Data for Decisions (D4D) Fund

A Multi-Partner Initiative

PROGRESS REPORT
(February 2019 to April 2020)

AND WORK PLAN
(May 2020 to October 2021)

3rd STEERING COMMITTEE MEETING
June 18, 2020
Via Videoconference

d4d
data for decisions
FUND

SUSTAINABLE
DEVELOPMENT
GOALS

"Destination makes it worth the drive"
Anonymous

INTERNATIONAL MONETARY FUND

Contributing Partners as of May 28, 2020

CONTENTS

TABLES

ANNEXES

LIST OF ACRONYMS

AD	IMF's Area Department
AFR	African Department
AFRITAC	Africa Regional Technical Assistance Center
APD	Asia and Pacific Department
API	Application Program Interface
ATM	Automated Teller Machine
BOP	Balance of Payments
BPM6	Balance of Payments and International Investment Position Manual, sixth edition
CBMS	Compilation Basics for Macroeconomic Statistics
CD	Capacity Development
COVID-19	Coronavirus Disease 2019
CPI	Consumer Price Index
D4D	Data for Decisions
D4P	Data for Policy
EAC	East African Community
EDDI	IMF/United Kingdom Enhanced Data Dissemination Initiative
EDS	External Debt Statistics
ESS	External Sector Statistics
EUR	European Department
Eurostat	Statistical Office of the European union
FAS	Financial Access Survey
FCS	Fragile and Conflict-affected States
FSSF	Financial Sector Stability Fund
FY	Fiscal Year (the IMF's FY runs from May 1 to April 30)
G20	The Group of Twenty
GDP	Gross Domestic Product
GFS	Government Finance Statistics
GNI	Gross National Income
HFIs	High-Frequency Indicators
ICD	IMF's Institute for Capacity Development
IDA	International Development Association
IDB	Inter-American Development Bank
IFC	International Finance Corporation
IIP	International Investment Position
IMF	International Monetary Fund
IT	Information Technology
LLMICs	Low- and Lower Middle-Income Countries
MCD	Middle East and Central Asia Department
MIEG	Monthly Indicator of Economic Growth
NAS	National Accounts Statistics
NSDPs	National Summary Data Pages

NSO	National Statistics Office
PARIS21	Partnership in Statistics for Development in the 21st Century
PFM	Public Financial Management
PPI	Producer Price Index
PRESS	Partner Report on Support to Statistics
PSDS	Public Sector Debt Statistics
RCDC	Regional Capacity Development Center
RPPI	Residential Property Price Index
RSS	Real Sector Statistics
Q	Quarter
SARTTAC	South Asia Regional Training and Technical Assistance Center
SC	Steering Committee
SDGs	Sustainable Development Goals
SDMX	Statistical Data and Metadata Exchange
SOE	State-Owned Enterprise
SPPIs	Services Producer Price Indices
STA	IMF's Statistics Department
TA	Technical Assistance
TBD	To Be Determined
UMICs	Upper Middle-Income Countries
UNFPA	United Nations Population Fund
UNSD	United Nations Statistics Division
UNSGSA	The Office of the United Nations Secretary General's Special Advocate for Inclusive Finance
UNWDF	United Nations World Data Forum
USA	United States of America
USD	United States Dollar
WHD	Western Hemisphere Department
WP	Work Plan

REGIONAL COVERAGE OF IMF AREA DEPARTMENTS
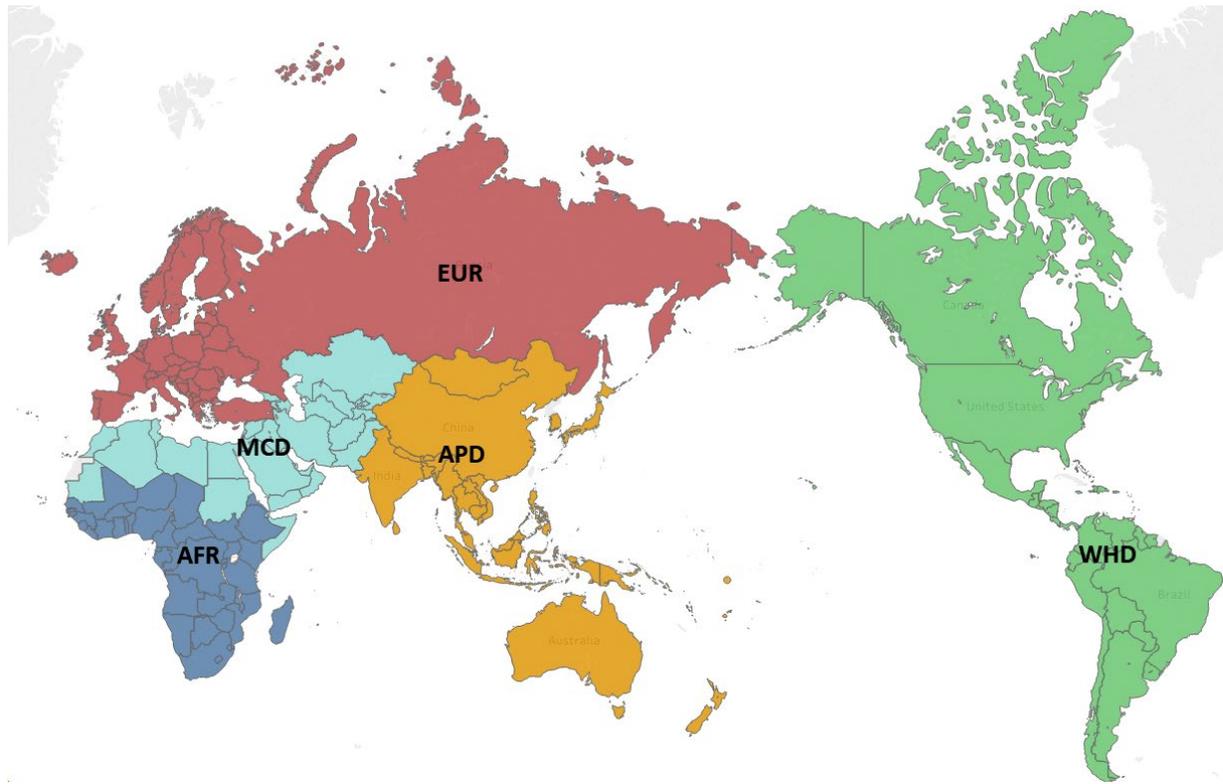
AFR: African Department

APD: Asia and Pacific Department

EUR: European Department

MCD: Middle East and Central Asia Department

WHD: Western Hemisphere Department

D4D FUND OVERVIEW

Objective: Putting more and better data in the hands of decision-makers to enhance evidence-based macroeconomic policies and support achievement of the Sustainable Development Goals (SDGs).

Focus: Strengthen national statistical systems to cope with a more challenging national and international policy environment, promote transparency and accountability, and offer efficient solutions to capacity development (CD).

Conceptual Foundation: Based on a needs assessment that considered (i) demand from countries, (ii) policy relevance, (iii) identification of data gaps and data quality concerns, (iv) complementarity of CD provided out of the IMF's Regional Capacity Development Centers and bilateral CD projects, and (v) the need for flexibility to react to a country's capacity and readiness to accept CD.

Size, Target Countries and Period: USD 33 million for mainly low- and lower middle-income countries, from June 2018 to June 2023.

Modules of the D4D Fund:

M1	**Addressing Data Needs and Quality Concerns** USD 19-21 million	Submodule Real Sector Statistics (RSS)	USD 6-7 million
		Submodule External Sector Statistics (ESS)	USD 7 million
		Submodule Fiscal and Debt Reporting (GFS/PSDS)	USD 6-7 million
M2	**Financial Access Survey (FAS)** USD 4-5 million	Sustain and expand the FAS	
M3	**Online Learning** USD 5-7 million	Develop and launch eight fundamental statistics courses (English and up to five other languages)	
M4	**Statistical Information Management** USD 1-1.5 million	Provide advice on statistical information management practices and related technical environments	

M1: Addressing Data Needs and Quality Concerns

- Help countries compile and disseminate data in three topical domains (real, external, and government finance) to support policy analysis and formulation and detect economic risks and vulnerabilities;

- Bring more and better data into the public domain, thus enhancing transparency and accountability; and

- Offer technical advice on enhancing source data and promoting higher-frequency data.

M2: Financial Access Survey (FAS)

- Provide policymakers and analysts with high-quality statistics in this unique financial inclusion database covering 189 economies;

- Improve and expand FAS to new areas, such as gender-disaggregated statistics and costs of financial access;

- Provide monitoring basis for SDG financial inclusion indicator.

M3: Online Learning

- Develop a new structured online learning curriculum to enhance the reach of statistics training in eight fundamental statistical topical areas;

- Offer online learning in up to six languages to allow truly global delivery.

M4: Statistical Information Management

- Develop advice to help statistics offices, central banks, and finance ministries to streamline, standardize, and automate data management practices and infrastructure;

- Enhance countries' ability to compile and disseminate macroeconomic and financial statistics.

EXECUTIVE SUMMARY

The D4D Fund is making a major contribution to answering the global call for more statistics capacity development (CD). As many countries struggle to deliver the official statistics necessary for evidence-based development policy, scaling up statistics CD was established as a priority in the global policy dialogue. Discussions are ongoing on the required resources to meet the surge in CD needs to deliver on the SDG monitoring. The D4D Fund-supported economic statistics play a major role in meeting these monitoring needs as more than one-third of SDGs include economic data. Strengthening statistics production has become an even more urgent priority in the wake of the COVID-19 pandemic as policymakers strive to address its impact and set a basis for financial stabilization and economic recovery.

CD delivered by the D4D Fund has helped close data gaps that undermine countries' ability to monitor financial and economic stability. Scarce CD resources have been focused on the most vulnerable countries. STA has targeted its CD on fiscal and debt reporting primarily on countries at high risk of debt distress, helping authorities arrive at a more comprehensive picture of public sector debt. Within national accounts CD, demand for support in developing Residential Property Price Indices was particularly strong, reflecting their important role as an early warning sign for risks to the financial sector from real estate bubbles. CD on external sector statistics made available crucial data for external sustainability analysis.

Participation in the first D4D Fund online learning course exceeded expectations and has grown even more since face-to-face training had to be paused on account of the pandemic. The Public Sector Debt Statistics online course kicked off the D4D-funded online learning curriculum with over 400 government officials participating around the World, far above IMF online course participation averages. About 60 percent of participants who passed the course were from low- and lower middle-income countries, with around one-quarter from fragile and conflict-affected states. Since the onset of the crisis, demand for statistics online courses has picked up considerably; between February and May, participation doubled.

The pandemic has required CD providers and recipients to re-assess work plans to ensure agile adaptation to countries' evolving needs. Delivery modality had to be re-calibrated in response to travel restrictions. Demand moved away from traditional medium-term CD projects towards urgent crisis-related assistance targeted to operational statistical challenges. The work plan therefore re-balances the CD mix, introducing remote delivery options, such as on-demand remote CD to address urgent specific operational challenges as well as business continuity advice and webinars on issues of relevance to multiple countries. The IMF is reaching out to recipient countries to assess further appetite for remote CD, as well as assessing which countries would be good candidates. Over the medium term, the spectrum of CD modalities will be enriched by the experience with remote CD during and after the pandemic, with the CD mix likely to swing back towards a larger share of traditional on-site CD.

Attending to the urgent CD needs of beneficiaries in a manner consistent with D4D Fund objectives requires flexibility in the use resources. Duly reflecting necessary flexibility, the proposed work plan includes a larger than usual number of placeholder missions to allow timely calibration to emerging needs. The plan also sets aside a small share of resources to provide short, targeted, ad-hoc assistance. To allow the D4D Fund to meet evolving country needs, the IMF also proposes expanding the eligibility criteria for CD to include a small set of upper middle-income countries on the brink of dropping back to lower level because of the crisis.

I. THE D4D FUND—THE IMF'S CUTTING-EDGE CONTRIBUTION TO STATISTICS CAPACITY DEVELOPMENT

1.   Many countries are struggling to deliver the official statistics necessary for evidence-based development policy. National statistical systems play a fundamental role in generating, disseminating, and administering data and statistics required to inform development policymaking. The strategic relevance of sound data and statistics for policymaking has been recognized by governments around the globe, increasing political and financial support for statistics, and ensuring that countries are able to produce the data and statistics needed for monitoring and evaluating their development outcomes, as outlined in the Marrakech Action Plan and the Cape Town Global Action Plan. Yet, national statistical systems, particularly in Low- and Lower Middle-Income Countries (LLMICs), are still ill-equipped to perform their crucial role, mainly because of lack of resources—budgets, staffing, and systems.

2.   The imperative to scale up statistics CD had already been established pre-crisis as a priority in the global policy dialogue; it has become even more urgent in view of the countries' demands to monitor the impact of the Coronavirus Disease 2019 (COVID-19). The United Nations 2030 Agenda for Sustainable Development (2030 Agenda) triggered a new impetus for statistics capacity building endeavors. With over 240 indicators listed in the global indicator framework, of which over a third relate to economic statistics, monitoring progress towards the achievement of the Sustainable Development Goals (SDGs) requires a tremendous push towards improved data. Prompted by concerns that the lack of debt transparency could increase debt vulnerabilities in LLMICs, which are further on the rise due to the COVID-19 crisis, the Group of Twenty (G20) and the International Monetary and Financial Committee emphasized the urgency of Capacity Development (CD) in LLMICs to deliver more and better data for evidence-based decision-making.

3.   Discussions are under way on how to accelerate support for statistics development in order to meet the unprecedented surge in needs. Overall statistics CD delivery rose to USD 689 million in 2017, reflecting solid growth of almost 17 percent between 2015–17. However, these volumes fall far short of the estimated USD 1.3 billion per year required to finance the basic SDG monitoring needs.[1] The global statistics community came together to set up funding mechanisms to bridge the financing gap at the 2018 United Nations World Data Forum (UNWDF) in Dubai. This dialogue is currently being advanced with the expectation to agree on a framework to swell CD at the next UNWDF in Bern in October 2020.

4.   The D4D Fund bolsters the IMF's contribution to global efforts to increase CD delivery, financing about three-quarters of the IMF's externally financed headquarter-based statistics CD under the new work plan. Among global CD providers in economic statistics, the IMF contributes the majority of CD with USD 28 million, up by more than 50 percent since 2015. This has positioned the IMF well among the top five global providers of statistics CD, according to the PARIS21 Partner Report on Support to Statistics (PRESS) 2019 (Figure 1; statistics in all sectors including economic statistics). With the scaling-up of spending in line with the guidance received from past Steering Committee (SC) meetings,

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[1] See Calleja, Rachael and Rogerson, Andrew: *"Financing Challenges for Developing Statistical Systems: A Review of Financing Options"*. PARIS21 Discussion Paper No. 14 (January 2019).

delivery of Technical Assistance (TA) will accelerate under the D4D Fund over the coming years. This will include select countries that meet the D4D Fund criteria and previously benefited from projects funded by bilateral donors that come to an end in 2020. The consolidation of CD under the D4D Fund will lead to more agile resource allocation and, consequently, efficiency gains in CD delivery.

Figure 1. Top Global Providers of Statistics CD, All Fields (in percent)
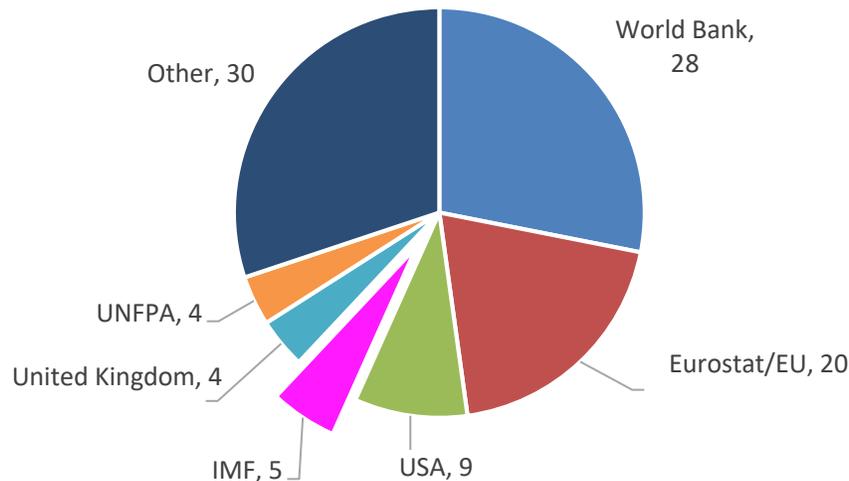
Source: PARIS21 2019 Partner Report on Support to Statistics (PRESS)

5.   The IMF's leadership in methodological work will continue to provide the analytical foundation for CD, including on cutting-edge statistics challenges. For example, the digitalization of production and trade requires new approaches to measure economic activities. The IMF's lead role in the revision of the manuals for the Balance of Payments (BOP) and for the National Accounts (launched this year), will ensure the close integration of these analytical advancements with CD provision.

6.   The D4D Fund is pivotal for the IMF's economic statistics CD response to the serious and urgent challenges LLMICs face during the COVID-19 pandemic. The sudden and massive disruption to economic activity has a huge impact on national statistical systems and on CD delivery, when both are much needed to help policymakers navigate the crisis. The reduced availability and quality of data sources hamper data collection and require urgent access to alternative data sources and development of new estimation methods. If not dealt with at the onset, these issues will lead to delays and interruptions of the compilation and publication of macroeconomic statistics necessary to monitor economic developments, financial stability, and debt sustainability. However, many agencies are not technologically and organizationally prepared for extended periods of telework which also limits their ability to absorb CD.

7.   The World Bank Group's 2019 International Development Association replenishment (IDA19) identified data as a priority which will significantly increase funding for statistics CD. The IDA19 committed to support more robust data and analytics by strengthening institutional capacity to deliver on the production of core data sets, with a focus on Africa and countries in fragile and conflict settings. IDA's Data for Policy (D4P) initiative targets economic, social, and sustainability statistics and includes household surveys, population censuses, enterprise surveys, establishment censuses, agricultural data, price data, and administrative records among its deliverables. A first regional project of USD 326

million (approved in March 2020) supports countries in West Africa in strengthening capacity to produce, disseminate, and use core economic and social statistics. Another project will support CD in the Pacific Islands. Similar projects are under consideration for other regions.

8.   **The IDA-funded activities will provide valuable inputs for IMF CD and have strong potential to enhance absorptive capacity for economic as well as poverty statistics.** For example, enterprise and household surveys are key inputs for successful rebasing of gross domestic product (GDP). Quality GDP rebasing will in turn provide a more accurate picture of the structure of the economy, informing on debt vulnerability, fiscal space and policy, and structural challenges such as the informal economy. Economic censuses, funded by the World Bank, will help update the sample frame underpinning economic surveys, thus improving their quality.

9.   **The IMF and the World Bank are in the process of establishing coordination mechanisms to maximize synergies between the IMF's CD on economic statistics under the D4D Fund and the World Bank's poverty-focused approach.** It will be essential to identify priorities jointly with the country authorities to ensure a coordinated and phased approach that takes into consideration countries' absorption capacity. While surveys and other statistical operations will be instrumental to address pressing source data needs both for economic and poverty-related data, capacity building will require alignment with the National Strategies for the Development of Statistics to develop statistical systems on a sustainable basis.

10.   **The D4D Fund is well-placed to finance the emerging CD needs from the COVID-19 crisis in close coordination with other CD providers thanks to its agile, modular structure and its focus on making high-quality data readily available for decision-making.** Additional flexibility will be necessary to use D4D Fund resources to fund CD in response to ad-hoc and operational needs that have emerged during the crisis, in terms of the approval process for changes to the work plan as well as related to the countries eligible for D4D Fund CD.

II.   SUMMARY OF THE FINANCIAL STATUS AND FUNDRAISING

11.   **The D4D Fund's finances are sound, with total partner commitments amounting to 94 percent of the five-year program document budget of USD 33.1 million.** Since the last SC meeting in January 2019, Norway has joined the D4D Fund as new contributor. The European Union signed a top-up contribution agreement in January 2020, doubling their original commitment signed in 2018. Taking into account all signed agreements, the D4D Fund currently has a funding gap of USD 2 million against the program document budget (Table 1). Discussions to close the gap are under way with potential partners as well as current D4D Fund donors to top up their contributions.

Table 1. Financial Contribution Report
As of April 30, 2020 *(in Millions of USD)*

Partners	Agreement Information				Contribution Information		
	Signed Date	Currency	Amount	U.S. Dollars	Received	Requested	Future Request
Partners							
China	7/13/2018	USD	1.0	1.0	1.0	-	-
European Union	1/2/2020	EUR	2.0	2.2	-	-	2.2
European union	8/7/2018	EUR	2.0	2.3	2.3	-	-
Germany	4/11/2019	EUR	4.0	4.5	2.2	1.1	1.1
Japan	4/13/2019	USD	5.0	5.0	2.0	-	3.0
Korea	6/13/2018	USD	1.7	1.7	1.7	-	-
Luxembourg	1/12/2018	EUR	4.0	4.8	3.4	-	1.5
Netherlands	11/19/2018	EUR	4.0	4.5	1.1	1.1	2.3
Norway	6/13/2019	NOK	9.0	1.0	0.4	-	0.7
Switzerland	8/10/2018	CHF	4.0	4.0	3.1	-	1.0
Partners Total				31.1	17.1	2.3	11.8
Program Document Budget				33.1			
Funding Gap				(2.0)			

[1]Due to rounding, numbers may not add up exactly to the totals.
Source: IMF's Integrated Budget and Business Intelligence System.

12. **Partners have largely made their disbursements on time, bringing the total received contributions to USD 17.1 million (Tables 1 and 2).** Based on signed commitments and disbursement schedules, the total amount received is projected at USD 28.1 million by the end of the new work plan period (October 2021). Budget execution at the end of fiscal year (FY) 2020 (April 30, 2020) reached USD 5.9 million. Adding the budget of USD 7.3 million for the new work plan period, the total expected outlays will reach USD 17.3 million by October 2021. Hence, the D4D Fund has sufficient resources for the SC to endorse the 18-month work plan.

