Data for Decisions (D4D) Fund
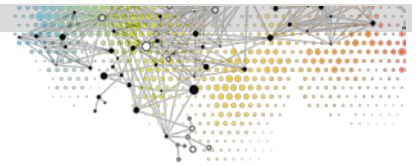
A Multi-Partner Initiative

WORK PLAN

(February 2019 to July 2020)

2nd STEERING COMMITTEE MEETING

January 29, 2019
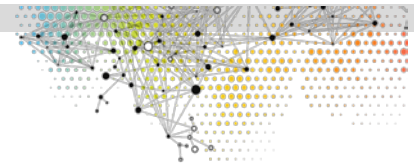
Luxembourg

data for decisions

FUND

"Data! Data! Data! I can't make bricks without clay!"
Sherlock Holmes (Arthur Conan Doyle)

INTERNATIONAL MONETARY FUND

Contributing Partners as of January 8, 2019

CONTENTS

TABLES

ANNEXES

LIST OF ACRONYMS

AFE	East Africa Regional Technical Assistance Center
ATM	Automated Teller Machines
BOP	Balance of Payments
CD	Capacity Development
D4D	Data for Decisions
DGI	G-20 Data Gaps Initiative
ESS	External Sector Statistics
EAC	East African Community
FAS	Financial Access Survey
FSSF	Financial Sector Stability Fund
FTEs	Fiscal Transparency Evaluations
FY	Fiscal Year (the IMF's FY runs from May 1 to April 30 of the following year)
G-20	The Group of Twenty
GDP	Gross Domestic Product
GFS	Government Finance Statistics
HFIs	High-Frequency Indicators
IIP	International Investment Position
IMF	International Monetary Fund
IT	Information Technology
LLMICs	Low and Lower Middle-Income Countries
NSDPs	National Summary Data Pages
NSS	National Statistical Systems
ODA	Official Development Assistance
PRESS	Paris 21 Partner Report on Support to Statistics
PSDS	Public Sector Debt Statistics
RCDC	Regional Capacity Development Center
RBM	Results-Based Monitoring
RPPI	Residential Property Price Index
RSS	Real Sector Statistics
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
UN	United Nations
WP	Work Plan
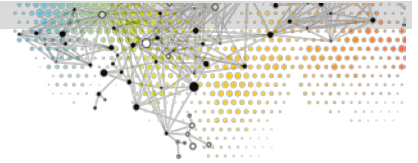
REGIONAL COVERAGE OF IMF AREA DEPARTMENTS
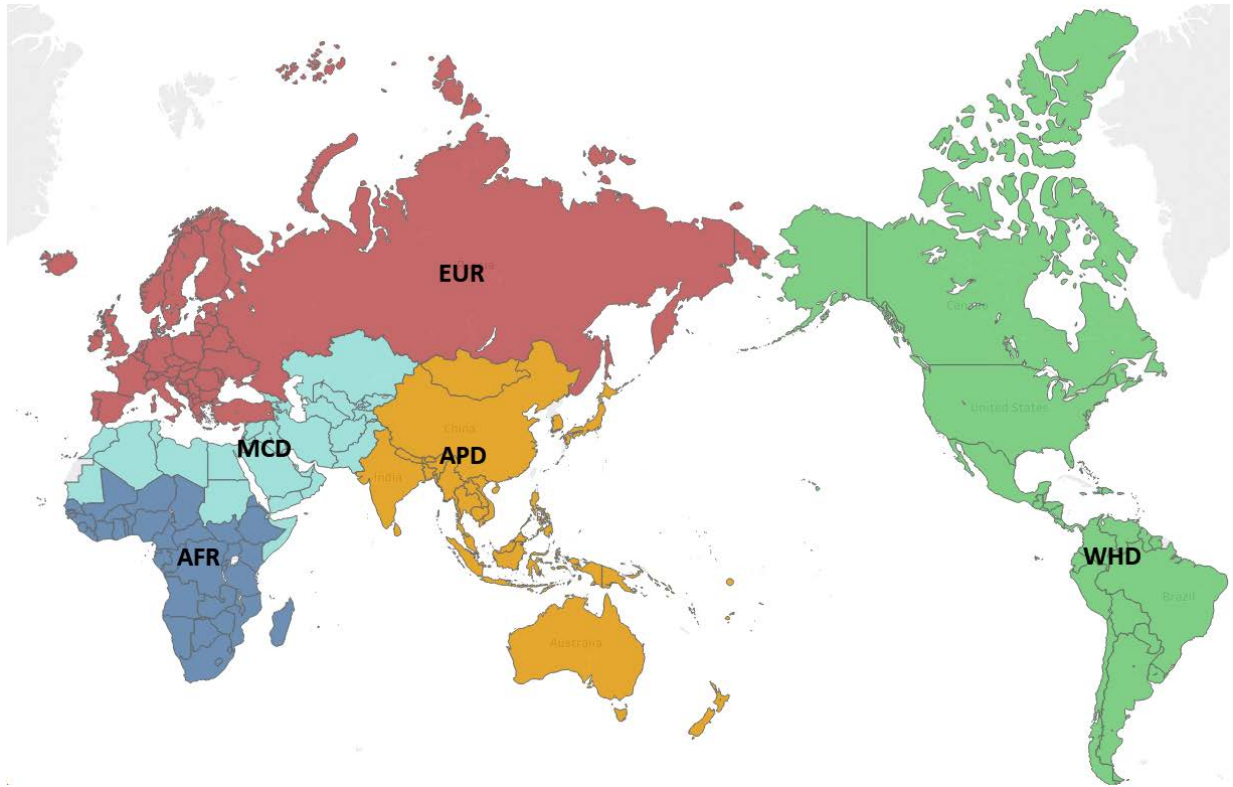
AFR: African Department

