

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constituency,
move towards
SDDS

Metadata and
plans for
improvement

Metadata and
disseminating
metadata

GDDS

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Implementation

Strategic
planning
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)
4. Serviceability

4.1 Periodicity and timeliness

4.2 Consistency

4.3 Revision policy and practices

4.2.1 Consistency within the dataset

4.2.2 Consistency over time

4.2.3 Consistency with other frameworks

i. The external debt statistics are internally consistent

• Annual national accounts are internally consistent. (five focal issues)
• Quarterly GDP estimates are consistent with annual estimates. (two focal issues)
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.
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).
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
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