Table 2. Cash Flow Statement
As of May 12, 2020 (*in Millions of USD*)

| Partner	Actuals[1]				Projected Inflows/Outflows			Total
	FY2018	FY2019	FY2020	FY2021	FY2021	FY2022	FY2023	
European Union		1.2	1.1					2.3
European Union					2.2			2.2
Germany			2.2		2.3			4.5
Japan			2.0		1.0	1.0	1.0	5.0
Korea		1.7						1.7
Luxembourg	2.5	0.5	0.4		0.5	0.5	0.5	4.8
Netherlands		1.1			2.3	1.1		4.5
Norway			0.4		0.3	0.3		1.0
Switzerland		3.1			1.0			4.0
OU Transfers	0.0	1.0	0.0	0.0	0.0	0.0	0.0	1.0
Total Net Inflows[2]	2.5	8.5	6.1	0.0	9.6	3.0	1.5	31.1
Total Interest	0.0	0.2	0.2	0.0	0.0	0.0	0.0	0.4
Total Expenses[3]	0.0	2.0	3.9	0.0	2.1	0.0	0.0	8.1
Account Balance	2.5	9.1	11.5	11.5	18.9	21.9	23.3	

[1]Actual refers to inflows/outflows as of 5/12/2020.
[2]Total Net Inflows = Total Net Received Contributions + Regular Transfers - Return to Donors.
[3]FY21 projected outflows represent indicative budget per program document.
[4]Due to rounding, numbers may not add up exactly to the totals.
Source: IMF's Integrated Budget and Business Intelligence System.
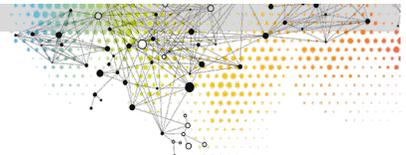
III.   PROGRESS ACHIEVED DURING JUNE 2018 – APRIL 2020

13.   Despite the sharp slowdown in CD delivery since February 2020 due to travel restrictions, out of a total of 109 CD activities planned since the inception of the D4D Fund, 60 were conducted by end-FY 2020, with AFR and APD as the main beneficiary regions (Figures 2 and 3). Travel restrictions required postponement of 27 CD activities; most of them are now reflected in the FY 2021 work plan. Consequently, the expected implementation rate of 80 percent, documented in the work plan circulated for the February SC, dropped to 55 percent. In line with SC guidance, activities under the GFS/PSDS work stream were frontloaded so that close to two thirds of LLMICs have already benefited from D4D Fund CD support in a field of importance in the post-COVID-19 global policy dialogue due to rising debt vulnerabilities. Other submodules such as ESS or RSS are being phased in more gradually as agreed in previous SC meetings.

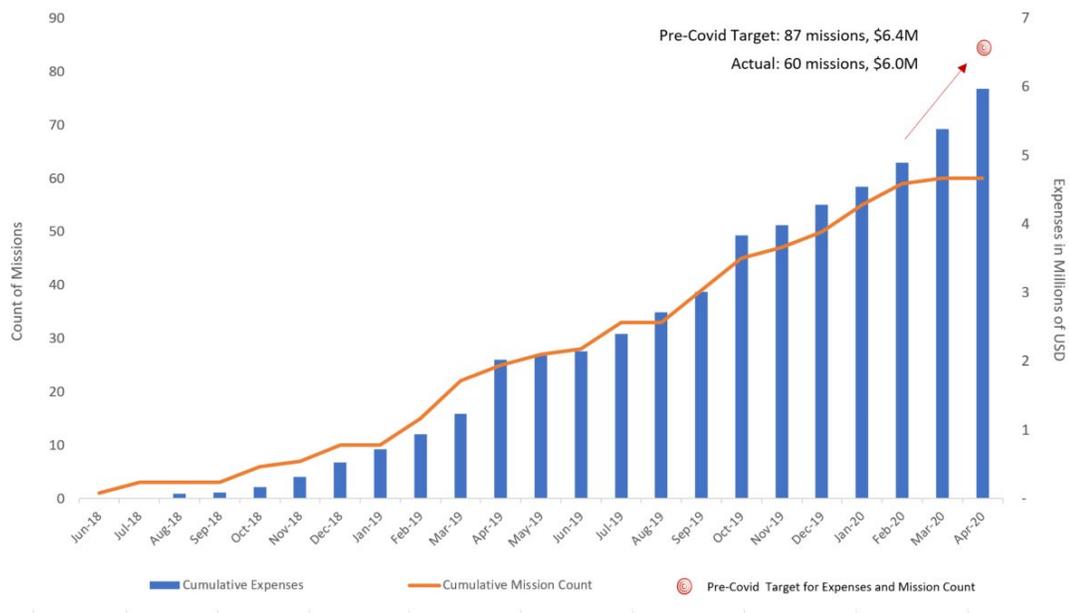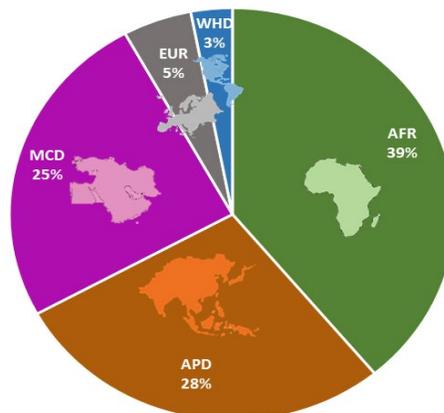### Figure 2. CD Activity Implementation Since Inception

Figure 3. Regional Distribution of CD Activities

14. **USD 6.0 million have been spent between the D4D Fund's inception in June 2018 and end-FY 2020 (against USD 6.4 million projected before the COVID-19 crisis).** This means a budget execution rate of 66 percent for this period. The projected acceleration of spending before the COVID-19 crisis reflects the concentration of follow-up CD missions towards the end of the fiscal year, after diagnostic workshops had occurred (Figure 2). Another cause is the simultaneous development of two online courses. (See Section V for a comprehensive budget analysis.)

IV. PROPOSED WORK PLAN FOR THE NEXT 18 MONTHS (MAY 2020 – OCTOBER 2021)

15. **As the COVID-19 crisis impacts the statistical needs of countries being supported by the D4D Fund, the work plan entails adaptations to support the best possible CD to make available data to policymakers.** Requests from country authorities have been shifting away from the traditional IMF CD aimed at achieving medium-term objectives. Instead, there is high demand to assist with urgent operational needs. To provide immediate assistance, the IMF has published guidance notes on organizational business continuity when staff are working remotely and on the most common statistical challenges caused by the COVID-19 crisis and has adjusted work plans towards remote delivery.[2]

16. **Having to deliver CD remotely is presenting both challenges and opportunities.** Remote delivery of CD allows developing a more flexible workplan and scheduling CD work to better align with (and offset) the operational constraints of country authorities. However, starting new projects often requires exploring the availability of new data sources, and interacting with many data providers or users remotely is only possible if there is a very strong commitment on the authorities' side. While STA has delivered some remote missions, mainly in preparation for IMF supported financial arrangements, several countries declined offers of remote CD. Existing projects with well-established relationships with the authorities and source data available to IMF staff will continue, even though in some cases new IT infrastructure will need to be set up to permit safe data transmission and reliable communication.

17. **Lessons being learned from current experiences of delivering CD remotely will be applied to increase the flexibility and efficiency of CD in the post-crisis period.** The remote missions that STA has already conducted demonstrated the potential of this new way of working. The limited duration of remote interactions paired with the flexibility of spreading them over a longer time frame make scheduling more complex but reduce the burden on authorities with competing priorities. If prepared well, time spent between CD provider and recipient is more productive because of inputs received and prepared for follow-up sessions. Current efforts to improve the technical infrastructure and the skills to leverage tools for remote interaction are investments that will stay after travel restrictions are lifted, saving travel time and cost. While certain medium- and longer-term CD projects will continue to require CD providers to be on-site, making remote CD missions and workshops (webinars) a standard component of STA CD seems an efficient approach to take when transitioning into a "new normal".

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[2] These notes are available on the IMF website.
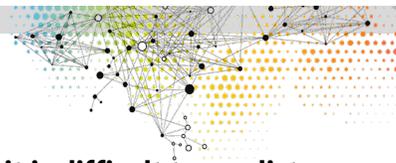
18.   With the COVID-19 crisis yet to reach a peak in many LLMICs, it is difficult to predict demand for CD at the individual country level. Due to this high degree of uncertainty, the D4D Fund work plan is based on the following assumptions, which are informed by an intense dialogue with country authorities and IMF Area Departments (ADs)[3] over the last months, and using placeholder missions to allow for an agile response:

- The number of **traditional, project-based CD missions** has been temporarily cut back, reflecting lower demand at least during the first half of FY 2021 and technical constraints to remote CD delivery. Once COVID-19's immediate operational challenges have been addressed and travel is feasible and safe again, the workplan assumes that this type of CD will resume gradually, also to assist with structural reforms under IMF supported financial arrangements. Therefore, the D4D Fund's objectives documented in the strategic log frame (Annex I) remain unchanged for now. If resuming this type of CD takes longer than expected, achieving the strategic objectives might be delayed.

- **On-demand operational CD engagements** are a new type of CD that has been added to the work plan, partly as placeholders to allow flexibility. These remote activities address specific operational challenges to maintain the production of key macroeconomic indicators. They usually require less than five days of work, often spread over several weeks or even months. For example, many countries face problems with quarterly GDP compilation because of huge fluctuations in economic activity and the loss of source data as surveys are no longer conducted. By assisting countries with the integration of new source data and a joint review prior to dissemination, this type of CD ensures that good-quality quarterly GDP continues to be disseminated.

- Finally, the IMF's CD is faced with a large demand for **remote ad-hoc assistance**, responding to questions from country authorities through short engagements via email or phone calls. These CD activities usually require only a few hours of work. The work plan proposes a lump-sum allocation for this ad-hoc assistance with regular reporting on the use of these resources to SC members.

While the focus of the work plan will remain at the traditional, project-based activities, on-demand operational CD will address immediate needs (Table 3). Due to the high level of uncertainty and with demand still evolving, adjustment might well be necessary during FY 2021, which will be communicated to the SC in regular updates for approval.

Table 3. Proposed Structure of CD Provision (Number of CD Activities)

Project based		On-demand, operational	Total
On-site	Remote	Remote only	
77	52	22	151

19.   Thanks to the D4D Fund's focus on online learning, the IMF was able to intensify training on debt statistics and accelerate efforts to deliver the full statistics curriculum online. Work on the national accounts course as well as translation preparations have been advanced. The already completed

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[3] See the section on Acronyms (after the table of contents) for a map of the five IMF Area Departments.

online course on PSDS is used for webinars to at least partially substitute for face-to-face workshops, to be complemented by courses on GFS (in July) and ESS (in October).

20.   The D4D Fund's approach of using workshops not only for training but also as an efficient way to develop a diagnostic for future CD might require temporary modifications for some work streams until the face-to-face workshops resume. With expectations unclear when travel restrictions are lifted to a point that allows face-to-face diagnostic workshops to resume, the IMF is exploring alternative means of developing draft work plans for further CD engagement in an efficient manner. Webinars will be organized wherever feasible, complemented by information available in RCDCs and other relevant sources.

21.   The work plan presented here completes the transition to a new financing architecture for the IMF's statistics CD with the D4D Fund becoming the main delivery platform, which significantly increases the agility and efficiency of CD delivery needed to address demands from COVID-19. The multi-donor structure of the D4D Fund allows for more agility in allocating resources for alignment with the changing priorities in the global policy agenda but also to respond to new developments in recipient countries. This agility is particularly relevant for the work on LLMICs and fragile and conflict-affected states (FCS) where the COVID-19 pandemic further adds to the unpredictability of the political and economic landscape. By covering all LLMICs, the D4D Fund also gives flexibility in selecting countries in a way that maximizes peer learning. STA's funding from the D4D Fund is complemented by the Financial Sector Stability Fund (FSSF) for monetary and financial sector CD and by select bilateral projects. The Regional Capacity Development Centers (RCDCs) have a methodological focus, and their continuous presence and contacts on the ground make them particularly well-positioned to assist with delivering remote CD, offering opportunities for cooperation with the D4D Fund's planned remote CD with an operational focus. STA will continue assessing LLMIC's capacity and appetite for remote CD delivery.

A.   Module I: Addressing Data Needs and Quality Concerns

M1	Addressing Data Needs and Quality Concerns	Submodule: Real Sector Statistics (RSS)
		Submodule: External Sector Statistics (ESS)
		Submodule: Fiscal and Debt Reporting (GFS/PSDS)

22.   Work under this module supports the development of more robust and consistent macroeconomic statistics where the IMF is considered the global leader. Improving data compilation and dissemination in real, external, and fiscal sector statistics is expected to support evidence-based policy analysis and formulation, notably by helping the early detection and monitoring of economic risk and vulnerabilities. Bringing more and better-quality data to the public sphere will benefit transparency and, ultimately, foster government accountability. The work across the three submodules is being undertaken in close cooperation with ADs, so that scarce statistics CD resources are directed to countries most exposed to macroeconomic risks.

23.   With the presentation of this work plan, the D4D Fund's strategic log frame for the work stream on source data/intermediate statistics has been completed by adding a quantitative objective in line with the commitment at the initial SC in June 2018 (Annex I). This work stream is now anchored in the goal to turn the short-term objective of supporting countries where GDP rebasing is

most urgent into sustainable long-term improvements in the quality of GDP estimates. With the dominance of GDP in economic analysis, spanning from debt sustainability analysis to SDG monitoring, this objective rounds up the D4D Fund's goal of closing the most pressing data gaps.

Submodule: Real Sector Statistics (RSS)

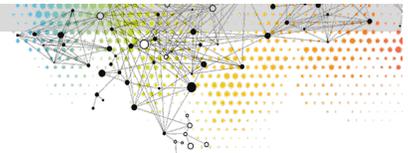| M1	Addressing Data Needs and Quality Concerns	Submodule: Real Sector Statistics (RSS)
		Submodule: External Sector Statistics (ESS)
		Submodule: Fiscal and Debt Reporting (GFS/PSDS)

24.   Real sector statistics are mainly produced by statistics agencies where the COVID-19 crisis is having a significant operational impact as many of them suffer from structural underfunding. With staff having to work remotely with limited connectivity and often even unreliable access to electricity, data collection has slowed, but the demand for timely, high frequency data has risen. Early indications point to a greater need to support countries in the development of high frequency indicators (HFIs) to address this emerging data need. In order to deliver these data in a timely manner so they can help countries navigate the crisis, a certain degree of innovation, experimentation, and rapid development techniques will have to be deployed. For example, the exploration of open data, big data, and other non-traditional data sources will be necessary and agencies and countries may need to be more accepting with the release of experimental high frequency indicator estimates. While demand for the development of new national accounts benchmarks and rebasing has slowed for now, it remains a medium-term priority for a number of countries where resources permit this type of engagement.

Work Stream: High-frequency Indicators (HFIs)

25.   HFIs provide policymakers with timely measures of economic activity; this has become even more critical to monitor the impact of the pandemic. Despite the urgent need to rapidly provide economic indicators in the context of the economic crisis, most LLMICs do not compile any HFIs or other indicators that would allow them to obtain a comprehensive, structured, and timely picture of the economy. At a time of intensified need for timely data, the situation has become even more complicated because statistical activities have been hindered by the pandemic with partial office closures and lockdowns. In addition, a rapidly changing economic situation has challenged the availability of usual indicators and the validity of some underlying methodologies.

Progress Achieved

26.   Progress has been in line with the original work plan, supported by cutting-edge methodological advances. Three regional workshops, combining hands-on training with an assessment of possible CD needs, and six technical assistance missions were delivered. STA also advanced methodological work on how to streamline often diverse and unstructured HFIs that countries produce through a Monthly Indicator of Economic Growth (MIEG) (Box 1).[4]

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[4] Stanger, Michael: "A Monthly Indicator of Economic Growth for Low Income Countries", IMF Working Paper (forthcoming).
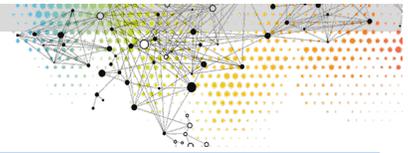
Box 1. MIEG: A Comprehensive Approach to HFIs Development

**The production of HFIs in LLMICs varies widely in coverage and classification of economic activity, timeliness, and quality.** Indicators are often partial, unstructured, or not aligned with economic activity as reflected in GDP. Industrial production, agriculture, or retail sales indexes are examples of partial indexes; business sentiments indicators look at the economy as a whole but are often more qualitative in nature.

MIEGs aim at producing timely, comprehensive, and comparable measures of economic growth. They are broadly based on national accounts principles and methods, and, as such, provide a systematic framework for HFIs for different activities in terms of a "monthly GDP lite". IMF CD on HFIs uses the MIEG framework to help countries structure and systematize any existing HFIs, identify possible coverage, timeliness, and quality issues as well as gaps that require the development of additional HFIs, define and prioritize next steps, and develop a work plan to improve and develop HFIs towards a MIEG. These work plans also help with selecting countries for follow-up TA.

- The three opening **workshops included officials from anglophone AFR, APD, and MCD countries**. Countries were selected based on information about availability of HFIs and feedback from ADs about the urgency for short-term data.[5] The workshops provided the opportunity to take stock of existing data sources and discuss the potential for compiling new indicators. Combining insights on available data resources in their country with methodological training, workshop participants developed work plans to be discussed with their management, including possible support by IMF TA.

- While **Jordan** already has a high-frequency industrial production index, it has progressively lost its ability to track aggregate economic activity, up to the point that it is no longer consistent with Jordan's national accounts (Figure 4). Therefore, the mission provided recommendations to improve the quality and broaden the coverage of the system of HFIs. This is expected to lead to significant improvements of HFIs and to the development of indicators covering other activities. A mission in FY 2021 will assist the authorities with developing a MIEG.

Figure 4. Evolution of Manufacturing Activity in Jordan (Year-on-Year Growth)

- The **Ugandan** authorities conduct monetary policy using an inflation targeting lite regime, for which timely monthly estimates of economic growth are needed. The Uganda Bureau of Statistics disseminates some sectoral indicators, though not always with the required frequency and timeliness,

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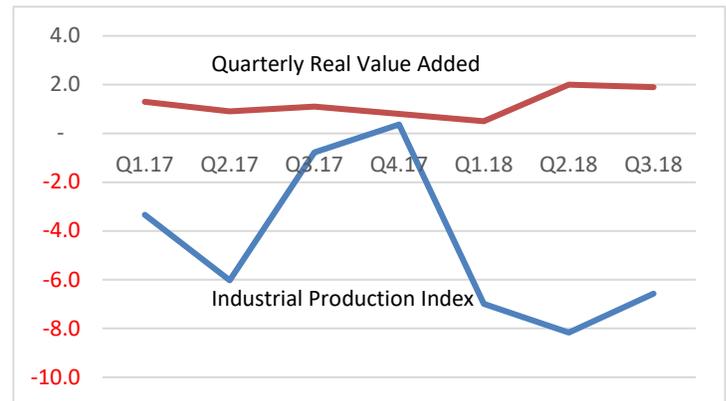
[5] Countries represented in the workshops were (i) for the anglophone AFR workshop in February 2019: Ethiopia, Kenya, Rwanda, Tanzania, Uganda, The Gambia, Ghana and Nigeria; (ii) for the APD workshop in March 2019: Bhutan, Cambodia, India, Lao P.D.R., Mongolia, Philippines, Sri Lanka, and Vietnam; and (iii) for the MCD workshop in June 2019: Armenia (an upper middle-income country), Egypt, Jordan, Kyrgyz Republic, Sudan, Tajikistan, Tunisia, and Uzbekistan.

and with an incomplete coverage of economic activity. The February 2019 mission assessed the feasibility of developing a MIEG and concluded that most inputs needed are available. A template to compile a MIEG will guide the development of additional HFIs in preparation for a follow-up mission to develop a MIEG.

- The General Statistics Office of **Vietnam** compiles a bulletin with the latest economic developments to inform the cabinet's monthly meetings. However, the various available HFIs represent individual, partly inconsistent developments. Based on the March 2019 mission's assessment, source data and technical capacity are sufficient to develop a MIEG. The country authorities committed to advance on the main recommendations in preparation for a follow-up mission to finalize an experimental MIEG.

- While the **Philippine** Statistics Authority originally only requested to further improve frequency and accuracy of their HFI, the successful cooperation triggered an immediate follow-up request to train a new team in high frequency time series methods. The first mission of September 2019 assessed some monthly economic indicators and proposed a roadmap to compile new indicators. A second training mission, funded by the IMF's own resources, in February 2020 focused on the compilation of quarterly national accounts.

- **Mongolia** requested technical assistance to enhance the HFIs which are unstructured, partial, and sometimes inconsistent. The September 2019 mission explored how to broaden the HFIs by using tax data. It also proposed an experimental template to analyze the high-frequency data and to aggregate the individual series into a MIEG. The authorities indicated that a newly created unit could support this initiative within the NSO and external data providers, which will be crucial for the success of this reform. A follow-up mission in FY 2021 will support the authorities in developing a MIEG.

- As the **Republic of Congo** is heavily dependent on commodities prone to volatile price changes, it would benefit from short-term real estimates of activity. The September 2019 mission found that high-frequency economic activity statistics could be improved without additional funding by maximizing the use of existing source data and identified 24 activities from the available source data. The pooling of resources between the Institute of National Statistics and the Ministry of Economy would address resource constraints in producing HFIs.

Work Moving Forward

27.   Demand for CD to support the identification and development of HFIs in LLMICs is expected to increase, as countries seek ways to measure the pandemic's economic impact in a timely manner. The D4D Fund's CD will be agile and innovative to adapt to these new circumstances and explore alternative data sources and methods for HFI compilation. Most statistics offices in LLMICs are still focused on business continuity issues which makes it difficult to anticipate which countries will demand this type of CD. Therefore, the work plan includes placeholders for operational remote CD as well as traditional, project-based CD to either develop new HFIs or ensure continuity in delivering existing ones based on evolving needs.

28.   Besides the follow-up CD missions to Georgia, Jordan, Uganda, and Mongolia during FY 2021, aiming at progress towards existing HFIs and developing a MIEG, the following new countries expressed demand for TA, supported by ADs:

- CD in **Bolivia** will assess their MIEG, develop a plan to update it, incorporating new source data and improved methods, and assist the authorities with a dissemination policy.

- The mission to **Sao Tome and Principe** will explore the current set of available sectoral high-frequency data (e.g., agriculture, energy, mining, manufacturing, trade) and propose a work plan to expand the scope, harmonize methods, and improve compilation techniques.

- Following the opening workshop, a follow-up mission to **Kenya** has been requested. Many monthly data sets and indicators are currently available that can be harmonized and used to compile a system of HFIs.

- Emerging needs have been identified in consultation with ADs to improve surveillance with the development of HFIs in **Bhutan** and quarterly national accounts in **Tajikistan**. While in-country missions would be preferred, some preparatory work may be possible remotely before travel resumes through short CD missions.