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 (SDG).

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.

Target Countries: Mainly low and lower middle-income countries.

Size: US$33 million (including a 7 percent IMF trust fund management fee).

Modules of the D4D Fund:

M1	**Addressing Data Needs and Quality Concerns**	Sub-module Real Sector Statistics (RSS) Sub-module External Sector Statistics (ESS) Sub-module Fiscal and Debt Reporting (GFS/PSDS)
M2	**Financial Access Survey (FAS)**	Sustain and expand the FAS
M3	**Online Learning**	Develop and launch eight fundamental statistics courses (English and up to five other languages)
M4	**Statistical Information Management**	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 sectors) 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 (http://data.imf.org/fas);
- Improve and expand FAS to new areas, such as new access points, gender-disaggregated statistics, and costs of financial access; and
- Provide monitoring basis for SDG financial inclusion indicator.

M3: Online Learning

- Develop a new structured online learning curriculum to exponentially enhance the reach of statistics training in eight fundamental statistical topical areas; and
- Offer online learning in up to six languages to allow truly global delivery.

M4: Statistical Information Management

- Develop advice to help statistical offices, central banks, and ministries to streamline, standardize, and automate their data management practices and infrastructure; and
- Enhance countries' ability to compile and disseminate macroeconomic and financial statistics.
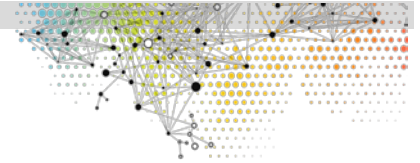
EXECUTIVE SUMMARY

The D4D Fund is off to a strong start. Since its launch on June 22, 2018, work on all modules, sub-modules, and work streams has begun. Seven regional workshops with representatives from 56 countries will have taken place by the end of FY 2019 (April 30, 2019). The workshops have provided a unique opportunity to engage with country authorities in a peer-learning environment, allow the identification of baselines on existing statistical capacity needs and data gaps, and develop country-specific work plans for follow-up in-country technical assistance and training for the medium term. In addition, close to two dozen TA missions have taken place or are lined up for the next few months; the work on the online learning course on public sector debt statistics (PSDS) was launched; and conceptual work to revise the FAS was completed to make the survey better capture financial innovation and gender-disaggregated data. Finally, within a short period of time, the recruitment of a D4D Fund Program Manager, an economist for the frontloading of the fiscal and debt reporting workstream, and two financial sector experts for the FAS was completed.