29.   Two webinars in AFR and APD will establish the foundation for the selection of further CD beneficiary countries. A webinar for francophone/lusophone AFR will be organized as the conduct of a workshop as initially planned would be delayed by travel restrictions. This will facilitate remote CD delivery. Discussions with countries and ADs will help finalize the list of participants. The APD webinar will be conducted jointly with the South Asia Regional Training and Technical Assistance Center (SARTTAC). Given the strong demand for HFIs in Asia, SARTTAC has had preliminary discussions with its member countries[6] and ADs to identify suitable candidates for an HFI training, including four D4D Fund eligible countries. A joint STA-SARTTAC webinar will avoid duplication of efforts and benefit from SARTTAC's close relationships with statistical agencies in its member countries. Decisions on follow-up TA, using five placeholders in the work plan, will be taken once the work plans have been finalized after the two webinars will have taken place.

Table 4. CD Activities on HFIs

Previous WPs	Updated WP	Change
FY 2019		
AFR Workshop I ✔		
APD Workshop ✔		
Indonesia *(Approved Dec. 2018)* ✔		
Jordan ✔		
Uganda ✔		
Vietnam ✔		
FY 2020		
MCD Workshop ✔		
Philippines ✔		
Mongolia ✔		

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[6] Bangladesh, Bhutan, India, Maldives, Nepal, Sri Lanka.
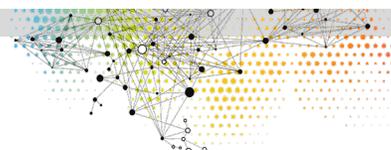
Congo ✓		
FY 2021 – FY 2022 (Q2)		
AFR Workshop II	AFR Workshop II (*Webinar*)	
AFR Workshop I and II Country	Uganda	
AFR Workshop I and II Country	Sao Tome and Principe	
AFR Workshop I and II Country	Kenya	
APD Workshop Country	Mongolia	
WHD Country	Bolivia	
MCD Workshop Country	Jordan	
MCD Workshop Country (2)	MCD Workshop Country (2)	
	APD Workshop (*Webinar jointly with SARTTAC*)	+1
	Bhutan	+1
	Tajikistan	+1
	Georgia	+1
	AFR Country (2)	+2
	MCD Country (2)	+2
	APD Country (2)	+2
	Country TBD (5)	+5
	On-demand Missions – Bhutan	+1
	On-demand Missions -Tajikistan	+1
	Net change	**+17**

Dark green – Endorsed and conducted
Light green – Endorsed and planned
Orange – Additions or changes that need endorsement

Work Stream: National Accounts Benchmarking and Rebasing[7]

30.   With the consolidation of the IMF's national accounts and prices work under the D4D Fund, this work stream will be anchored in the objective to support national accounts benchmarking and rebasing. Early estimates of national accounts are often based on incomplete information. Therefore, the international statistics community recommends conducting regular national account benchmarking/rebasing exercises every five to ten years to ensure that national accounts accurately and exhaustively reflect the structure and level of economic activity and are internationally comparable. Many LLMICs still fall outside of the recommended limit and are at risk of a deterioration in the quality of their national accounts estimates (Table 5).

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[7] This work stream was previously labeled "*Source Data and Intermediate Statistics*".

Table 5. Timing of GDP Benchmark/Rebasing for LLMICs

Rebasing within the last 5 years	15 percent
Rebasing >5 years <10 years	36 percent
Rebasing > 10 years	49 percent

31.   Delaying benchmarking/rebasing beyond the recommended threshold creates large margins of error in the national accounts, weakening economic decision-making and international comparability, for example, for SDG monitoring. Nigeria's rebasing after 20 years is the most extreme case and caused an 89 percent correction in GDP. Over the last years, several delayed national accounts benchmarking/rebasing exercises in sub-Saharan Africa caused upward corrections in GDP of around one-third. Consequently, indicators based on national accounts information, for example, many SDG indicators and the debt and external stability ratios, may be deteriorating in quality. This hampers analysis on how to best advance economic development while containing vulnerabilities.

32.   As national accounts benchmarking/rebasing exercises involve a significant investment in the statistical system, external CD support is crucial in many LLMICs. For example, survey content needs to be revised and business registers and classification systems updated. Given this large investment, it is often challenging for statistical organizations to undertake these benchmarking and rebasing exercises while maintaining the pace of their existing statistical programs. The compilation of supply and use tables and their extension to input-output tables require CD due to the complexity of the accounting rules involved. The IMF has developed a tool which has already been used in Zambia and Mongolia to facilitate the compilation of these tables.
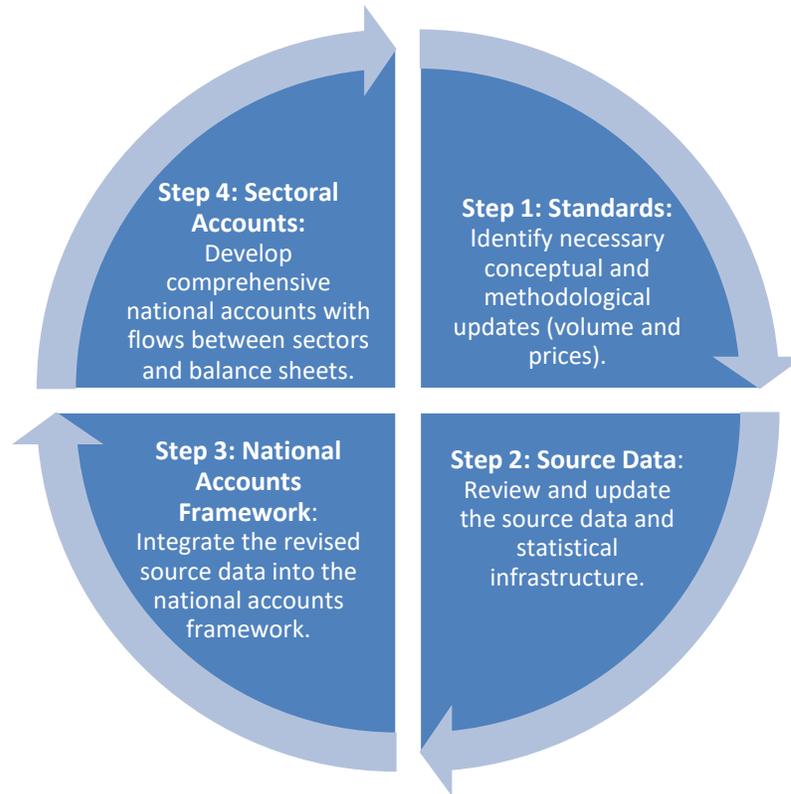
33.   The CD activities to reach this work stream's objective remain broadly unchanged compared to the work plans presented in previous SC's, but the country prioritization process will be explicitly anchored by rebasing needs and readiness. The country selection for CD activities will be driven by countries' underperformance regarding international rebasing standards. In addition, countries need to have a basic understanding of standards and methodologies and the capacity to embark on a demanding multi-year project. This approach is reflected in the strategic log frame (Annex I), including quantifiable indicators that measure progress towards the objective. These indicators were not defined in such detail in previous work plans to allow for some flexibility in fine-tuning the objectives once the work stream picks up steam.

34.   The near-term focus of this work stream is to improve the source data and methods underpinning countries' national accounts which will support the benchmarking/rebasing and result in sustained improvements in statistics. Step 1 in the reform process for national accounts (Figure 5) analyzes to what extent practices currently comply with methodological standards. Due to past IMF CD, in particular the methodological focus of the RCDCs, the majority of LLMICs have a solid understanding of methodological requirements. The compilation of supply and use tables will further strengthen the robustness of new benchmark estimates. The D4D Fund's work program focuses on Step 2 aimed at improving source data, including the better use of administrative data, redesigned household and business surveys, expanded collection and processing of a range of price statistics, and improved measurement of the informal economy. Step 3 integrates this work into the benchmarking/rebasing of the national accounts methods consistent with the *System of National Accounts 2008* and *UNSD*

Guidelines for Statistical Business Registers. Improvements in Step 2 and 3 for the rebasing also feed into permanent improvements in the production of regular annual and/or quarterly national estimates.

Figure 5. National Accounts Enhancement Process

Step 4: Sectoral Accounts: Develop comprehensive national accounts with flows between sectors and balance sheets.

Step 1: Standards: Identify necessary conceptual and methodological updates (volume and prices).

Step 3: National Accounts Framework: Integrate the revised source data into the national accounts framework.

Step 2: Source Data: Review and update the source data and statistical infrastructure.

35.   While select LLMICs already have advanced national accounts compilation to the point of developing comprehensive sectoral accounts (Step 4), CD in this area will be gradually phased in as more countries advance on Steps 2 and 3. Sectoral accounts add to the economic analysis of risks and vulnerabilities as information on flows between sectors becomes available, leading to comprehensive balance sheet data. For example, data on lending and borrowing activities of households and corporations and the resulting balance sheet data add granularity to the analysis of financial sector risks.

36.   CD delivery in this work stream will be backloaded as absorptive capacity to advance demanding projects with a medium-term objective might slow down demand, especially in FY21. Therefore, the number of missions was reduced by around one fifth compared to the work plan that had been shared with SC members in early 2020.

37.   For a solid understanding of real economic activity, a country's statistics framework needs an analysis of price changes that also feeds into the rebasing exercise. Most source data are expressed in nominal terms, but for economic growth measurement, changes in volumes and prices need to be disentangled so that nominal GDP can be converted into real GDP. Currently, over 60 percent of LLMICs rely on consumer price indexes (CPIs) to compile real GDP. For a proper assessment of real GDP, information beyond CPI is needed, for example, on import and export prices and machinery and equipment prices. They all feed into an industrial producer price index (PPI), which provides more

complete coverage of the production activities that drive economic growth and productivity. PPIs also provide guidance on the future direction of consumer prices, which informs, for example, timely monetary policy measures.

38.   For more advanced countries, where the industrial PPI is already established, this work stream also supports authorities in developing a services PPI (SPPI). In LLMICs, the share of services in overall GDP ranges from 40 to 50 percent, but only 12 percent currently disseminate services PPIs. Increasing the number of SPPIs will further improve the national account benchmarking and rebasing.

Progress Achieved

39.   The following CD activities focused on developing data sources and methods that position countries to rebase their national accounts and to use these reforms for sustainable improvements:

- The October 2019 **diagnostic workshop** on improving source data for English-speaking African countries[8] served the objective to train National Statistics Office (NSO) staff in (i) undertaking a diagnostic of current economic data collection and processing systems; and (ii) enhancing survey design, data collection and processing. Countries presented their sources for national accounts compilation, practices in developing and maintaining business registers, and in estimating the informal economy. This resulted in work plans that are the basis of discussions for future IMF TA, already far advanced for most workshop participants (Ethiopia, Ghana, Lesotho, Liberia, Malawi, Sierra Leone, and Zambia). Work plans were coordinated with the RCDCs to ensure complementarity.

- The June 2018 mission to **Honduras** assisted with project design and planning to update the long-outdated base year from 2000 to 2016. A follow-up mission in March 2019 assessed the preliminary survey results and processes to estimate the output by economic activity for the nonfinancial sector. For remaining information gaps a simplified methodology was proposed. The target date to release the revised estimates is 2021.

- A February 2020 mission assisted **Zambia** in creating a new business register from administrative tax data. The new register will support their GDP rebasing scheduled to be completed at the end of 2020. Since Zambia has not conducted business surveys for several years, data from the new business register will be used to estimate nominal output by industry. Staff were trained on executing a profiling program, that will ensure proper allocation to industry and product classifications output for the most important companies, improving the accuracy of GDP.

40.   Work on the services PPI included a training workshop, complemented by a first mission to Vietnam, which has a large and fast-growing services sector.

- For the regional **workshop for APD** in Thailand in October 2019,[9] countries were invited that produce industrial PPIs and are either developing new SPPIs or planning for development of these

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[8] There were 26 participants from eSwatini, Ethiopia, Ghana, Kenya, Lesotho, Liberia, Malawi, Nigeria, Sierra Leone, Tanzania, Uganda, and Zambia.

[9] Nineteen participants from Bangladesh, Cambodia, India, Indonesia, Lao P.D.R, Mongolia, Nepal, Philippines, and Vietnam attended, along with compilers from Thailand (host) who joined as observers.

data within the next five years. During the workshop, each participant selected two services activities for potential PPI development in their countries and identified source data, including researching of company websites, and received training about methods to capture price change.

- A November 2019 mission assisted the General Statistics Office in **Vietnam** with improving the SPPIs by preparing deflators. The draft work plan prepared during the October workshop was turned into action by advancing work on the selection of a new sample of services businesses by early 2020. The new sampling approach will replace the current method of judgmental selection of businesses. Assistance was also provided in developing new price statistics questionnaires.

41.   With Uganda and Moldova already further advanced in the compilation of national accounts, CD supported ongoing efforts to improve the understanding of flows among sectors, leading to the production of comprehensive balance sheet data over time:

- Bank of **Uganda** has made commendable progress on the development of source data required to produce a national financial and balance sheet account. A mission in April 2019 assessed the data and assisted in preparing experimental data up to 2018. While data exist to close remaining data gaps, the lack of collaboration between Bank of Uganda and Uganda Bureau of Statistics has hampered data exchange. However, accounts already developed will improve the assessment of financial risk, providing insights into the degree of leverage of households and corporations. A follow-up mission will assist with the targeted publication in 2020.

- In 2018, work started on the development of annual national financial and balance sheet accounts for **Moldova** to gain a richer picture of macro-financial developments. The December 2018 mission assisted with the review of international macroeconomic accounting standards and helped design a work plan. A second mission in September 2019 found significant progress and the authorities committed to compiling annual estimates for 2015 to 2017 by 2020. Further CD is needed to support the goal of disseminating 2015–2020 data in March 2022.

Work Moving Forward

42.   While the need for national accounts benchmarking/rebasing and the capacity to engage in a large multi-year project will be the focus of selecting new countries for CD, this work stream also supports countries around the 10-year mark that do not want to fall behind. There are over 38 LLMICs that have not updated their national account benchmarks in the last 10 years (Figure 6). The number of countries that do not produce quarterly GDP in constant prices, which is an indicator for the availability of source data for GDP benchmarking, is even higher, with 55 countries. CD requests that resulted from the 2019 AFR workshop also include countries that are around the 10-year mark and asked for very specific assistance to support already initiated benchmarking/rebasing projects. Since other CD providers are also active in some of these countries, coordination with these providers has been initiated. The IMF will launch a survey to collect detailed metadata on RSS from its member countries. This will further assist with the CD workplan, guide the timing of CD activities, and help tracking future progress.

Figure 6. Benchmarking Lag in Years for a Selection of LLMICs
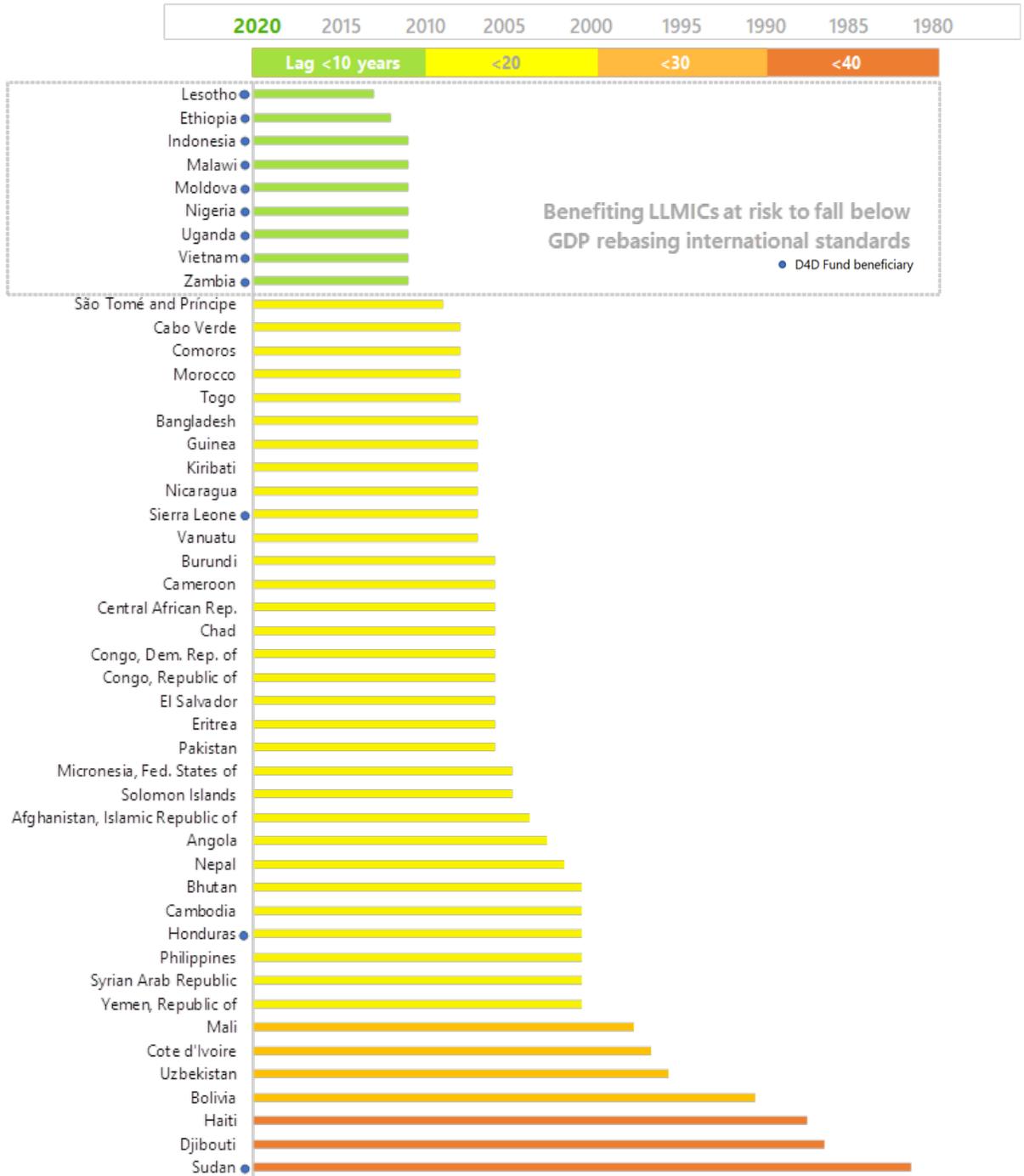
43. **While assisting countries with the most overdue rebasing is a priority for the work plan, not all of them are suitable for CD (Figure 6).** For example, in the Philippines, Mali, and Côte d'Ivoire, national accounts rebasing projects are near completion. In contrast, in Yemen, Syria, and Haiti, continued efforts are needed to increase capacity for large-scale source data projects which will be delivered
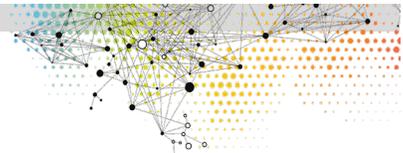
through the RCDCs. In Uzbekistan, scope for national accounts CD is limited until the 2022 population and agricultural census is completed, which will provide the necessary source data. The D4D Fund's diagnostic workshops and contacts through ADs will continue to explore suitability for support among countries with long-overdue rebasing.

44.   The source data workshop for APD will serve the dual objective of providing training and developing work plans that are the foundation of possible future TA. Based on the workshop diagnostics, the placeholders in the work plan (Table 6) will be allocated to workshop countries that demonstrate the strongest needs and absorptive capacity to support benchmarking/rebasing plans. The country selection will be coordinated with RCDCs, ADs, and with the World Bank's major projects for statistics CD in AFR.

45.   Among countries that are near the critical threshold of 10 years since the last rebasing, the AFR workshop and additional information received through the RCDCs suggested the countries that are ready to engage in benchmarking and rebasing projects. Common themes include support on survey and register design and updates. Multiple countries also requested assistance in strengthening measures of the informal sector. As the informal sector in LLMICs often accounts for more than half of the economic activity, enhanced measurement is essential for rebasing success, but also difficult to achieve. CD in this area will benefit from recent IMF research.

- In **Ethiopia**, substantial progress has been made on constructing a new single business register as part of the National Strategy for the Development of Statistics. An upcoming mission will support the authorities in using the new business register to generate sample frames for new business surveys that will provide updated source data and prices data for GDP benchmarking/rebasing.

- TA In **Sierra Leone** will support new surveys measuring the labor force and business enterprises. Getting the design of these surveys right will provide the source data needed to improve estimates of the informal sector and business activity which will figure prominently into future benchmarking/rebasing.

- To reduce delays updating the business register in **Lesotho**, a mission will support expanded use of administrative data as a cheaper, and often more reliable, alternative to the current reliance on expensive direct business surveys.

- **Malawi** requested assistance in incorporating value-added and income tax data as source data for GDP compilation. This will help reduce costs and simplify GDP benchmarking/rebasing.

- Assistance will be provided to the National Bureau of Statistics in **Nigeria** on using income tax data from the Federal Inland Revenue Service in GDP compilation. These data will be used to update the business register and calculate annual GDP.

- Recent political changes in **Sudan** provide an opening to support reforms towards evidence-based decision-making, including by rebasing severely outdated GDP (Figure 5). Sudan will be invited to the workshops for prices and source data during this work plan period. Based on the government's strong interest to improve measurement of real output, a mission has been identified, and if needed, resources will be added from the placeholders in the work plan.

46.   Workshops are planned in AFR and MCD to provide guidance on improving price deflators needed for improved measurement of real GDP. These may include industrial PPIs, SPPIs, construction cost indexes, or import and export price indexes, depending on the specific needs of the participants, which will be assessed prior to the workshops based on the recent work of the relevant RCDCs. CD missions will follow for participating countries with the greatest need, capacity, and commitment to improve price indexes for GDP deflation. The following countries have already been identified:

- The Statistics Office of **Indonesia** is planning to introduce new PPIs for information and communication technology services. Technical assistance in 2020 will support the introduction of these new indexes which will provide some of the first official prices data on these emerging services in the Asia and Pacific region. A follow-up mission in FY 2021 will assist with the dissemination of these new price indexes by end-2021.

- Additional technical assistance will be provided to **Vietnam** in FY 2021 to support the dissemination of updated SPPIs by August 2022. This follow-up mission will help with data review and validation of a new sample of service providers collected using new questionnaires in 2021.

47.   Given that developing sectoral accounts/balance sheets is a more advanced feature of national accounts, the work plan focuses on countries where CD already started.[10] Remote assistance to Moldova on methodology and source data for the nonfinancial sector will continue.

Table 6. CD Activities on National Accounts Benchmarking and Rebasing

Previous WPs	Updated WP	Change
FY 2019		
Moldova (*Approved Oct. 2018*) ✔		
Honduras ✔		
Uganda ✔		
FY 2020		
APD SPPI Workshop ✔		
AFR Surveys Workshop ✔		
Vietnam (SPPI, *Approved Oct. 2019*) ✔		
Moldova ✔		
Zambia ✔		
FY 2021 – FY 2022 (Q2)		
Uganda	Sierra Leone	
AFR, APD SPPI Country	Vietnam (SPPI)	
Kosovo	Indonesia (SPPI)	

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[10] While Kosovo was included in the previous work plan approved by the SC, the authorities have not advanced work to the point that could be supported by CD. In the meantime, Kosovo graduated to UMIC status and is not eligible for D4D Fund CD anymore. Consequently, it was removed from the work plan.
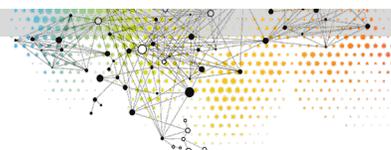
Kosovo	Ethiopia	
APD Surveys Workshop	APD Source Data Workshop	
AFR, APD Surveys Workshop Country	Lesotho	
AFR, APD Surveys Workshop Country	Malawi	
AFR, APD Surveys Workshop Country	Nigeria	
	Moldova	+1
	AFR Source Data (Prices) Workshop (*Webinar*)	+1
	MCD Source Data (Prices) Workshop	+1
	Sudan	+1
	Vietnam (Source data)	+1
	Country TBD (8)	+8
	On-demand Missions - Country TBD (4)	+4
	Net change	**+17**

Dark green – Endorsed and conducted
Light green – Endorsed and planned
Orange – Additions or changes that need endorsement

Work Stream: Residential Property Price Indexes (RPPIs)

48.   Data on residential property are critical for financial stability analysis, as it represents the household sector's largest asset with most purchases financed by mortgages. The development of timely, high frequency RPPIs helps governments, financial institutions and central banks to monitor economic risks and vulnerabilities arising from residential property price fluctuations. As an input into the design of macroprudential policies (i.e., those policies aiming to reduce systemic risks arising from "excessive" financial procyclicality such as asset bubbles), RPPIs have become increasingly important for IMF surveillance, particularly in the context of the FSSF-funded Financial Sector Stability Review program.

49.   While having RPPI data is particularly beneficial in a crisis, securing access to suitable source data for RPPIs can be particularly problematic in LLMICs where administrative and survey data are usually less developed. Consequently, it is difficult to predict absorptive capacity among country authorities that have yet to develop an RPPI. To facilitate advancement of RPPI projects, CD is tailored to employ flexible approaches to generating and using data from different sources in response to heterogeneous country-specific structures and circumstances. The use of "Big Data" techniques to acquire publicly available property listings is an emerging feature of RPPI CD, with the approach being used in four of the seven countries that have received D4D Fund CD assistance to date. To leverage this experience, STA has launched an innovative project to develop a toolkit for web-scraping property listings data, which could be particularly beneficial in the current crisis. It will allow member countries to advance index compilation where administrative data are unavailable or unsuitable and surveys too costly or unavailable.

Progress Achieved

50.   This work stream has continued to face high demand and progress has been strong with preliminary indexes compiled in six of the seven countries that have received assistance since the launch of the D4D Fund. Several of them are advancing quickly towards RPPI dissemination. With the intense demand for RPPI CD, coordination with the ADs has been essential to identify the cases where risks from real estate price developments for macroeconomic stability are most severe.

- Since the IMF's 2018 Article IV report for **Vietnam** identified a need for more reliable data on residential property prices, strong progress has been made in advancing RPPI preparation to enhance risk analysis. In line with the recommendations of the July 2018 mission, the General Statistics Office has continued to collect potential source data for the RPPI. A second mission in April 2019 compiled a series of preliminary indexes for Hanoi and Ho Chi Min cities which were presented at a seminar for key stakeholders and policymakers. A follow-up mission during the summer of 2020 will assist preparations for publication.

- To better understand risks to the financial sector from rising nonperforming loans, **Mongolia's** statistics office had requested IMF assistance to enhance the RPPI. A mission in July 2019 focused on compiling new indexes that display very different trends compared to the current index which shows almost no movement for several years due to limitations in the methodology. A follow-up mission in the first half of 2020 will assist in finalizing the indexes for publication.

- Elevated financial sector vulnerabilities, especially in the real estate sector, have been identified in **Cambodia** in the IMF's 2018 Article IV Report and the 2019 Financial Sector Stability Review as a key risk to macroeconomic stability, highlighting the need to develop an RPPI. The July 2019 mission redesigned a source data template, which was presented at a seminar with almost 100 participants. Once regular reporting according to the new template is established, the mid-2020 mission will assist with assessing data quality and begin analytical work on developing an index with a possible follow-up mission to finalize the index for publication.

- In **Sri Lanka**, credit supplied to the construction industry has grown rapidly, reflecting buoyant real estate markets. Hence, reliable RPPIs are essential to assess linkages between property markets and financial soundness. As a first step, the July 2019 mission assisted the central bank with recompiling prototype indexes for Colombo's condominium market, using a new methodology and web-scraped listings as source data. A follow-up mission will likely be requested by the central bank during the second half of 2020 to help with finalizing the indexes for publication.

- In response to a request from the government of **Bolivia** and with the strong support from the AD, a mission in October 2019 assisted the Central Bank of Bolivia in developing an official RPPI and an action plan towards publication. The mission assessed prototype RPPIs and assisted the central bank with developing enhanced indexes which will be ready for publication, subject to authorization by the authorities, in the summer 2020. A follow-up mission will help with extending the geographic scope and adding data from other sources.

- In **Bangladesh**, the central bank has been working over the past two years to develop an RPPI covering new apartments in Dhaka using data provided by a financial institution specializing in the provision of housing loans. After participating in regional training seminars on RPPI compilation, the

central bank requested assistance towards finalizing the index. A first mission in December 2019 assisted in the compilation of an enhanced index and plans to broaden coverage were developed. RPPI publication with expanded coverage is projected from July 2021 and a follow-up mission has been tentatively scheduled for early 2021 to assist with completing the work.

- Support for Bank **Indonesia**'s efforts to enhance the RPPI led to internal dissemination of the new RPPIs compiled using data acquired from property listings (developed during the December 2018 mission). Public dissemination of the RPPIs is expected from early 2020 (Box 2). For now, the work plan assumes that remote support will be sufficient to assist with remaining challenges.

- The Central Bank of **eSwatini** expressed concern about risks to macroeconomic stability from household debt tied to real estate. Together with AFR and the IMF's Monetary and Capital Markets Department, STA agreed with the central bank on the scope of TA. Suitability of potential source data was assessed in the January 2020 mission and it was agreed that a prototype RPPI will be compiled using deeds data.

Box 2. Indonesia to Release Improved RPPI After Receiving D4D Fund TA

Despite several surveys conducted by Bank Indonesia to compile an RPPI for new properties, the source data face severe challenges, which triggered interest in exploring web-scraping as an alternative. STA's February 2018 mission recommended to continue the work on developing an alternative RPPI using Big Data techniques to obtain data on listings from online property portals. After assessing the usefulness of the web-scraped data, the central bank entered an agreement with the listings websites for regular data provision.

The web-scraped data provided very promising results, allowing the central bank to compile prototype indexes for houses. Bank Indonesia then expanded coverage beyond the original focus on Jakarta and is currently working towards finalizing the compilation methodologies with a target of publication of the new series from the first quarter of 2020. Bank Indonesia successfully presented the prototype result at an international conference on real estate statistics, hosted by the Statistical Office of the European Union (Eurostat) in Luxembourg in March 2019.[11]

In light of the positive lessons learned from this experience, RPPI CD has increasingly focused on assessing the potential of using Big Data in countries that face challenges due to the lack of suitable administrative data. However, feedback from other countries confirmed that technical capacity to harvest and process Big Data is often limited in LLMICs. In response, STA has launched an innovative project to develop a customizable web-scraping toolkit. The toolkit will assist countries to secure access to data and therefore has the potential to significantly improve the availability of RPPIs across countries eligible for D4D funding. Moving forward, the toolkit also has the potential to be modified to generate source data for other areas of economic statistics (see Module 4).

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[11] See Rachan, Arief Noor: "*An alternative hedonic residential property price index for Indonesia using big data: the case of Jakarta*", Eurostat Review on National Accounts and Macroeconomic Indicators No 2/2019 (January 2020).

51.   The regional workshop for selected southern and eastern African countries in March 2019 provided an overview of data sources and methods for compiling RPPIs and outlined strategic issues for their development in a country-specific context.[12] The seminar was held in Kampala, where Uganda, having recently published an RPPI with IMF assistance, provided input from national compilers and users to facilitate peer learning. Workshop discussions confirmed the need to focus on two key areas in the short-term, which were also reflected in draft work plans. Firstly, compilers have to define the scope of the RPPI—each country has unique market conditions, in particular regarding the purchase of land and subsequent self-construction of the dwelling. Secondly, countries need to engage with potential data providers to secure data access and to consider the use of Big Data where appropriate.

Work Moving Forward

52.   The future work program will build on the progress made with Bangladesh, Cambodia, Mongolia, Sri Lanka, and Vietnam, and extend the geographic coverage of the work stream through a regional workshop for MCD countries:

- Follow-up assistance to **Mongolia**, **Sri Lanka**, and **Vietnam** in 2020 will assist with finalizing new RPPIs and preparing for publication. Each of these countries has shared data with STA and there is some scope for remote CD to ensure some further progress is made before travel can resume. Remote work with the National Bank of Cambodia is underway although at an early stage.

- Discussions with the participants of the AFR workshop on CD needs are still ongoing but **Uganda** has already requested a remote follow-up mission to further enhance the published RPPI.

- A **workshop planned for the MCD region**[13] in Jordan in March 2020 aiming to develop a basic work plan for RPPI compilation was postponed due to COVID-19.

- Work is under way to assess the potential for conducting remotely the multi-country CD on the **Big Data web-scraping toolkit** currently under development. The **West Bank and Gaza** authorities already requested assistance to finalize an index that is being developed and remote assistance is planned during the summer of 2020.

Table 7. CD Activities on RPPIs

Previous WPs	Updated WP	Change
FY 2019		
AFR Workshop ✔		
Vietnam (2) ✔		
Mongolia ✔		
Indonesia (*Approved Oct. 2018*) ✔		
FY 2020		

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[12] It was attended by participants from central banks and the national statistics offices of Botswana, Ethiopia, Kenya, Tanzania, Uganda, Zambia, and Zimbabwe.

[13] For MCD, the targeted countries comprise Egypt, Iraq, Kyrgyz Republic, Morocco, Uzbekistan, West Bank and Gaza, and Jordan (as the host country).
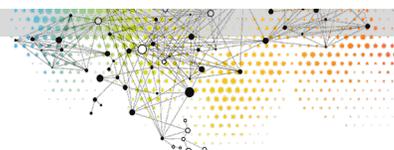
Bolivia ✔		
Mongolia ✔		
Sri Lanka *(In lieu of India)* ✔		
Cambodia *(Approved Oct. 2019)* ✔		
Bangladesh ✔		
eSwatini ✔		
FY 2021 – FY 2022 (Q2)		
MCD Workshop *(Approved Oct. 2018)*	MCD Workshop	
MCD Workshop Country	West Bank and Gaza	
Morocco	Multi-country off-site CD on Web-scraping	
AFR Workshop Country	Uganda	
Mongolia	Mongolia	
Indonesia	Vietnam	
	Cambodia (2)	+2
	Sri Lanka	+1
	Bangladesh	+1
	Net change	**+4**

Dark green – Endorsed and conducted
Light green – Endorsed and planned
Orange – Additions or changes that need endorsement

Submodule: External Sector Statistics (ESS)

M1	Addressing Data Needs and Quality Concerns	Submodule Real Sector Statistics (RSS)
		Submodule External Sector Statistics (ESS)
		Submodule: Fiscal and Debt Reporting (GFS/PSDS)

53. **ESS data are essential to help detect and respond to external risks and vulnerabilities.** Timely data on trade and capital flows, which have swung dramatically during this crisis, are needed to guide monetary, fiscal, and exchange rate policies. This is particularly important for LLMICs, which are generally more open to the rest of the world than more advanced countries. In parallel, this work stream will continue to assist countries with the medium-term objective to adjust ESS compilation to the way globalization has altered trade and investment. For example, digitalization has triggered unprecedented growth in the trade in services and facilitated new channels for cross-border remittances.

Progress Achieved

54. **CD missions focused on countries were conducted to several countries where ESS weaknesses hamper policy formulation:**

- Despite a robust economic recovery, **The Gambia** remains a fragile state in debt distress. Its ESS compilation system lacks reliable source data and the capacity for enhancing and developing the data collection. The February 2019 mission contributed to enhancing the working arrangements within the Central Bank of The Gambia and other agencies—essential for improving the statistical coverage of external debt, trade in goods, and grants. Initiatives to address data gaps on direct investment resulted in the compilation and dissemination of more comprehensive direct investment transactions for 2015–17.

- **Vanuatu**'s post-cyclone economic reconstruction relies on external financing, which increases external debt. The compilation of ESS suffers from a lack of qualified staff due to high turnover and weak data sources. In 2016, the Reserve Bank of Vanuatu stopped reporting BOP and International Investment Position (IIP) data to STA. The May 2019 mission improved coverage and quality of several BOP components, contributing to the dissemination of BOP and IIP data for the first time in three years.

- **Jordan**'s commitment to a more outward-oriented economy engenders new challenges in aligning data collection to emerging cross-border flows and positions. The main challenge faced in Jordan's ESS is the implementation of a holistic approach to collect data from different sources. With remittances being an important source of foreign exchange inflows, amounting to 53 percent of goods exports in 2017, the September 2019 mission focused on designing a new personal transfers series with data from banks and money exchanges to better estimate remittances.

- Political changes in **Uzbekistan** have triggered reforms in favor of more transparency. Organizational changes in the assignment of responsibility for ESS compilation led to a loss of institutional knowledge and breaks in compiled time series. Together with inadequate inter-institutional data sharing procedures, this imposed major risks for sustainable results. The mission of September 2019 aimed at building capacity through hands-on training, establishing the data collection and compilation system, and supporting the compilation and dissemination of consistent BOP and IIP time series. A pilot version of the 2014–2015 BOP addressed major spikes in time series which hampered analysis in the past.

- Within the context of the IMF's Stand-By Arrangement with **Kenya**, ESS weaknesses were identified as a priority reform area in 2018, not least due to a lack of comprehensive external debt data. With the October 2019 mission's support, Kenya (i) eliminated the inconsistencies between annual balance of payments compiled by the National Bureau of Statistics and those compiled by the Central Bank of Kenya; (ii) conducted the 2018 foreign investment survey with 85 percent response rate; and (iii) compiled a preliminary IIP statement consistent with BOP and external debt statistics. This will allow the finalization of the IIP and enhanced external debt statistics, expected to be disseminated for the first time through Kenya's National Summary Data Page (NSDP) by end-June 2020.

- In line with the authorities' needs expressed at the D4D opening workshop in November 2018, the mission to **Morocco** focused on specific components of the current account of the BOP. In particular, the mission (i) reviewed the data collection system used for the compilation of services components; (ii) assisted with the integration of a survey on cross-border services in the BOP that was expected to start with the first quarter of 2020; and (iii) advised on linkages between BOP and IIP.

- In response to a request by the Central Bank of **Tunisia** during the November 2018 D4D workshop, a mission provided guidance on adequate recording of certain BOP transactions and assisted in

improving the coverage of cross-border informal economy transactions. The mission took place in the context of the transition to the statistical framework of the *Balance of Payments and International Investment Position Manual*, sixth edition (*BPM6*), a priority included in the Central Bank's strategic plan. This transition requires a complete overhaul of the recording of direct investment operations.

- During a short visit to the Central Bank of **Philippines**—conducted back-to-back with the second D4D ESS workshop in December 2019—STA explored potential areas for cooperation to benefit from the Philippines experience in collecting data on mobile money as well as possible future CD needs.

55.   In all cases, lack of sound source data and compilation errors in critical components were key factors impacting the reliability of the BOP. Inefficient interagency cooperation in data sharing and weak legal settings are the most serious root causes, followed by lack of suitable data sources, weak compilation techniques, and limited resources. Establishing collections from new data sources could be achieved in the short- to medium-term, with countries at different stages of implementing CD recommendations (Figure 7).

Figure 7. Areas of Progress in External Sector Statistics
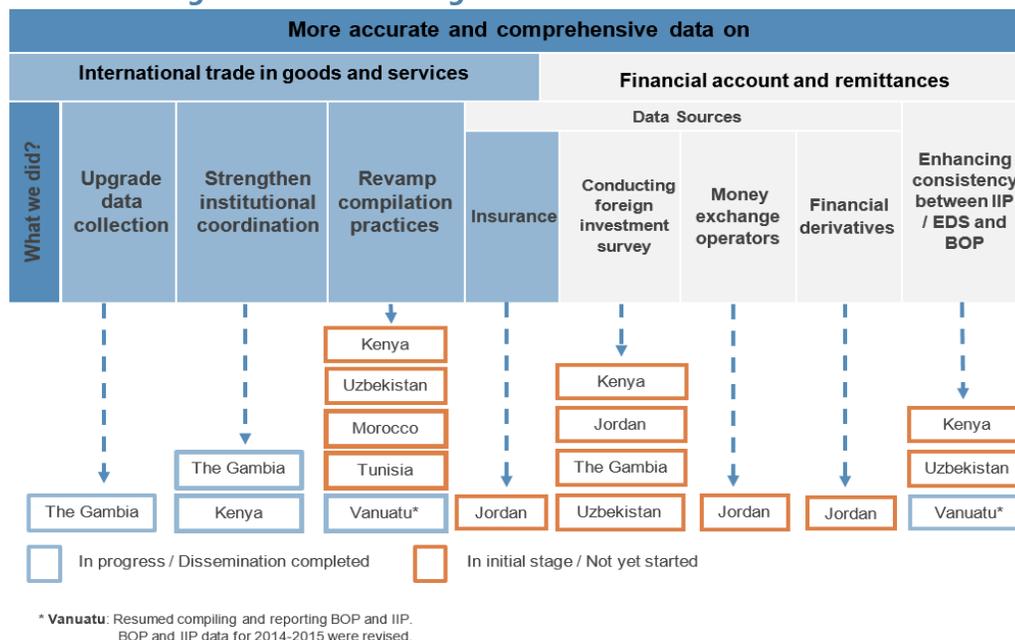
56.   For capacity building in targeted countries under the ESS submodule, a second workshop was conducted in December 2019.[14] While the submodule's first workshop (November 2018) targeted the compilation of more accurate data on goods and services, the second workshop focused on improving the scope of the financial account components in line with the work stream's strategic log frame. The workshop emphasized the importance of data sources and techniques, and of consistency between different parts of the financial accounts as a means of reducing net errors and omissions in the BOP statistics.

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[14] There were thirty-nine participants from central banks and statistics offices from 13 countries (Afghanistan, The Gambia, Jordan, Kenya, Kiribati, Madagascar, Philippines (host), Solomon Islands, Tunisia, Uzbekistan, Vanuatu, West Bank and Gaza, and Zimbabwe).
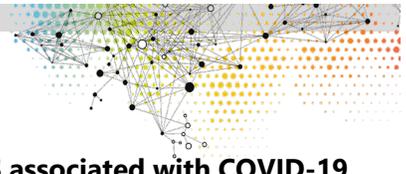
57.   To address emerging operational challenges of compiling ESS associated with COVID-19, remote CD has been provided since the onset of the pandemic. This involves a wide range of countries, including fragile states (for example, Haiti), as well as funding sources (for example, operational help for Cambodia, Lao P.D.R., and Myanmar funded by the Government of Japan). Further, as more countries seek access to IMF financing and debt relief, advice is being provided how these measures should be recorded in macroeconomic statistics. These remote forms of operational support were augmented by online "hands-on" advice on using alternative data sources to compile ESS and on recording COVID-19 related government/central bank policy actions in BOP statistics.[15]

Work Moving Forward

58.   This work stream will focus on addressing new CD demands from countries with compilation challenges emerging from COVID-19, and on strengthening the presence in FCS in line with IMF priorities. A survey is under way among D4D-eligible countries to gauge the need for operational support to preserve the quality of ESS as well as their capacity to participate in new and remote forms of CD delivery. For now, placeholders in the work plan create space for potential demand for operational assistance, including webinars tailored to country- and region-specific topics. Diagnostic work under this work plan is based on previous CD and will have a strong emphasis on FCS.

59.   Beginning in FY 2021, CD delivery supported by the D4D Fund will step up in AFR, including several FCS. This includes countries that previously made progress under bilateral donor projects and fit into the D4D Fund's strategic objectives. While most of the selected countries are LLMICs, Gabon and Equatorial Guinea are also included, as these upper middle-income countries (UMICs) face serious institutional capacity constraints and external vulnerabilities with the combined shock of COVID-19 and the plummeting oil prices:

- Strengthening data sources and identifying new ones for improving the reliability of the balance of payments statistics (**Comoros**, **South Sudan**, **Sao Tome and Principe**, and **Equatorial Guinea**);

- Achieving better internal and/or sectoral data consistency for improving linkages between financial account components and associated income, and across macroeconomic statistics (**Cameroon**, **Côte d'Ivoire, Gabon**, **Djibouti, Democratic Republic of Congo, Morocco**); and

- Improving statistical techniques for producing higher frequency BOP statistics (countries already cited plus **Zimbabwe**).

60.   Follow-up CD to countries covered in the first phase includes work on cutting-edge themes like cross-border transactions from digitalization and using mobile money transfers as source data.

- The remote mission to the **Philippines** will center on strengthening data sources and statistical techniques to facilitate better coverage of cross-border transactions, including those resulting from digitalization.

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[15] The statistical issues of the IMF's special series on COVID-19 include notes on ESS, "How to Record Debt Relief Under the Catastrophe and Containment Relief Trust in Macroeconomic Statistics" and "Ensuring Continuity in the Production of the External Sector Statistics".

- In **Afghanistan**, remote CD will focus on improving data collection and compilation, including enhancing the coverage of illicit/informal cross-border flows.

- Improving the source data on international mobile money transfers and direct investment will be the target of onsite CD to **Madagascar**.

- In **Uzbekistan**, a remote mission will continue to support the establishment of the ESS compilation system while strengthening institutional capacity through hands-on staff training.

61.   Four placeholders are included for missions during the first two quarters of FY 2022. This creates space for potential demand for new or follow-up missions.

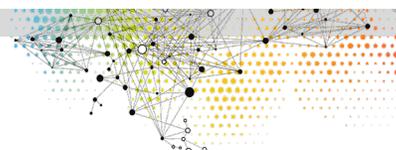**62.   Two thematic workshops are planned to deliver follow-up CD in a cost-efficient manner:**

- **A follow-up workshop for countries represented in the first two workshops** will focus on select topics that countries flagged as major challenges. Hands-on training in a workshop setting will be more efficient than providing country-by-country missions and offer opportunities for peer learning.

- **A workshop for francophone African countries will focus on external debt statistics** given the policy relevance of debt sustainability when assessing macroeconomic vulnerabilities in this region.

63.   Leaner, operational CD missions will complement traditional CD activities by addressing immediate and specific ESS reporting issues through webinars and country-specific remote TA. These activities will be tailored to specific challenges mostly stemming from countries' policy responses to the COVID-19 pandemic. At this point, three regional webinars and five operational remote country missions are envisaged for FY 2021. In the survey of D4D-eligible countries, **El Salvador**, **Rwanda**, **Zambia**, and **West Bank and Gaza** already requested short on-demand missions to assist in developing estimation and grossing up techniques for filling data gaps due to the limited source data during the lockdown.

Table 8. CD Activities on External Sector Statistics

Previous WPs	Updated WP	Change
FY 2019		
Opening MCD and Selected Countries Workshop ✔		
The Gambia ✔		
Kenya ✔		
Uzbekistan ✔		
FY 2020		
Vanuatu ✔		
Uzbekistan ✔		
Philippines *(short assessment visit)* ✔		
Jordan ✔		
Kenya ✔		

Follow-up Workshop ✔		
Tunisia ✔		
Morocco ✔		
FY 2021 – FY 2022 (Q2)		
Madagascar	Madagascar	
Afghanistan	Afghanistan	
Opening Workshop Country	Philippines	
	Uzbekistan	+1
	Morocco	+1
	Comoros	+1
	Cameroon	+1
	Côte d'Ivoire	+1
	Democratic Republic of Congo	+1
	Gabon	+1
	Sao Tome and Principe	+1
	Zimbabwe	+1
	Djibouti	+1
	South Sudan	+1
	Equatorial Guinea	+1
	Country TBD (4)	+4
	Thematic Workshop for Countries targeted in phase I	+1
	Thematic Workshop for Francophone AFR Countries	+1
	Thematic Regional Webinars - Regions TBD (3)	+3
	On-demand Missions - West Bank and Gaza	+1
	On-demand Missions - Zambia	+1
	On-demand Missions - El Salvador	+1
	On-demand Missions - Rwanda	+1
	On-demand Missions - Country TBD (4)	+4
	Net change	**+29**

Dark green – Endorsed and conducted
Light green – Endorsed and planned
Orange – Additions or changes that need endorsement

Submodule: Fiscal and Debt Reporting (GFS/PSDS)

M1	Addressing Data Needs and Quality Concerns

Submodule Real Sector Statistics (RSS)

Submodule External Sector Statistics (ESS)

Submodule: Fiscal and Debt Reporting (GFS/PSDS)

Figure 8. General Government Gross-Debt-to-GDP and Interest-to-Tax-Revenue Ratios (LLMICs, 2007–20)
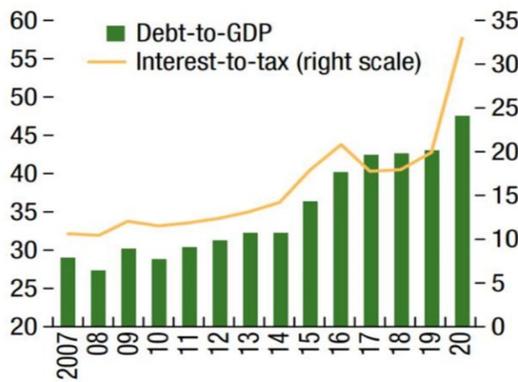

Source: IMF, World Economic Outlook.

64.   This submodule supports countries in addressing data gaps in the compilation and dissemination of GFS and PSDS, which have gained even more prominence in the global policy dialogue as the pandemic has further deepened debt vulnerabilities. Rising spending to finance counter-cyclical fiscal policy combined with declining export receipts and shrinking GDP are projected to increase debt vulnerabilities (Figure 8). The IMF Executive Board approved in April 2020 immediate debt service relief to 25 countries, and the G20 has called for similar support from bilateral and private creditors.

65.   Consequently, most activities under this submodule remain focused on PSDS. Nine missions on PSDS and three on GFS concentrated on countries that are most exposed to debt sustainability risks (Figure 9). For example, 58 percent of GFS and PSDS missions benefited countries in debt distress or at high risk of debt distress.

Figure 9. CD Beneficiary Countries' Risk of Debt Distress (Percent of Total)
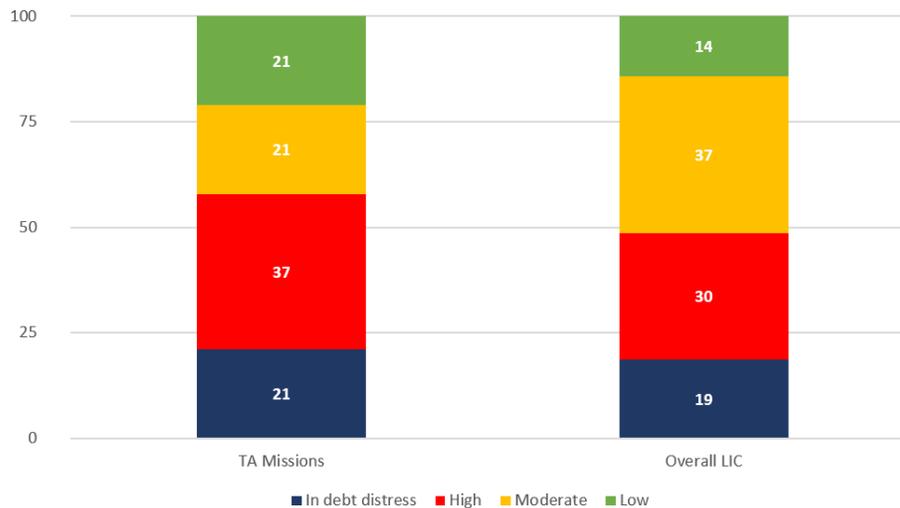

Source: Low-Income Countries Debt Sustainability Analysis Database (November 30, 2019).

Progress Achieved

66.   Three regional PSDS workshops were conducted, drawing on the innovative approach of the first PSDS workshop, where IMF country teams and workshop participants were asked to assess PSDS data gaps. A total of 78 country officials from 32 countries, including 16 FCS, participated in regional workshops during 2019. As in the first workshop, country authorities and AD teams identified closing data gaps in the institutional coverage of state-owned enterprise (SOE) debt and the coverage of arrears as a priority (Box 3), followed by gaps in the coverage of local governments and extrabudgetary units debt and in the coverage of pension liabilities. Other data gaps unrelated to the instrument or institutional coverage of debt included the valuation of debt as well as stocks and flows consistency (Figure 10).

**Figure 10. PSDS Priorities Identified in Regional Workshops**
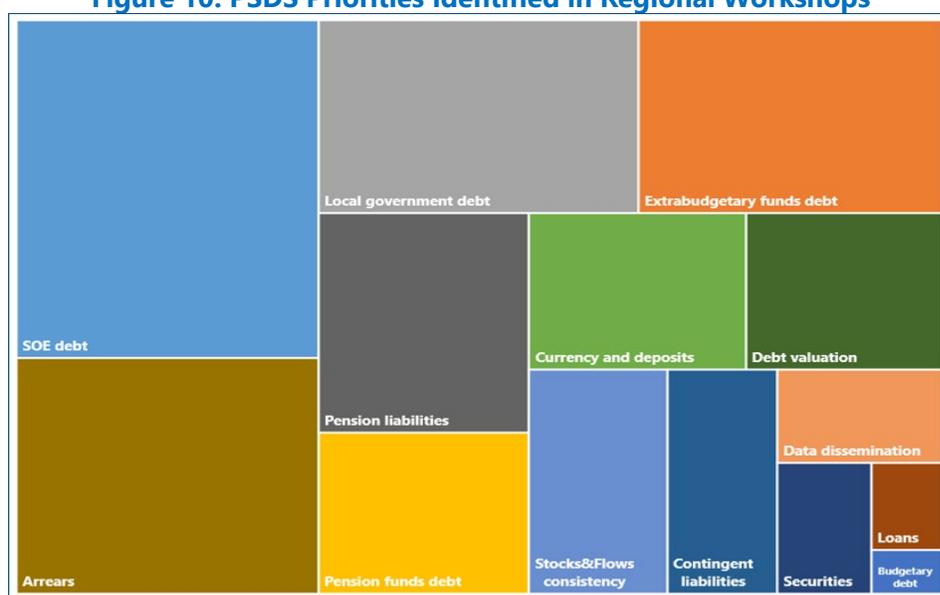
Source: D4D-funded PSDS Regional Workshops in 2019.

Box 3. Adverse Macroeconomic Effects of Domestic Expenditure Arrears

Already before the COVID-19 crisis, domestic expenditure arrears were pervasive and on the rise in sub-Saharan Africa.[16] With tax revenues in LLMICs taking a serious hit due to the COVID-19 crisis, monitoring of arrears has gained even more prominence. Weaknesses in arrears monitoring can be mainly explained by weak Public Financial Management (PFM) systems, underscoring the need for close cooperation between statistics and PFM CD activities.

A large and persistent accumulation of expenditure arrears affects the economy through multiple channels. Arrears can affect private sector activity and growth, which may lead to a rise in nonperforming loans and lower economic activity overall, increasing financial sector vulnerabilities. In the longer run, trust in the government's fiscal position can decrease, possibly triggering withholding of tax payments, making

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[16] This analysis was presented in the IMF Regional Economic Outlook. Sub-Saharan Africa: Navigating Uncertainty, October 2019.
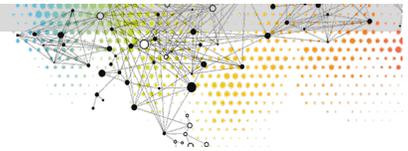
the system less transparent and, hence, vulnerable to corruption. If the effects of arrears reinforce each other, a vicious circle may set in, further reducing economic activity, increasing fiscal stress, and widening financing gaps (Figure 11).

Figure 11. How Arrears Affect the Economy
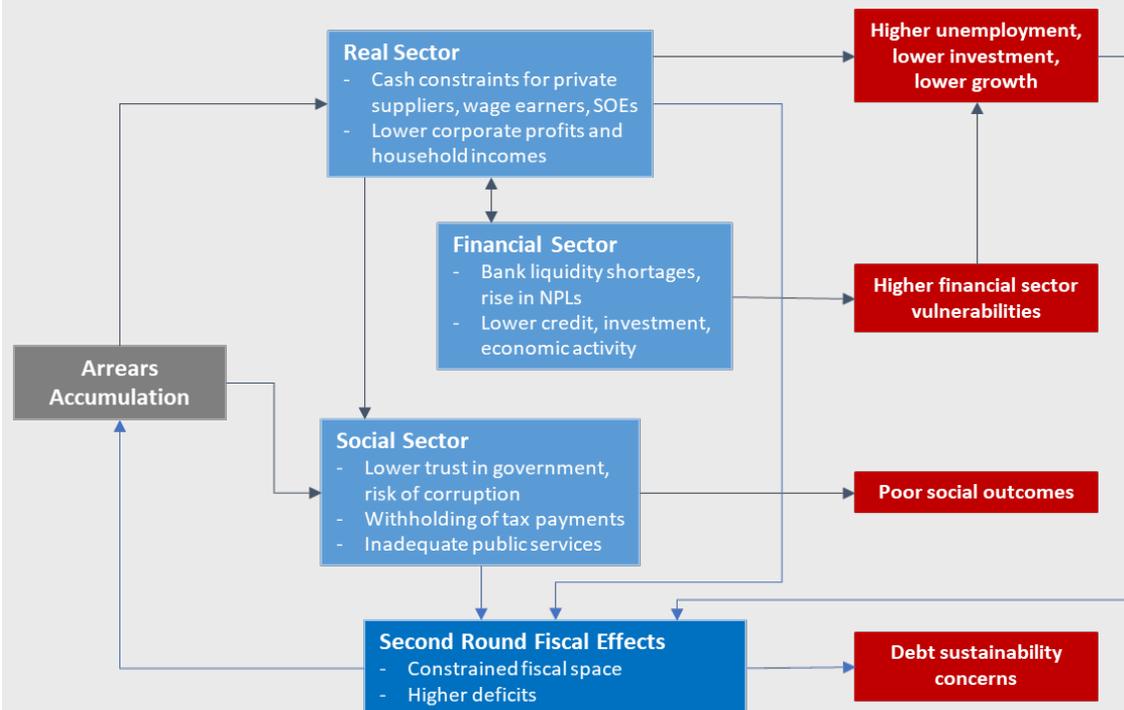
67. **PSDS Technical Assistance supported the expansion of the institutional and instrument coverage** drawing on preliminary work plans developed during the workshops:

- **TA missions on the institutional coverage of PSDS had a strong focus on SOE debt:** During the mission for **Cabo Verde**, data was compiled for more than 90 percent of the public sector. Broadening the institutional coverage of debt in **Zimbabwe** is essential for macroeconomic policy. For 2016, the debt stock of the public sector was significantly higher than that of the budgetary central government, albeit on an unconsolidated basis. Data compiled included 92 local government entities; financial public corporations (including the Reserve Bank of Zimbabwe) and nonfinancial public corporations (for about 40 of the most significant entities out of the existing 95). The mission to **Zambia** raised awareness of the need to compile debt data beyond the budgetary central government and include local governments and SOEs. The mission to **Côte d'Ivoire** assisted with compilation of data for 10 key SOEs to be included in the Debt Sustainability Analysis in line with the IMF's new debt sustainability framework. AFR and the authorities saw broadening the scope of coverage as an essential step to improve the monitoring of the budgetary risks posed by SOE debt, while taking into account the latter's revenues and repayment capacity. Using a compilation tool that translates financial statements into fiscal statistics following international statistical standards, debt compiled for the 10 key SOEs was significantly higher than the debt compiled by the authorities. The mission to the **Central African Republic** assisted in compiling quarterly debt statistics for the

budgetary central government. The mission also identified source data to widen coverage and compile debt statistics for public sector coverage.

- **Missions that helped expand the instruments coverage of PSDS assisted the following countries:** Adding debt securities to the stock of debt in **Liberia** would increase the stock of debt in FY 2017 to FY 2018 by 1.8 percent of GDP. The largest component of short-term debt that was missing from **Moldova's** PSDS were short-term instruments issued by the National Bank of Moldova that if included could have increased the stock of debt by 3 percent on average each year over the last six years. A better understanding of the breadth of debt instruments that needs to be collected contributed to **Zambia's** intention to expand the coverage of debt instruments to include arrears (other accounts payable) of the central government. The compilation tool developed in the mission to **Côte d'Ivoire** made it possible for the compiled statistics to include all debt instruments on the balance sheet, including arrears. The mission to **Uzbekistan** was cut short due to the COVID-19 outbreak. Nevertheless, progress was made in initiating the compilation of integrated external debt data in national currency, in providing training on the methodology, appropriate source data, and compilation techniques for an integrated financial balance sheet. Comments on the draft inter-governmental decree on the reporting of SOEs will facilitate the broadening of debt coverage in the future.

- **TA also supported steps towards data dissemination** in **Zambia**, with review of a debt statistics bulletin to be regularly published going forward, and in **Djibouti**, with development of data collection and reporting templates to be used in surveys to collect debt statistics from a significant number of public sector units and to disseminate data, including on the Ministry of Finance website. The mission to **Central African Republic** started publication of the 2018 public debt management report on the Ministry of Finance website in September 2019, following recommendations from a previous mission, and discussions are ongoing on compiling and disseminating a debt statistics bulletin.

68.   GFS Technical Assistance focused on internal consistency in government finance data:

- The mission to **Ghana**, conducted jointly with a balance sheet mission under the FSSF, helped examine statistical discrepancies for above-and-below the line fiscal data and the integration of stocks and flows for the financial balance sheet. The mission assisted the Ministry of Finance to reconcile stocks with the related cash flows for 2018 and identified several other economic flows that explained the discrepancies between the change in stocks and flows. The mission also compiled a GFS times series for the period 2014–2018 of budgetary central government operations which were thereafter disseminated to the IMF and included in the GFS yearbook.

- The missions to **Uzbekistan** helped compile new fiscal data for off-budget accounts, leading to a better understanding of the macroeconomic impact of fiscal policy with consolidated revenue and expenditure made via off-budget accounts representing 7 percent of GDP and 6.1 percent of GDP, respectively. The authorities included these off-budget accounts for the first time in the 2020 budget. The mission also assisted with reconciliation of stocks and flows in monetary and fiscal statistics that revealed differences amounting to 0.9 percent of GDP in government loans. The authorities have recently taken important steps to enhance fiscal transparency by establishing a legal basis to

implement the international standards in fiscal reporting, including regular reporting of comprehensive SOE data.

- During a hands-on workshop, the mission to **The Gambia** assisted source data providers and GFS compilers in producing an initial draft of "*The Gambia: GFS Compilation Guide*" as a basis for further efforts to improve the documentation. Based on the compilation guide, the mission assisted the Ministry of Finance to compile GFS for the budgetary central government for 2017–2019. Data for 2017–2018 were thereafter disseminated to the IMF for the GFS yearbook. The mission also discussed the way forward to integrate GFS throughout budgeting, accounting, and fiscal reporting in close coordination with ongoing PFM reform.

Box 4. Integrating D4D Fund CD with IMF Surveillance and Other CD

Close coordination with IMF ADs ensured alignment of CD with IMF surveillance needs and provided better access to policymakers, elevating discussions on data issues to the policy level. The PSDS missions to Liberia and Moldova overlapped with AD missions, enabling engagement with senior policy makers who were supportive of the recommendations. To ensure that CD efforts address the most pressing data gaps, coordination with the AD started already when preparing for the regional workshops which both countries attended to prepare draft work plans.

Overlaps of D4D-funded TA missions with other IMF departments' CD activities ensured coordination to address the most pressing data gaps. For example, the PSDS mission to Zimbabwe overlapped with an FSSF-funded mission from the IMF's Monetary and Capital Markets Department that included a debt management aspect, strengthening complementarities between debt statistics and debt management.

Increased coordination of CD activities with those of the IMF's RCDCs will enhance the impact of CD. The PSDS TA missions in January 2020 to Côte d'Ivoire and the Central African Republic piggybacked on the RCDCs' ongoing work on improving methodological soundness of data compilation, to focus on addressing specific PSDS issues with substantial bearing on macroeconomic management. For the East African Community (EAC) countries that attended the Mauritius workshop (Kenya, Rwanda, Tanzania, and Uganda), the workshop's diagnostics will feed into CD from AFRITAC East, aimed at implementing the EAC guidelines. However, as the EAC guidelines are focused on general government statistics, data gaps related to SOE debt statistics could be supported by the D4D Fund, if considered macro-relevant.

Leveraging other CD vehicles to complement D4D-funded CD activities has proved helpful. PSDS missions to Liberia, Zambia, and Zimbabwe benefited from concurrent missions under the UK-funded EDDI2 project that focused on source data for compilation of GFS and PSDS. Similarly, the joint D4D Fund and FSSF mission in Ghana contributed to a wider scope of activities allowing a better understanding of how to address data inconsistencies.

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69.   The publication of the IMF's Special Series on COVID-19 notes was complemented by operational support to a wide range of countries on different fiscal issues. The notes[17] give practical

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[17] How to Record Government Policy Interventions in Fiscal Statistics; How to Record Debt Relief Under the Catastrophe and Containment Relief Trust in Macroeconomic Statistics; and Government Support to Business and Households.
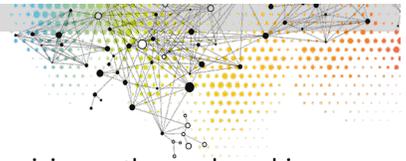
guidance on challenges to record fiscal policy responses to the COVID-19 crisis, partly produced in cooperation with other statistical agencies, including the United Nations, Eurostat, the Organization for Economic Cooperation and Development, and the World Bank. Operational support included assistance to **Lesotho** on the recording of arrears; to **Rwanda** on the recording of debt securities purchased in the secondary market; to **Uzbekistan** on the compilation of a financial balance sheet integrating stocks and flows; to **Georgia** on the sector classification of SOEs; to **Senegal** and **Uganda** on the classification of COVID-19 relief related transactions, and to **Egypt** to follow up with authorities on required information to conduct sectorization of public sector units. Support with data compilation was provided among others, to **Bhutan**, to obtain sub-annual GFS to support surveillance and by reviewing revisions made on the financial balance sheet; to **Mongolia**, for initiating development of from-whom-to-whom data on the financial balance sheet; and to **Kenya**, through the RCDC, for compilation of general government fiscal data for publication in the annual economic survey, a report that is required as input to the budget process.

Work Moving Forward

70.   A multipronged approach will ensure continuity of engagement with countries in addressing fiscal and debt reporting gaps, while responding to emerging needs from policy responses to the COVID-19 pandemic and the new fiscal and debt reporting needs it triggered (Table 9). Demand for traditional, project-oriented CD missions is being scaled down as travel restrictions can only be partly offset by a number of traditional CD missions conducted remotely. Leaner, operational CD missions will address immediate and specific fiscal and debt reporting issues through webinars and country-specific remote TA.

71.   PSDS workshops will continue to deliver the diagnostic for most CD in the work plan, but a more flexible approach will be taken to address urgent demand in select cases:

- A workshop for the remainder of **anglophone African countries** (Eritrea, Ethiopia, The Gambia, Ghana, Nigeria, Sierra Leone, and South Sudan) covers a group of countries, except Nigeria, whose latest rating indicates a high risk of debt distress (Sierra Leone, Ghana, Ethiopia) or in debt distress (The Gambia, Eritrea, South Sudan).

- Countries to be invited for the **MCD** workshop (Afghanistan, Pakistan, Sudan, Syria, Tajikistan, West Bank and Gaza, Yemen) are all FCS (except Pakistan). None of these countries is covered by a long-term CD project.

- The **WHD** workshop will focus on the LLMICs in this region (Bolivia, El Salvador, Honduras and Nicaragua), but possibly be complemented by countries that are still ranked as UMICs whose debt vulnerabilities require urgent attention to PSDS CD.

- The **APD** workshop that was initially scheduled to overlap with the D4D Fund SC meeting will be split into two workshops. To accelerate workshop delivery in FY 2021, countries that have the necessary infrastructure will attend a remote workshop (Bangladesh, Bhutan, Cambodia, India, Indonesia, Mongolia, Nepal, Philippines, Sri Lanka, and Vietnam). An on-site workshop is planned for **Pacific Island countries** (Kiribati, Micronesia, Papua New Guinea, Solomon Islands, and Vanuatu).

72.   As a result of the COVID-19 pandemic, the PSDS mission program includes four countries (Papua New Guinea, Vanuatu, Sierra Leone, Tajikistan) that will not have attended a workshop but addressing PSDS data gaps has been identified a priority by ADs:

- In FY 2021, missions postponed from FY 2020 will assist to improve the institutional and instrument coverage of debt statistics in **Vanuatu**, **Papua New Guinea**, **Timor-Leste**, and **Zimbabwe**. The mission to **Uzbekistan** will follow up from the mission cut short during FY 2020 due to the pandemic. The mission to **Mozambique** will assist with addressing the debt data stock and flow reconciliation issues. The mission to **Côte d'Ivoire** will follow up from the mission in FY 2020 and assist with compilation of data from SOEs to be included in the debt sustainability analysis; the mission to **Tajikistan** will assist to improve debt recording; and, the mission to **Sierra Leone** will assist with the recording of arrears securitization that has complicated IMF program monitoring. The remote missions to **Egypt** and **Tunisia** will assist with identification of source data and compilation of data for SOEs and broaden the coverage of statistics to include the most significant public sector units.

- Missions for the first half of FY 2022 include follow-up missions where further CD is required, reflected in the workplan as placeholder missions, and TA missions to countries that will have attended the planned regional PSDS workshops. The mission to **Angola** will assist with debt stocks and flows consistency issues, while assistance to **Togo** will help with improving consistency between fiscal and debt outturn data.

73.   GFS missions will be focused on widening coverage and improving reliability of fiscal statistics:

- For FY 2021, the mission to **Haiti**, which was cancelled due to the COVID-19 outbreak, will assist with improving availability of quality high frequency GFS and support broadening the coverage of GFS beyond the budgetary central government. While the authorities currently submit broadly adequate monthly GFS to the IMF country team, the data suffers from limited coverage, high aggregation, misclassifications, and the non-reporting of major categories. The FY 2020 mission to **Ghana** identified key deficiencies in GFS compilation and institutional coverage that require a follow-up mission. A mission to **eSwatini** aims to improve the reliability of fiscal data and expand the coverage of fiscal accounts, including significant general government units and key SOEs. Prospects to reschedule the mission to Comoros, which was cancelled due to the COVID-19 outbreak, are yet to be clarified with the country authorities. The remote mission to **Morocco** will assist with consolidation of data of sub-sectors of the general government units.

74.   To complement the recent launch of the IMF's Special Series on COVID-19 notes to address challenges most pertinent in the current crisis, four webinars are planned to support countries in the application of these notes and to explore further need for guidance. The webinars will inquire from participants on possible elements not covered in the guidance notes and assist countries with such specific issues for guidance with the appropriate recording in their fiscal and debt statistics. To allow a wide and comprehensive coverage of countries in these webinars, additional webinars are planned to be conducted through RCDCs, using their close relationships with compilers in the regions. Webinars will be conducted in Arabic, English, Portuguese, and Russian.

75. **To meet demands for a better understanding of SOE's fiscal operations, STA developed an innovative tool to convert financial statements of SOEs into fiscal statistics, which will be presented in webinars and remote missions.** There is a growing interest in having a better understanding of fiscal operations carried out by SOEs, in view of the fiscal risks they pose and their debt vulnerabilities (Box 5). To help overcome the technical complexity of converting accounting data into fiscal statistics, STA developed an Excel tool that supports the conversion of financial statements of SOEs into fiscal statistics to capture stocks (balance sheet), transactions, and other economic flows in an integrated manner which will greatly facilitate compilation of public sector balance sheets, including for SOEs.

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Box 5. SOEs Debt Vulnerabilities[18]

SOEs have become big players in global corporate debt markets. They now comprise one-third of the entire emerging market sovereign hard currency debt tracked in the most widely followed emerging market sovereign bond index.[19] Large SOEs are especially prominent in banking, energy, industrials, and utilities.

A common challenge in monitoring SOEs' debt vulnerabilities is the limited transparency of their operations and their financial relations with government. To reduce the likelihood that SOEs will be used as vehicles for off-budget spending and borrowing, political patronage, or corruption, the financial and operational performance and its financial relations with the government must be disclosed. However, disclosure of SOE financial statements in LLMICs and many emerging market economies is often restricted to listed SOEs. While SOE financial operations and assets and liabilities should be at least partially integrated into the financial statements of the public sector, few countries meet this standard, including in sub-Saharan Africa (Figure 12) and most of Europe. Integrating SOEs into the public sector framework will require an incremental approach.

Figure 12. Fiscal Coverage beyond the Central Government in Sub-Saharan Africa (Number of Countries)

Source: IMF staff survey of 45 countries in sub-Saharan Africa.

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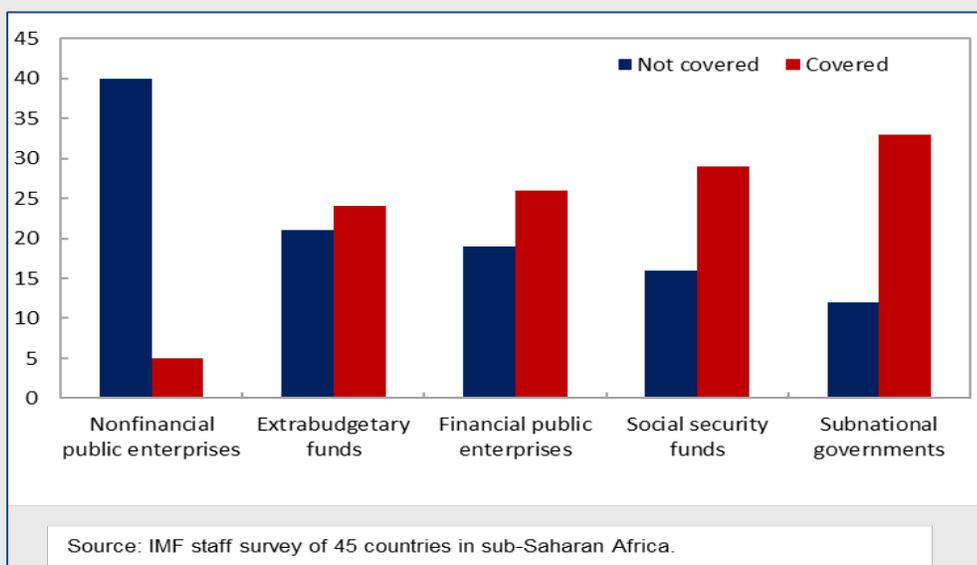
[18] IMF Fiscal Monitor: Chapter 3: State-Owned Enterprises: The Other Government, April 2020.
[19] IMF Global Financial Stability Report: Lower for Longer, October 2019.

SOE performance and the realization of fiscal risks from SOEs can significantly affect public finances. SOE debt levels can pose a risk to fiscal sustainably and external stability of the economy, even in the absence of explicit government guarantees. In some countries, debt of the SOEs exceeds 20 percent of GDP and/or SOE external debt exceeds 25 percent of the countries' exports of goods and services (Figure 13).
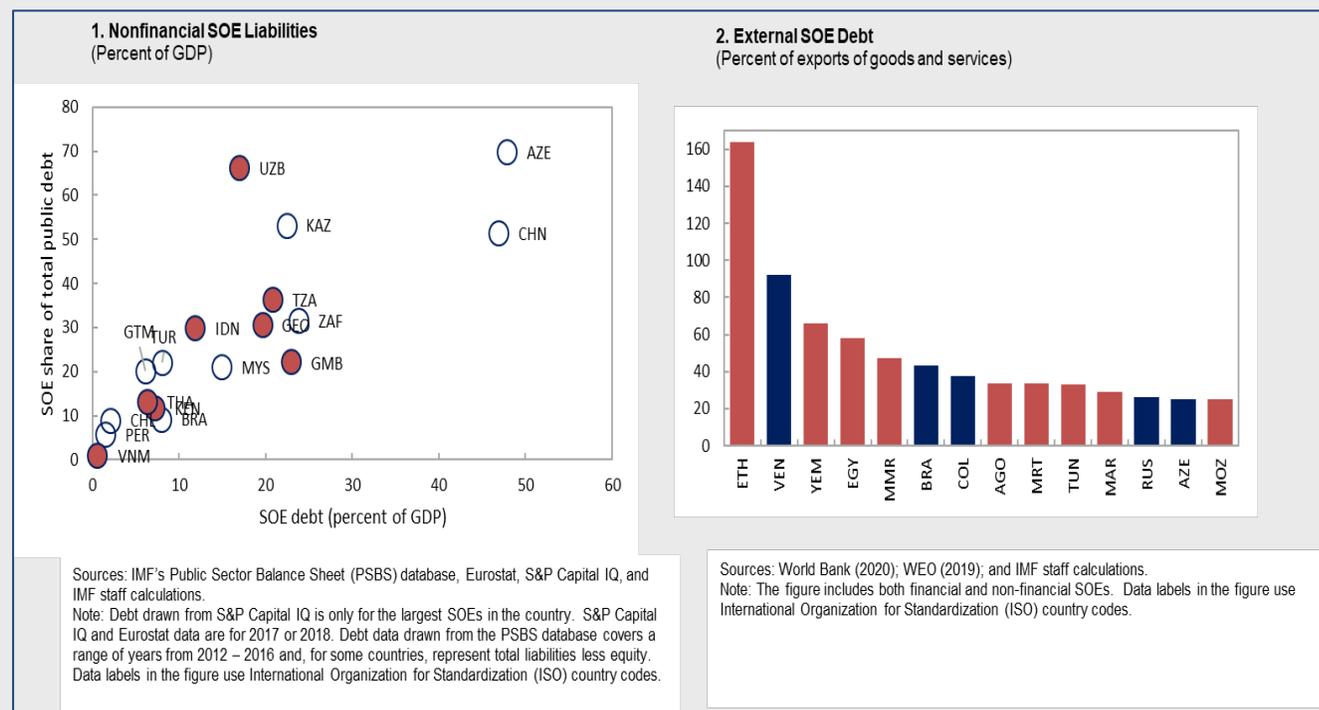
Figure 13. SOEs Debt Vulnerabilities

Sources: IMF's Public Sector Balance Sheet (PSBS) database, Eurostat, S&P Capital IQ, and IMF staff calculations.
Note: Debt drawn from S&P Capital IQ is only for the largest SOEs in the country. S&P Capital IQ and Eurostat data are for 2017 or 2018. Debt data drawn from the PSBS database covers a range of years from 2012 – 2016 and, for some countries, represent total liabilities less equity. Data labels in the figure use International Organization for Standardization (ISO) country codes.

Sources: World Bank (2020); WEO (2019); and IMF staff calculations.
Note: The figure includes both financial and non-financial SOEs. Data labels in the figure use International Organization for Standardization (ISO) country codes.

Table 9. CD Activities on GFS and PSDS

Previous WPs	Updated WP	Change
PSDS		
FY 2019		
Anglophone AFR Workshop ✓		
Lusophone AFR Workshop ✓		
Liberia *(Previously Sierra Leone approved Oct. 2018)* ✓		
Zambia ✓		
Zimbabwe ✓		
FY 2020		
Francophone AFR Workshop ✓		
MCD Workshop ✓		
Moldova *(Approved Oct. 2019)* ✓		
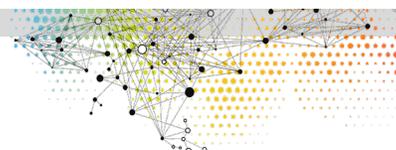
Djibouti ✓		
Cabo Verde ✓		
Central African Republic ✓		
Côte d'Ivoire ✓		
Uzbekistan ✓		
FY 2021 – FY 2022 (Q2)		
APD Workshop	APD Workshop (*Webinar*)	
Francophone AFR Workshop Country	Côte d'Ivoire	
APD Workshop Country	Papua New Guinea	
APD Workshop Country	Vanuatu	
APD Workshop Country	Timor-Leste	
APD Workshop Country	APD Workshop Country	
Lusophone AFR Workshop Country	Angola	
Lusophone AFR Workshop Country	Mozambique	
WHD Workshop	WHD Workshop	
Anglophone AFR Workshop Country	Zimbabwe	
Anglophone AFR Workshop Country (3)	Anglophone AFR Workshop Country (4)	+1
	Togo	+1
	Francophone AFR Workshop Country (2)	+2
	Egypt	+1
	Tunisia	+1
	Uzbekistan	+1
	MCD Workshop Country (2)	+2
	Anglophone AFR Workshop II	+1
	MCD Workshop II	+1
	Sierra Leone	+1
	MCD Workshop II Country	+1
	Country TBD (2)	+2
	APD Workshop II	+1
	COVID-19 Special Series Webinars (4)	+4
	SOEs Fiscal Statistics Webinars (2)	+2
	On-Demand Missions - Tajikistan	+1
	On-demand SOEs Missions - Country TBD (5)	+5
GFS		
FY 2019		

Comoros ✓		
FY 2020		
Ghana ✓		
Uzbekistan ✓		
The Gambia ✓		
FY 2021 – FY 2022 (Q2)		
Country TBD	Haiti	
Country TBD	eSwatini	
Country TBD	Ghana	
Country TBD	Country TBD (4)	+3
	Morocco (*Remote*)	+1
	On-demand Missions - Country TBD (2)	+2
	Net change	**+34**

Dark green – Endorsed and conducted
Light green – Endorsed and planned
Orange – Additions or changes that need endorsement

B. Module II: Financial Access Survey

M2	Financial Access Survey (FAS)	Sustain and expand the FAS

76.   The FAS is a unique supply-side database supporting inclusive growth by providing policymakers with data on access to and use of financial services. Because it is the sole source of supply-side data on financial access with global coverage, two of the FAS indicators were adopted by the international community to monitor Target 8.10 of the 2030 SDGs, and nine of the FAS indicators were endorsed by the G20 as G20 Financial Inclusion Indicators. Compared to surveys that collect demand-side data, the FAS's approach relies on administrative data collected by supervisory institutions and central banks, which makes data collection cost-efficient and allows for annual publication. The FAS complements demand-side information to offer a more comprehensive picture of financial access and use, helping policymakers better target financial inclusion policy initiatives.

Progress Achieved

77.   The 2019 FAS round ("2019 FAS") continued to expand the coverage and scope of the FAS dataset. Not only did the 2019 FAS register an increase in data reporting by countries, but new data series covering emerging aspects of financial access have also been introduced. The reporting by FCS has remained strong with 28 of them (60 percent) reporting data to the 2019 FAS. With 171 jurisdictions (from a total of 189 economies) overall, reporting to the FAS has improved compared with the past two years (Figure 14). Regional workshops on financial access data collection and streamlining of the FAS questionnaire have helped with this expansion.
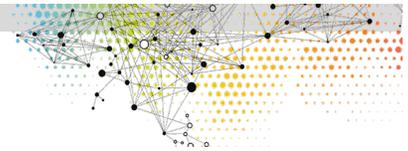
78. **The FAS's regional workshops have a direct impact on data reporting.** The second Regional Workshop on Financial Access Data Collection was held in Mauritius in March 2019 with participants from 13 African countries[20]. The main objectives of the workshop were to provide a platform for countries to share experiences in data collection through presentations, encourage peer learning, and improve data reporting to the FAS. Countries like Malawi and Liberia, which participated in the workshop but had not reported data to the FAS for the past few years, have subsequently resumed data reporting. Zimbabwe, a participant of the Mauritius workshop, and Thailand, a participant of a previous APD workshop, started reporting gender-disaggregated statistics and mobile money data, respectively. On average, the number of series reported by countries that participated in the workshop increased by 25 percent while that by non-participants increased by 19 percent. Moving forward, more workshop participants are expected to submit data, reflecting ongoing remote follow-up work to the workshops.
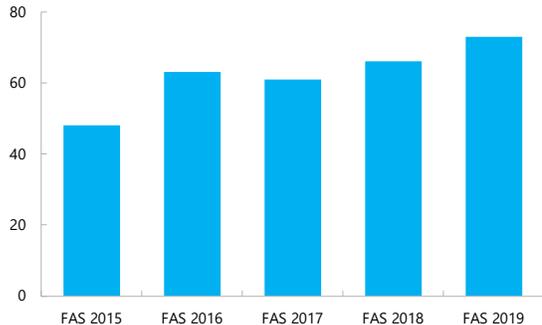
Figure 14. FAS 2019 Reporting (as of April 2020)

Reporting to the FAS has improved in 2019 with 171 reporters in the 2019 FAS.

Mobile money reporting has also increased with eight new LLMIC reporters of which two are fragile countries.
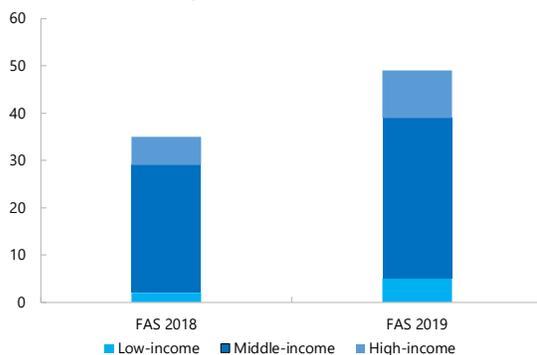
FAS reporters

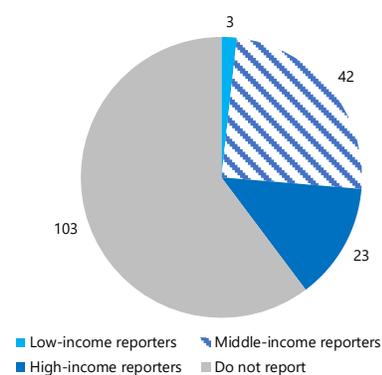**Mobile money data reporters**

Forty-nine countries now report gender-disaggregated data to the FAS, a significant increase from 2018.

Data on internet and mobile banking were collected for the first time in the 2019 FAS, with 68 reporting countries.

Gender statistics reporters

Mobile and internet banking reporters

Source: Financial Access Survey and IMF staff calculations

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[20] The participants included officials from central banks/regulatory agencies from Botswana, eSwatini, Ghana, Kenya, Liberia, Malawi, Mauritius, Namibia, Rwanda, South Africa, Uganda, Zambia, and Zimbabwe. A workshop summary can be found on the FAS Data Portal.

79.   **The FAS gender-disaggregated data have informed policy dialogues on how to advance women's financial inclusion as an important component of enhancing access to economic opportunities**. For example:

- The Office of the United Nations Secretary General's Special Advocate for Inclusive Finance (UNSGSA) recently conducted a study on the usage of the FAS's gender-disaggregated data for policy design. The findings of the study were presented at a seminar "*Promoting women's financial inclusion: The role of the IMF's Financial Access Survey (FAS)*", organized by IMF and UNSGSA at the 2019 IMF/World Bank Annual Meetings.

- The FAS gender-disaggregated data have also been used by the Women's Financial Inclusion Data Partnership[21] to identify priority countries for TA to improve gender data collection.

80.   **An STA Departmental Paper, "Measuring Financial Access—10 Years of the IMF Financial Access Survey," is helping to share knowledge about the FAS.** It offers a retrospective of the FAS database as well as reflections on its future directions. The paper highlights the value of FAS data granularity in better understanding financial access and will be used for outreach and workshops.

Work Moving Forward

81.   **The 2020 FAS round ("2020 FAS") was launched with an extended submission deadline.** The invitation to submit data to the current round was sent to country authorities on March 30th, 2020. In light of the COVID-19 outbreak, the submission deadline has been extended from May 31st to June 30th, 2020 to accommodate any unexpected delays in data collection.

82.   **To further improve data reporting, the regional workshops will continue.** The third regional workshop, initially scheduled in March 2020 in Georgia for 12 MCD countries[22], to facilitate peer learning and provide training on methodological issues, was postponed to FY 2021 owing to the COVID-19 outbreak. The workshop will follow the successful model of the previous workshops, giving countries time to present their challenges and benefit from peer learning. Follow-ups with workshop participants after the workshops will offer continued assistance in advancing data collection. A workshop for francophone AFR is planned during this work plan period (Table 10).

83.   **To further improve the data quality of the FAS, new validation tools are currently being developed, and a metadata review will be conducted during the 2020 FAS data validation process.** New validation tools under consideration include an automated data visualization of country-level data and outlier detection. A comprehensive FAS metadata review is also planned during the validation process to ensure that the metadata is up-to-date and to optimize user experience with the FAS database.

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[21] Partners include the Alliance for Financial Inclusion, Data2X, the Global Banking Alliance for Women, the Inter-American Development Bank (IDB), IDB Invest, the International Finance Corporation, the IMF and the World Bank.

[22] Except for Georgia (host) and Armenia, all countries invited are LLMICs (Djibouti, Egypt, Jordan, Kyrgyz Republic, Mauritania, Morocco, Sudan, Tajikistan, Tunisia, Uzbekistan).

84.   In line with the strategic log frame, the FAS will stay agile in keeping pace with the evolving financial sector landscape while providing tools to facilitate reporting.

- Policy tracker tabulating COVID-19 policy responses in the areas of mobile money and SME financing—important components of the FAS—have been compiled and shared with the authorities as well as internally at the Fund. This exercise is intended to facilitate information sharing of policy responses of peer countries among policymakers and data compilers. The tracker will be updated regularly with additional feedback received by the authorities. Further information sharing is being explored on this front.

- New FAS indicators will be considered to further facilitate the tracking of financial access and use. These include the value of mobile money transactions per account and non-life insurance policies, aimed at better capturing the usage of these services. FAS indicators related to digital finance will be also reviewed to capture recent innovations in digital payment platforms.

- Pilot projects to collect data from non-traditional sources are under way, for example, to close data gaps on barriers to financial services, such as fees and distance. The feasibility of collecting data using publicly available geolocational information is currently being assessed, including a pilot case of using geolocation data from the Google Map Application Program Interface (API) to visualize the distribution of mobile money agent outlets and Automated Teller Machines (ATMs) in Kenya.

Table 10. CD Activities on Financial Access Survey

Previous WPs	Updated WP	Change
FY 2019		
AFR Workshop ✓		
FY 2020		
FY 2021 – FY 2022 (Q2)		
MCD Workshop	MCD Workshop	
	Francophone AFR Workshop	+1
	Net change	**+1**

Dark green – Endorsed and conducted
Light green – Endorsed and planned
Orange – Additions or changes that need endorsement

C.   Module III: Online Learning

| M3	Online Learning	Develop and launch eight fundamental statistics courses (English and up to five other languages)

85.   The rollout of the first courses of STA's online learning curriculum far exceeded expectations, illustrating the large demand for statistics training which had not been available

online before. The Compilation Basics for Macroeconomic Statistics online course (CBMSx)[23] had the highest number of participants ever recorded for an IMF online course (Figure 15). This shows the potential of online learning courses to scale up statistics training.[24] The strong momentum from this basic course set a very promising stage for the D4D-funded online learning curriculum, which entails courses in all major areas of economic statistics and kicked off with the successful launch of the PSDS online course (PSDSx) in September 2019. Online learning has gained even more prominence during the COVID-19 crisis. As travel, including for traditional, on-site TA has been mostly barred, the virtual classroom has garnered a large increase in interest, with registered participants in our online courses sharply rising (Figure 16).

With sufficient information on the performance of the initial course offering now available, translation is expected to begin in FY 2021. The first targeted translation will be into French, which is the second most widely spoken language in the group of LLMICs. It will also address the needs of public officials in francophone Africa, where many countries face significant debt sustainability challenges.

**Figure 15: Active Participants in All IMF Online Courses versus PSDSx and CBMSx**
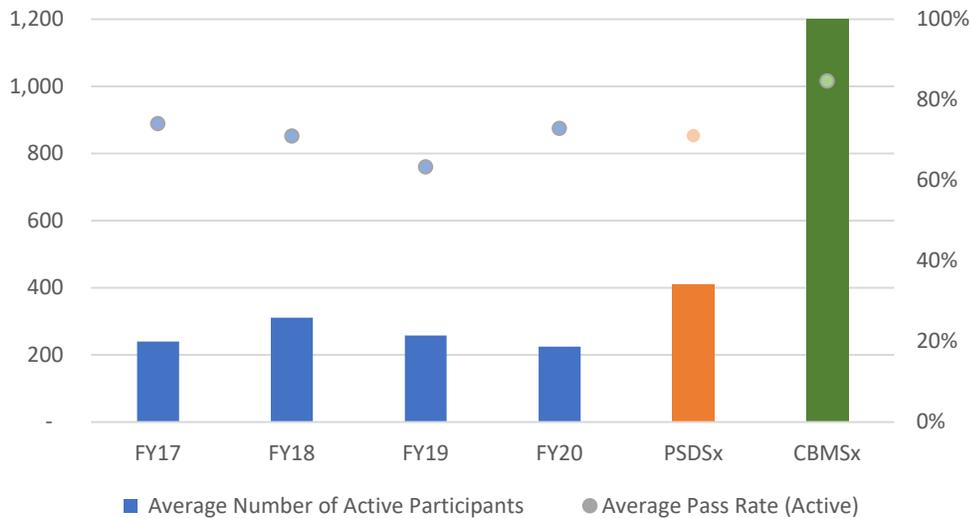
Source: IMF ICD, inaugural offering for government officials only. For FY20, data taken from 10 of the 23 courses completed by 5/26/20.

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[23] The development of the CBMSx course pre-dates the D4D Fund and was financed under a bilateral project of the Government of Japan with the IMF.

[24] Figures of active participants include those have registered for the course and have answered at least one graded question correctly. If a participant's overall average score is above 0%, that person is considered active.

Figure 16: Pre-COVID-19 vs. Post COVID-19 PSDSx Registered Participants
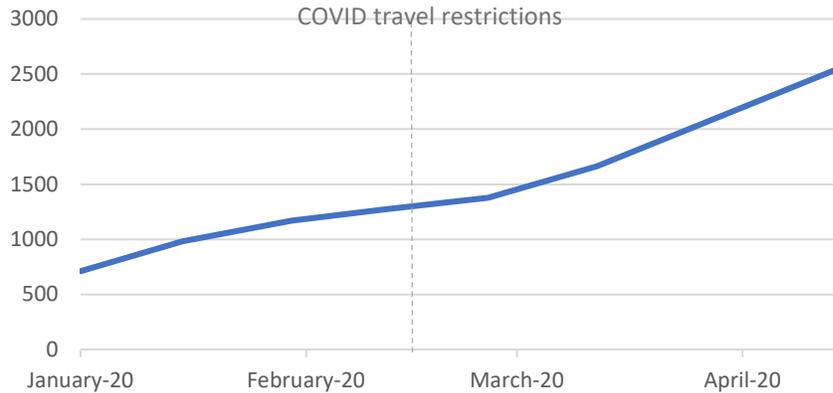
Source: IMF ICD.

86.   Online courses create scope for more tailored follow-up face-to-face training on advanced topics. Moving forward, participants in face-to-face courses will be expected to already have knowledge presented in the online courses so that the more costly, in-person workshops can focus on more advanced topics. In addition, face-to-face courses will have more time allocated to hands-on practical applications. For example, familiarity with the basic statistics concepts taught in CBMSx was a precondition for participation in a BOP-IIP workshop that was part of the IMF's Institute for Capacity Development (ICD) curriculum in 2019.

Progress Achieved

87.   The PSDSx, the first of the eight D4D-funded online learning courses, was released in September 2019 and elicited participation that significantly exceeded the averages for IMF online learning courses over the last years (Figure 15). In addition to covering concepts, definitions, and classifications, PSDSx provides practical help on how to integrate more complex transactions into debt statistics, for example, debt assumption, debt forgiveness, and financial leases. These more technical training components are complemented by sessions that explain the relevance of high-quality debt data for the debt sustainability and fiscal risk analyses. Finally, interviews with policymakers and representatives from international organizations and the financial market illustrate the policy relevance.

88.   Innovative design features contribute to the online courses' adoption. Beyond tailored content and structure, much of the online courses' success is owed to the dynamic features that made learning statistics experiential and easy to follow. Interactive visuals facilitate the understanding of sometimes complex statistics concepts. Peer interaction and the possibility to raise questions with IMF staff helped in keeping participants engaged. The ability to navigate between modules depending on participants' knowledge level provided flexibility that is not available in the typical classroom model.

89.   With around 60 percent of all participants that passed the PSDSx originating from LLMICs, the target group is well aligned with the D4D Fund's country focus. The largest share of participants

come from the AFR region and around one quarter from FCS, illustrating that the PSDSx meets demands in the most underserved regions globally (Figure 17).

Figure 17: Breakdown of Active Participants in PSDSx by Region and Country Group
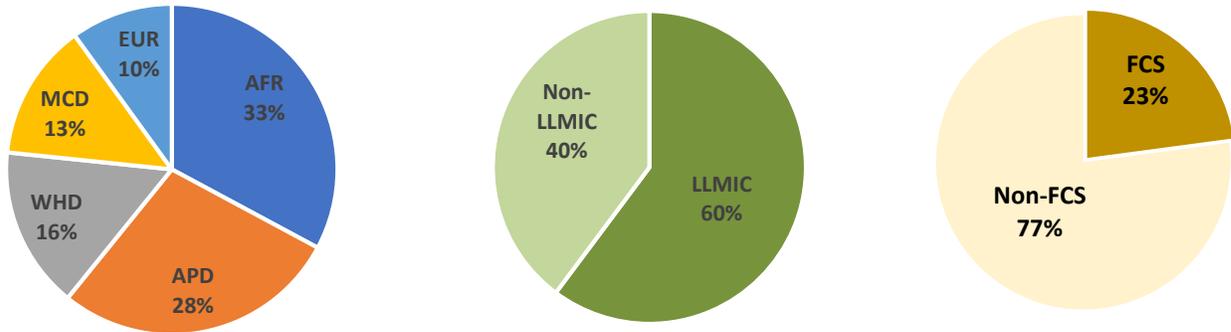
Source: IMF ICD, inaugural offering for government officials only.

90.   Since January 2020 the PSDSx is available 24/7/365 to the general public, but work is ongoing to further improve the course, reflecting analysis collected during the first course. Information collected by the online course platform allows STA to better understand which features were particularly popular and where participants struggled. Revisions to the course will continue for several months, reflecting periodic updates on participants' behavior. In line with best practices for online learning courses, translation will only start once the revised course has been running for at least a year.

91.   The experience of the first few courses catalyzed innovative ideas, including the offering of public, virtually searchable online course content. Previously, training material was not searchable by global search engines which limited access for users that look for information on specific topics but are not interested in comprehensive statistics training. To make the videos from the comprehensive online course available as a searchable online repository, the most relevant sections of the CBMSx and the PSDSx are now being shared on YouTube, a public video platform, as a series of micro-learning modules on very specific statistics questions. This online repository of best statistics practices is already exponentially increasing the audience. As of mid-May 2020, less than a month after the launch of the platform during the IMF/World Bank Spring Meetings, there were 832 subscribers to the YouTube IMF Institute Learning Channel. Content from PSDSx has been released as three macroeconomic statistics playlists that total 25 videos. An additional five PSDSx videos are planned to be released over the next weeks. Future courses being developed under the D4D Fund will also be released on this platform, leveraging the IMF's D4D-funded online tools as much of the world moves online.

Work Moving Forward

92.   The development of the online learning curriculum will continue on a staggered schedule to ensure the timely achievement of the eight courses envisaged in the D4D Fund's strategic log frame. The online course on GFS (GFSx) will be launched in July 2020, followed by the course on balance of payments and international investment position (BOP-IIPx), expected to be launched by end-2020.

Preparation for the National Accounts Statistics online course (NASx) has been accelerated with a tentative launch by end FY 2021 (Figure 18). Work on two more online courses will start before the end of the work plan. Selection of themes will be based on the oversubscription rate in face-to-face courses.

**Figure 18. Schedule for D4D-Funded Online Course Production**
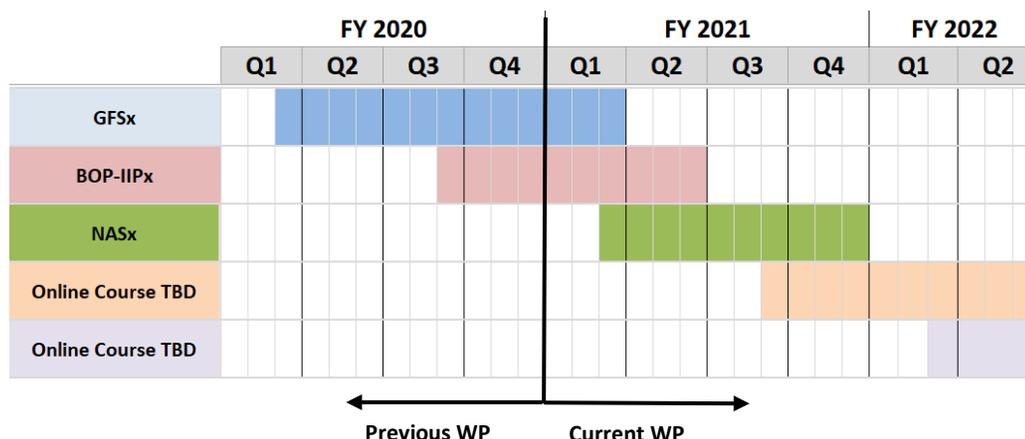
D.   Module IV: Statistical Information Management

| M4 | Statistical Information Management | Provide advice on statistical information management practices and related technical environments |

93.   Responding to country demand, this module helps countries improve different phases of their statistical information management process to sustain progress in data compilation and dissemination achieved in other modules. Looking at information management processes for various statistical products through a standard lens (Figure 19), facilitates the identification of gaps and areas for improvement, as well as harmonizing, streamlining, and eventually automating statistical production across sectors. By addressing challenges in and modernizing statistical business processes this module promises substantial externalities beyond macroeconomic statistics, which could yield benefits to countries aiming to improve their SDG monitoring. Currently, the module provides support on data collection and dissemination.

Figure 19. Phases of Statistical Information Management Currently Covered by M4
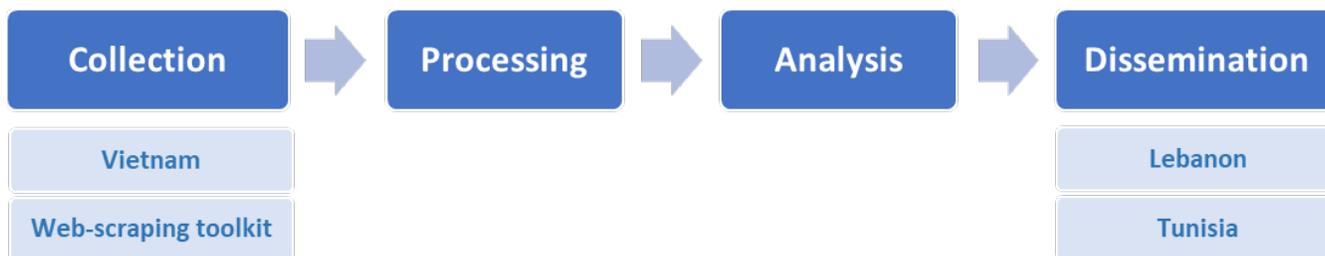
Progress Achieved

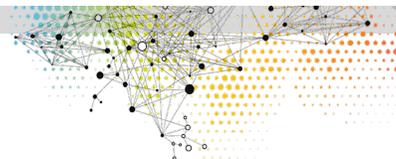**94.   Work on dissemination is advancing in line with the work plan.**

- The Bank of **Lebanon** requested TA to disseminate data in Statistical Data and Metadata Exchange (SDMX), a format that sets standards to facilitate the machine-to-machine exchange of statistical data and metadata using modern information technology. A TA mission in May 2019 supported the central bank to familiarize with the standard and to develop a roadmap for its implementation. The follow-up mission initially envisaged is no longer necessary as the May mission already achieved all objectives.

- A TA mission took place in February 2020 to assist the Central Bank of **Tunisia** to modernize its data dissemination practices related to its NSDP by moving to machine-to-machine technology in SDMX. The mission agreed with the National Institute of Statistics and the Ministry of Finance on additional TA that would help upgrade their data portions of the NSDP to SDMX technology.

Work Moving Forward

95.   Technical assistance on data collection and dissemination will continue with five missions planned, assuming a backloaded implementation as demand for information management reform will be on the backburner in countries that struggle with basic business continuity concerns.

- **Vietnam** requested TA to strengthen the quality of the statistical outputs of its central bank through harmonizing and streamlining the collection of source data. Discussions with the authorities on the scope of the TA engagement revealed challenges in general data collection which may be intertwined with methodological cross-domain consistency issues. For now, two TA missions are planned to assist the authorities in strengthening data collection practices, identifying other information management challenges, and developing a work plan to address those. If necessary, this will be complemented by methodological assistance through Module 1 or synergies with projects funded by other donors.

- A follow-up mission to **Tunisia** will aim at finalizing SDMX implementation on the entire NSDP. This requires completing the work initiated with the Central Bank and upgrading the portions of the National Institute of Statistics and Ministry of Finance to SDMX technology. The mission will also support the establishment of a governance structure to ensure timely data dissemination on the NSDP using SDMX.

- **Nauru's** authorities have not provided a clear definition of their information management TA needs so far. Therefore, this mission is replaced by a placeholder in the updated work plan.

- IMF staff will participate in **two sub-regional workshops in Africa**, organized by the African Development Bank, Eurostat, and the United Nations Statistics Division, to train country authorities in the organization and use of SDMX for their dissemination needs.

96.   Encouraged by the success of web-scraping in the RPPI work stream, this module will also contribute to the development of select data management toolkits. TA on RPPI revealed the wide-

spread need for accessing new Big Data sources. STA has started developing a web-scraping toolkit, initially for RPPI. A more generic version of the toolkit will be developed to retrieve data sources in the collection of other statistical production processes. Different submodules will then be able to leverage the toolkit to collect source data, for example, for the MIEG or ESS. In addition to supporting the compilation of those products, the TA will assist the countries with configuring the toolkit for their needs.

Table 11. CD Activities on Statistical Information Management

Previous WPs	Updated WP	Change
FY 2019		
FY 2020		
Lebanon ✔		
Tunisia ✔		
FY 2021 – FY 2022 (Q2)		
Vietnam	Vietnam	
Lebanon (follow-up TA)	Tunisia	
Nauru	Country TBD	
Country TBD	AFR Workshop (2)	+1
	Net change	**+1**

Dark green – Endorsed and conducted
Light green – Endorsed and planned
Orange – Additions or changes that need endorsement

V.   INDICATIVE PROGRAM BUDGET (MAY 2020-OCTOBER 2021)

97.   The budget presented in Table 12 illustrates the resources needs to implement the proposed work program. While expenses until end-2019 account for about one-third of the FY 2020 endorsed budget, spending slowed significantly in late FY 2020 due to the COVID-19 outbreak. Spending is projected to accelerate during FY 2021, reflecting the number of TA missions planned as follow-up to the regional workshops, response to the COVID-19 crisis, and overlapping production of two online learning courses. It is expected that an additional USD 4.3 million be spent by the end of FY 2021, and another USD 3.0 million by the end of this work plan period FY 2022 Q2.

98.   The FY 2021 – FY 2022 Q2 revised budget represents the steady-state implementation of the D4D Fund, but the current crisis adds a major element of uncertainty to the work plan. The budget is centered on the premise that CD activities will not only pursue medium-term CD objectives as fleshed out in the Strategic Log Frame (Annex I), but also respond to more urgent statistics CD needs expressed by beneficiary countries. The development of the online learning curriculum will continue in a staggered fashion with translation into up to two different languages. Future years may still see shifts in resource needs across the modules and submodules, but the overall envelope is likely to remain unchanged.

Table 12. FY 2019-FY 2022 Q2 Proposed Indicative Budget by Module
As of May 28, 2020 *(in USD)*

Modules/Submodules	Previous Work Plans		New Work Plan Budget Request		
	Latest Approved Budget FY19-FY21:Q1 (A)	Expenses FY19-20	FY21:Q2-4 (B)	FY22:Q1-2 (C)	New Total Budget FY19-FY22:Q1-2 (A+B+C)
Module 1 - Addressing Data Needs and Quality Concerns	**5,033,929**	**2,948,711**	**1,804,443**	**1,408,266**	**8,246,638**
Module M1: Submodule Real Sector Statistics	1,738,629	1,133,163	537,896	214,457	2,490,982
Module M1: Submodule External Sector Statistics	917,481	677,238	566,966	270,233	1,754,680
Module M1: Submodule Fiscal and Debt Reporting	2,377,819	1,138,310	535,541	795,552	3,708,912
Ad-hoc Advisory Services	-	-	164,040	128,024	292,065
Module M2: Financial Access Survey	**1,492,170**	**843,542**	**207,337**	**223,377**	**1,922,885**
Module M3: Online Learning	**2,188,579**	**1,312,680**	**1,437,500**	**958,696**	**4,584,775**
Module M4: Statistical Information Management	**212,279**	**75,494**	**14,166**	**28,333**	**254,778**
RM Project Manager	**485,762**	**399,598**	**221,470**	**145,631**	**852,863**
Sub total	**9,412,719**	**5,580,025**	**3,684,917**	**2,764,303**	**15,861,939**
Governance and Evaluation			325,223	26,703	351,926
TF Management Fee (7%)	658,890	390,602	280,710	195,370	1,134,971
Total	**10,071,610**	**5,970,627**	**4,290,850**	**2,986,376**	**17,348,835**

VI.   GOVERNANCE, COMMUNICATION, AND OUTREACH

99.   Moving forward, the IMF proposes annual SC meetings to be held in June. The crisis-related delay in the 2020 SC meeting, which moved from February to June, allowed a better alignment of the preparations of the D4D Fund's work plan with the IMF's internal planning cycle by the beginning of the fiscal year (May 1). Also, the financial reporting reflects actual expenses during the full fiscal year, making it easier to compare projections and actual outcomes.

100.   Given the uncertainty concerning economic developments and CD needs of individual countries in the fast-evolving crisis, the IMF suggests a change to the operational guidelines that will allow a more agile use of the D4D Fund resources. To enable immediate responses to urgent operational CD requests because of COVID-19-related urgencies, we propose that the SC approval process of changes to the work plan should be modified to five business days on a lapse-of-time basis (instead of the current 15 business days; see Paragraph 12 in Annex II). In addition, a lump sum equal to 10 percent of the budget of Module 1 is requested to support remote ad-hoc assistance (Table 12 and Paragraph 18 of this report). This assistance would include engagements that take less than one business day of staff time per case and would only be used for countries eligible for D4D Fund financing. The IMF would inform the SC on the use of these resources on a quarterly basis by email.

101.   To support acute needs of countries hit hard by the ongoing crisis, the IMF proposes a temporary modest expansion of eligibility to include countries at the highest risk of being downgraded from UMIC to LLMIC level. Based on GNI per capita, how recent UMIC status was reached, and receipt or request of IMF emergency lending assistance, we propose that D4D Fund eligibility could be extended to Armenia, Azerbaijan, Jordan, Kosovo, Samoa, Sri Lanka, and Tonga (Box 6). This expansion would be temporary and tabled again at the next SC.
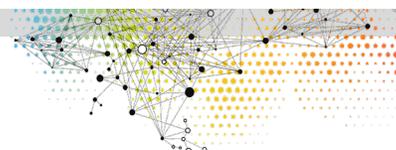
Box 6. Consideration of an Extended List of D4D Fund Eligible Countries

Given the global drop in economic activity, it is anticipated that the number of LLMICs may grow. However, the World Bank's current practice of revising the country income group classifications in June based on the previous year's official GNI per capita data causes a major delay in reclassifying countries in the current crisis. Consequently, countries just barely over the LLMIC threshold and heavily affected by the decline in economic activity are excluded from support available to LLMICs, including eligibility to the D4D Fund.

While an expansion of eligibility would be desirable to provide access to additional CD to countries that are just over the threshold of LLMICs, limited resources call for a cautious approach to expansion. Creating or modifying country groupings always has a certain element of discretion; a GNI exceeding the current GNI threshold of USD 3,996 by less than 10 percent is proposed as the binding constraint. Most countries that fall into this category have graduated to middle-income status over the last three years. Also, most of them have submitted a request for IMF emergency assistance or already receive this assistance, indicating a high level of macroeconomic risks.

According to the GNI criterion, the following seven countries would qualify:

Country	2018 GNI	Graduated to UMIC	IMF lending assistance
Samoa	$4,020	FY 2018	Approved
Azerbaijan	$4,050		
Sri Lanka	$4,060	FY 2020	Under consideration
Jordan	$4,200	FY 2019	Under consideration
Kosovo	$4,220	FY 2020	Approved
Armenia	$4,230	FY 2019	Under consideration
Tonga	$4,300	FY 2018	

102.   More frequent donor check-ins, complemented by additional documentation, would ensure continued full engagement with donors on the work plan implementation. Two remote check-in meetings before the 2021 SC meetings would provide donors with the opportunity to give guidance regarding work plan orientation. An interim report in January 2021 will update SC members on work plan implementation and give indications about demand evolving for the FY 2022 Resource Allocation Plan.

103.   To ensure that governance-related costs are properly incorporated, a Governance and Evaluation budget line has been added to the current work plan. According to the Terms and Conditions of the D4D Fund, an independent evaluation will need to be initiated no later than 40 months after the activities financed under the D4D Fund have begun. The cost of the evaluation is to be borne by the D4D Fund. Other small SC-related costs are also included under this budget line. This practice is consistent with other thematic and regional trust funds.

104.   Outreach activities have been conducted and communication tools established to accompany ongoing fundraising efforts and project implementation, which also foster donor

coordination. The D4D Fund website has been revamped to showcase activities undertaken as well as deliverables, and success stories have been posted on social media. The website also provides a platform for development partner coordination. Templates of D4D-funded CD activity documents[25] have been developed to include a specific reference to the D4D Fund, with relevant information such as website address and logo with partner flags. The D4D Fund promotional video has systematically been broadcast during the 2019 IMF/World Bank Group Annual and Spring Meetings. A special event during the Annual Meetings showcased the role played by the D4D-funded FAS in promoting women's financial inclusion. The FAS was also showcased at the 2019 European Development Days Global Village, an annual 2-day event organized by the European Union. Finally, the PSDSx promotional video was continuously broadcast during the Annual Meetings. A YouTube channel with all PSDSx videos that allows on-the-go micro-learning was launched in April.

VII. ISSUES FOR INFORMATION AND ENDORSEMENT

105.   This section presents proposals that the SC is being requested to endorse (Table 13). It reflects the revised budgets for FY 2021 – FY 2022 Q2, as summarized in Table 12 and reflected in the underlying CD activities in Tables 4 to 11, including the budget for remote ad-hoc assistance. It also suggests changing timing of the D4D Fund SC, lapse-of-time basis approval of changes to the work plan to five working days, country eligibility criteria (Box 6), and the governance and evaluation budget line.

Table 13. Issues for Information and Endorsement

| No.	Description	Budget Implication	Reference
1.	Module 1, Sub Module Real Sector Statistics	USD 2.49 million	Tables 4, 6, 7 & 12
2.	Module 1, Sub Module External Sector Statistics	USD 1.75 million	Tables 8 & 12
3.	Module 1, Sub Module Fiscal and Debt Reporting	USD 3.71 million	Tables 9 & 12
4.	Module 1, Ad-hoc Advisory Services	USD 0.29 million	Table 12 & Section VI
5.	Module 2: Financial Access Survey	USD 1.92 million	Tables 10 & 12
6.	Module 3: Online Learning	USD 4.58 million	Figure 18 & Table 12
7.	Module 4: Statistical Information Management	USD 0.25 million	Tables 11 & 12
8.	Program Manager	USD 0.85 million	Table 12
9.	Timing of Next SC Meeting	-	Section VI
10.	Lapse-of-Time Approval of Changes to Work Plan	-	Section VI
11.	Country Eligibility Criteria	-	Section VI
12.	Creation of a Governance and Evaluation Budget Line	USD 0.35 million	Section VI

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[25] These include Mission Proposal Letters, Mission Report Transmittal Letters, Mission Reports, Workshop Visual Presentations, among others.

Annex I. D4D Fund Strategic Log Frame

D4D Fund's Strategic Objective
Assist LLMICs[26] in strengthening national statistical systems to cope with a challenging national and international policy environment, promote transparency and accountability, and offer efficient solutions to capacity development.

Impact outcome	Indicators	Data Source
More and better data are available for decision-makers and analysts, with the ultimate objective of better informing economic policies and supporting monitoring of the SDGs.	Improvements in indicators across all macroeconomic and financial statistical domains.	Dissemination on National Summary Data Pages (NSDPs), IMF and/or World Bank databases, and/or country web sites; IMF's Article IV and program reports; follow-up assessments through IMF CD activities.

Objective Module 1: Policymakers and the public have access to more and better data in three main statistical domains (real, external, and fiscal and debt statistics) to support policy analysis and formulation, detect economic risks and vulnerabilities, and enhance transparency and accountability.

Real Sector Statistics:
Objective 1: *High frequency indicators of economic activity* (HFIs) provide policymakers with information about the cyclical position of the economy to be able to adjust the policy mix in a way that eases economic volatility.

Outcome	Indicators	Data Source
Strengthened compilation and dissemination of well-defined, high-frequency indicators of economic activity.	Currently about two-thirds of LLMICs compile some type of a monthly or quarterly economic activity indicator. At the end of the five-year D4D Fund period, this work stream will have: • supported at least 10 countries currently not producing HFIs to compile and disseminate an indicator for a significant activity/sector in the economy; and • assisted at least 15 additional countries to strengthen the compilation and dissemination of well-defined HFIs of economic activity.	Follow-up assessments through IMF CD activities. Dissemination on NSDPs, IMF databases, and/or country web sites.

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[26] Capacity development could also be extended to UMICs that have policy-relevant data deficiencies in the modules included in the D4D Fund.
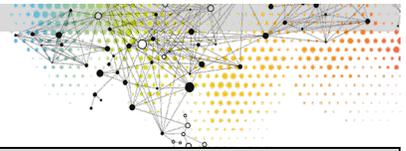
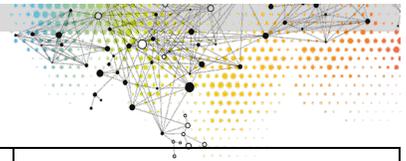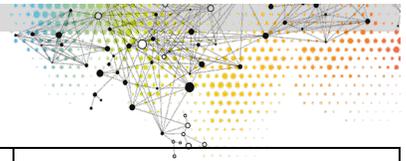**Real Sector Statistics:**

Objective 2:

Original text (as approved at the inaugural SC meeting in June 2018): ***Improved source data and intermediate statistics*** **allow better monitoring of key economic variables, as they help enhance the coverage, accuracy and cross-country comparability of national accounts and price statistics, thereby supporting monitoring progress towards the SDGs.**

Revised text: ***National Accounts Benchmarking and Rebasing*** **every five to ten years ensures the accurate and exhaustive reflection of structure and level of economic activity, strengthening evidence-based economic decision-making and international comparability, e.g., for SDG monitoring.**

| Outcome	Indicators	Data Source
Original text (as endorsed at the inaugural SC meeting in June 2018): Development and use of source data (administrative data, business and household surveys, price indices for services and fast-changing goods in the digital economy, and big data) will contribute to: • improved national accounts data, including estimates of the informal economy as well as of the digital economy; • diminishing the current large revisions as part of periodic national accounts re-basing exercises; • improved sectoral decompositions and cross-sectoral linkages in the national accounts; and • a new Services Producer Price Index (SPPI) series that will help better differentiate between productivity-driven price changes (that reflect technological advances) versus general inflationary price changes.	*Original text (as endorsed at the inaugural SC meeting in June 2018):* Among LLMICs, many do not consistently and coherently use relevant source data and intermediate statistics in national accounts and price compilation. In particular, only: • about a quarter of LLMICs use tax data for national accounts compilation, but often not to their full potential; • some LLMICs are developing sectoral decompositions of national accounts; • about one-fifth of the eligible countries collects regular business survey information; • about half of LLMICs include estimates for the informal economy in the national accounts, with only about one-fifth of them being able to substantiate them through an informal sector survey; • a few LLMICs estimate the impact of technological change on national accounts; and • a few LLMICs have explored non-traditional sources of data (e.g., big data from mobile banking) or compile SPPIs. Indictors will be defined to: • assess improvements in the availability, quality and use of source data;	*Original text (as endorsed at the inaugural SC meeting in June 2018):* Follow-up assessments through IMF CD activities.

|		
	• monitor discrepancies between different elements of the national accounts (production versus expenditure-based compilation); • monitor the size of necessary revisions in the rebasing of national accounts; • determine the availability of sectoral decomposition and cross-sectoral linkages; and • assess the availability of measures to estimate the technological change in GDP or of an SPPI.	
Revised text: More timely re-basing/benchmarking of national accounts to enhance the quality of GDP estimates which are highly relevant for economic analysis and SDG monitoring.	*Revised text:* Currently, about half of LLMICs have not updated their national account benchmarks/base year for more than 10 years. More than 70 percent of LLMICs do not produce quarterly GDP in constant prices, which is an indicator for availability of source data for GDP benchmarking. At the end of the five-year D4D Fund period, this work stream will have: • supported at least 15 countries in the release of updated benchmark estimates of GDP based on improved source data and methods. • These improvements in source data and statistical methods will include: • Updated business registers in 10 countries ensuring a more comprehensive measure of business activity. • Updated business survey /program content in 15 countries ensuring the data collected / acquired aligns with the methodological framework of the 2008 SNA • 10 new memorandums of understanding are signed and implemented to provide the NSO with access to data from outside government departments (e.g. tax authorities, social security programs)	*Revised text:* Follow-up assessments through IMF CD activities. Revised estimates of the national accounts are published on the NSO website along with a revision report providing users with a detailed explanation of the revisions. Reports disseminated via the NSO pubic website or other publication vehicles describing the redesigned business register. Reports, updated questionnaires, published survey results are disseminated via the NSO public website. MOUs are signed by delegated authorities and the transfer of data is occurring on a regular basis. This indicator will be measured by the number of data transfers between the NSO and joint department New price series are disseminated via the NSOs public website.

	• 10 countries augment their existing prices statistics program with the release of new price index critically important to the GDP rebasing exercise.	

Real Sector Statistics:
Objective 3: *The residential property price index (RPPI)* provides information about price trends in real estate which are important to assess risks in banks' balance sheets, as evidenced in numerous cases of banking sectors crises after real estate bubbles burst.

Outcome	Indicators	Data Source
Strengthened compilation and dissemination of RPPIs, including by developing/improving the wider statistical infrastructure, source data, serviceability and metadata.	At the end of the five-year D4D Fund period: • for the around one-tenth of eligible countries that already have a basic RPPI: Compilation and dissemination will be brought in line with guidelines and best practices outlined in the *Handbook on Residential Property Price Indices; and s*taff capacity will be increased through CD on further improving source data, compilation methods, and dissemination; • for the around one-eighth of eligible countries that are currently working on the compilation of an RPPI: Staff capacity will be increased through CD on further improving source data, compilation methods, and dissemination; • for the around four-fifths of eligible countries where no RPPI is available but economic analysis requires better real estate price data: Regional workshops will provide training on data needs and methodology, complemented by follow-up TA missions if there is sufficient progress in basic data collection.	Follow-up assessments through IMF CD activities. These may include assessments of capacity undertaken during bilateral TA missions or through the uses of workshop "before and after" quizzes/exams. Dissemination on NSDPs, IMF databases, and/or country web sites.
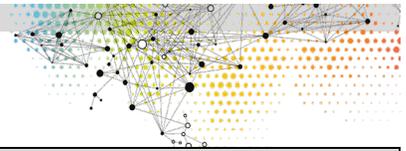
External Sector Statistics:

Objective: *High-quality balance of payments statistics* **are compiled and disseminated to allow policymakers to monitor and assess cross-border risks and vulnerabilities; and to facilitate more informed analyses of global trade, digitalization and financial integration.**

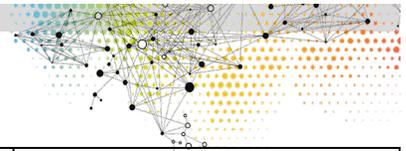| Outcome	Indicators	Data Source
More accurate and comprehensive data on **international trade in goods and services** is available to inform analysis of the impact of global trends, including global value chains and the digital economy.	At the end of the five-year D4D Fund cycle, the submodule aims to provide more accurate and comprehensive data on international trade in goods and services for at least 15 eligible countries. Indicators to monitor progress will include: • targeted countries develop and utilize new data sources to improve data quality; • new and/or improved data are compiled and disseminated to facilitate analysis of global value chains and the digital economy; • improved coverage of goods, including by measuring informal cross-border transactions;	Follow-up assessments through IMF CD activities Dissemination on NSDPs, IMF databases, and/or country web sites. IMF Article IV and program staff reports.
Strengthened analysis of cross-border risks and vulnerabilities through: (i) improved scope of key components of the **financial account,** including direct investment and external debt; and (ii) improved coverage of remittances.	At the end of the five-year D4D Fund cycle, the project aims to provide more accurate and comprehensive coverage of the financial account and remittances in at least 15 eligible countries. Indicators to monitor progress will include: • targeted countries develop and utilize new data sources to improve the scope of the financial account, and the coverage of remittances; • coverage of private sector external debt transactions will be widened; • financial account data are improved, as evidenced in greater consistency between stocks and flows data. By addressing these data gaps and compilation weaknesses, the accuracy	Follow-up assessments through IMF CD activities. Dissemination on NSDPs, IMF databases, and/or country web sites. IMF Article IV and program staff reports.
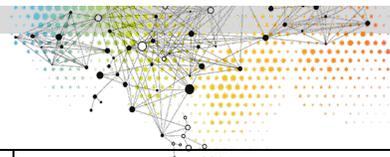
of the balance of payments should improve when measured by the errors and omissions metric. However, this indicator might not show a linear trend, as many factors affect the errors and omissions.	

Fiscal and Debt Reporting
Objective: Improved *government finance statistics (GFS)* and *public sector debt statistics (PSDS)* are compiled and disseminated to support sound fiscal policymaking, the assessment and monitoring of fiscal risks and debt sustainability, and transparency and accountability.
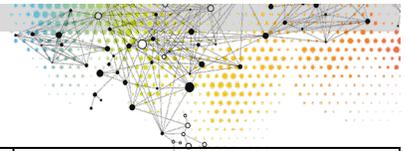
Outcome	Indicators	Data Source
High-frequency GFS with improved data quality, frequency, and timeliness are compiled and disseminated to: • fiscal policymakers to formulate, monitor, and assess fiscal policy and fiscal risks; • the IMF for surveillance purposes; and • the public to improve fiscal transparency and accountability.	For around one-third of LLMICs, one or more of the following improvements will be achieved, depending on a risk-based assessment of needs: • the frequency of the compilation and dissemination of GFS data sets has improved from annual to quarterly or from quarterly to monthly; • the high-frequency GFS follow the latest GFS manual, including classifications and presentation of summary fiscal data; • the institutional coverage of high-frequency GFS is expanded to help resolve policy-relevant fiscal risks and other fiscal problems; • the internal consistency of GFS is improved (e.g., the reduction of the statistical discrepancy); • the scope of transactions and/or stock positions is improved, such as by capturing policy-relevant transactions and/or stock positions relevant for identification of fiscal risks; • regular and sustained compilation and dissemination of high-frequency GFS to the public occurs with improved timeliness; and/or • dissemination of adequate metadata and documentation of business processes takes place to enhance fiscal transparency and accountability.	Follow-up assessments through IMF CD activities. Dissemination on NSDPs, IMF databases, and/or country web sites. IMF Art. IV and program staff reports.

| High-frequency PSDS, including data on contingent liabilities and arrears (as relevant), are compiled and disseminated to:

 • fiscal policymakers to assess and monitor fiscal policy, debt sustainability, and fiscal risks;

 • the IMF for surveillance purposes, including for the preparation of debt sustainability analyses and re-dissemination in IMF and IMF/World Bank PSDS databases; and

 • the public to improve fiscal transparency and accountability. | For around half of LLMICs, one or more of the following improvements will be achieved, depending on a risk-based needs assessment:

 • the frequency of PSDS data set compilation and dissemination has improved from annual to quarterly or from quarterly to monthly;

 • the high-frequency PSDS follow the guidelines of the PSDS Guide, including classifications (by instrument, by sector of the counterparty, by currency, by maturity, and by residence) and presentation of summary debt data;

 • the institutional coverage of high-frequency PSDS is expanded to identify fiscal risks (e.g., by including debt of state-owned enterprises);

 • the scope of stock positions has improved, such as by capturing stock positions relevant to identify fiscal risks such as contingent liabilities and arrears;

 • regular and sustained compilation and dissemination of high-frequency PSDS to the public occurs, with improved timeliness; and

 • dissemination of adequate metadata and documentation of business processes takes place to enhance fiscal transparency and accountability. | Follow-up assessments through IMF CD activities.

 Dissemination on NSDPs, IMF databases, and/or country web sites.

 IMF Art. IV and program staff reports, including debt sustainability analyses. |

Objective Module 2: Provide policymakers and analysts with high-quality statistics on financial inclusion through the FAS database.

Outcomes	Indicators	Data Source
Continued production of the FAS, providing access to long time series on financial access.	• The FAS survey is sent annually to all IMF members; • Data are validated by IMF staff according to the reporting guidelines, with close follow-up with respondents; and • Data are disseminated on a rolling basis (immediately following validation).	IMF FAS website.

Production of new data series to address quickly changing data needs in this dynamic sector, with increasingly broad coverage and scope.	By the end of the five-year D4D Fund period: • The annual response rate to the FAS is increased to 95 percent of the IMF membership; • The number of participating jurisdictions providing information on the gender breakdown of FAS is increased by two-fold compared to the 2017 benchmark; and • The number of participating jurisdictions providing indicators of innovative channels of financial access is increased by 50 percent compared to the 2017 benchmark.	IMF FAS website.
Provide the monitoring basis for the SDGs financial inclusion indicator (8.10.1)	Provide the data on the number of commercial bank branches and ATMs per 100,000 adults on an annual basis, covering at least 90 percent of the world population.	Data published on the United Nations SDG Indicators Global Database.
Contribute to the research and policy agenda on financial inclusion	• FAS data are used to create a global financial inclusion index; and • FAS data are featured in IMF reports on financial inclusion, including country and policy documents, as deemed appropriate.	IMF FAS website. Published IMF reports and analytical publications on financial inclusion.

Objective Module 3: Expand global reach of statistics training by developing and rolling out a new structured online learning curriculum.

Outcomes	Indicators	Data Source
Development and implementation of a new online training curriculum covering eight fundamental statistical topical courses. Translation in up to 5 languages, depending on availability of resources. Certification from online training established as entry requirement to improve efficiency of face-to-face intermediate and advanced training.	Phasing in of online courses: One coming on-stream during Year 1, two in Year 2-4, and one in Year 5. Priority to be given to most oversubscribed face-to-face courses. Increasing reach of STA training by at least 50 percent by the end of the D4D Fund period.	IMF tracking system for online learning.
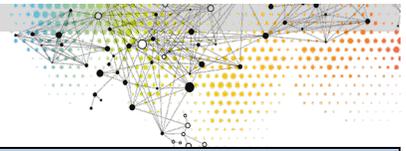
Objective Module 4: Streamline, standardize and automate statistical information management to enhance countries' ability to compile and disseminate macroeconomic and financial statistics.		
Outcomes	**Indicators**	**Data Source**
Disseminate and facilitate implementation of best practices in statistical data and metadata management and related frameworks established by the international community. This includes: • transferring knowledge on governance structures; • information on suitable technical standards and statistical information models; and • advice on project design. This will enable recipient agencies to design and implement state-of-the-art statistical information management structures and tools, which will also facilitate joining the IMF's data dissemination standards and reduce countries' reporting burdens.	Pilots in Kenya (2017), Lebanon, Egypt and/or Tunisia (planned for FY 2019) will provide a basis to guide the selection of indictors to measure progress in this module.	Follow-up assessments through IMF CD activities.

Annex II. Operational Guidance Note (as approved on June 22, 2018)

Data for Decisions (D4D) Fund Operational Guidelines

The D4D Fund is an IMF multi-partner initiative to put more and better data in the hands of decision-makers to enhance evidence-based macroeconomic policies and support achievement of the sustainable development goals. This thematic fund will start operations in June 2018.

Steering Committee

Role

1. A Steering Committee (SC) will be established to provide strategic guidance and assist in setting the priorities, endorsing the work plan (and its updating) of the D4D Fund.

Composition

2. The SC shall be composed of representatives from each Contributor of the D4D Fund subaccount and the IMF.

Chair and Vice-Chair

3. The SC will be chaired by a donor with a strong interest in contributing to the operations of the D4D Fund. The IMF, as the secretariat of the SC, will propose to the SC a Chair and a Vice Chair. The Chair and Vice Chair will be elected by consensus. The term of the Chair and Vice Chair will be one year, at the end of which the Vice Chair seated at that time becomes the Chair.

4. The principal role of the Chair of the SC is to preside over the SC and, if desired, to host the SC meeting. The Chair will be consulted on the preparation of the agenda for SC, and any potential contentious issues, or issues of urgency in the D4D Fund operations before they are brought to the SC as a whole.
When decisions are required of the SC outside of the meetings, the Chair will be responsible for convening the decision of the SC, done by circulation of an email to SC members with information and the notification of a period of non-objection if applicable. The Vice Chair assumes the role of Chair when the Chair is absent.

Decisions

5. SC's decisions (including the endorsement of the work plan) are made by consensus. In determining a consensus, each party entitled to have a representative on the SC shall have one voice, regardless of the number of its representatives in attendance. If consensus is not possible, then the proposed decision will be postponed or withdrawn. The SC reserves the right to further define the decision-making process during the SC meetings. The SC also approves the minutes of SC meetings, prepared by the IMF.

6. When decisions are required of the SC outside of the meetings, such decisions shall be made by circulation of an e-mail to SC members with relevant information and the notification of a period of non-objection, if applicable.
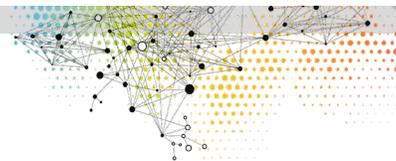
Meetings

7. The SC will meet in person annually. The Chair may also convene meetings on an ad hoc basis.

8. Observers may be invited to participate in the SC meetings on a case-by-case basis, at the invitation of the SC. The SC will decide which observers may be invited, and which part of the SC meeting the observer(s) will attend.

Work Plan

Preparation

9. In the early stages of preparing the annual work plan, IMF staff will consult with SC members informally. A work plan will be distributed three weeks before the relevant SC meeting.

Changes

10. Changes to the work plan that are strategic in nature will be sent to SC by email for endorsement on a non-objection/lapse-of-time basis. Strategic changes include changes in the objectives that leave the budget unchanged. Budget adjustments of less than +/- 10 percent of the originally endorsed modules and submodules' budget can be made without recourse to the SC.

11. For urgent cases, amendments to CD activities established in the SC-endorsed work plan, and new CD activities, may be proposed between SC meetings with the circulation of summaries on a non-objection/ lapse-of-time basis.

12. The standard lapse-of-time approval period is fifteen working days, but may be adjusted under special circumstances.

Reporting

13. The SC will be asked to endorse the annual report.

14. In addition to the annual reports in connection with SC meetings, the IMF will:

a. Provide on the Partners Connect platform, to which all donors to the D4D Fund are authorized to access, detailed modules and submodules descriptions no later than three months after the modules and submodules summaries are endorsed;

b. Provide on the Partners Connect annual modules and submodules assessments, any adjustments made to the work plan, and updates of the utilization of resources;

c. Provide on the Partners Connect the end of modules and submodules assessments as projects are completed.

Evaluation

15. As per the Terms and Conditions of the D4D Fund Subaccount, the activities financed under the D4D Fund will be subject to an external, independent evaluation. The SC shall endorse the terms of reference and methodology to be used in the independent evaluation.