This proposed updated work plan for the next 18 months sets the stage for the steady-state operation of the D4D Fund. Relative to the first work plan endorsed by the inaugural Steering Committee (SC) in June 2018, it envisages the add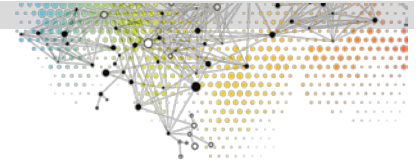ition of 32 workshops and TA missions across all work streams; the launch of innovative CD to improve financial inclusion data collection under the FAS and the conduct of the 2019 FAS round; and the virtual completion of two online learning courses. The anticipated imminent entry of new partners and liquidity projections suggest that the envisaged steady-state work operations of the D4D Fund are feasible and sustainable.

The ratcheting up of D4D Fund activities comes at an opportune time. Globally, there still is vastly insufficient funding dedicated to statistics capacity building to satisfy the needs of countries to develop data for policy-making and for monitoring the achievement of the SDGs. The D4D Fund, together with the IMF's other statistics CD vehicles—the Regional Capacity Development Centers (RCDCs), the Financial Sector Stability Fund (FSSF), well-calibrated bilateral projects, and IMF-funded initiatives—will ensure that continued headway can be made with respect to assisting countries in enhancing their macroeconomic statistics—which directly or indirectly affect more than one-third of the SDG indicators. But also conceptually, the D4D Fund provides important impetus to statistical focus areas identified by the international community, such as the need to enhance debt transparency and sustainability or the quest for better data to measure financial inclusion, including the financial inclusion gender gap.

In its short life span to date, the D4D Fund has also proven to be very agile and innovative in offering new and efficient approaches to CD. As illustrated throughout this report, examples include the application of big data in assisting Indonesia in building high-frequency indicators of economic activity; leveraging CD in support of IMF surveillance (e.g., through overlap in the field of a TA mission on developing a residential property price index in Vietnam with a policy discussion visit of the IMF country team); or the FAS regional workshop to raise awareness of financial inclusion data for policy analysis and formulation and to foster enhanced collection and dissemination of such data. At the same time, some first lessons have emerged from CD activities to date, such as with respect to the D4D Fund's complementarity with, and demarcation from, other IMF statistics CD activities.

I. THE D4D FUND—THE CORNERSTONE OF IMF STATISTICS CAPACITY DEVELOPMENT

1.   **Demand for statistics CD is seeing an unprecedented surge.** The quest for informed policy-making, greater emphasis on transparency and accountability, more demanding user needs, and the setting of the stage for monitoring of the SDGs have posed enormous challenges for national statistical systems (NSS) that they are often ill-equipped to handle. This is particularly the case in low- and lower middle-income countries (LLMICs) where a lack of capacity and resources—budgets, staffing, and information technology (IT)—still represent major impediments to statistical development.

2.   **While the Financing for Development and 2030 SDG Agendas have helped raise awareness for the need to invest in statistics, the resource needs are daunting.** Newly available estimates from a Paris21-commissioned study put the resource needs to close the data gaps related to the SDGs at between USD 1.3 billion to USD 5.5 billion <u>every year</u> through 2030 for a broad group of 144 LLMICs, depending on the degree of ambition of the development agenda.[1] While these estimates need to be balanced with absorptive capacity, taken at face value they translate into a residual annual financing gap of USD 0.1 to 0.7 billion for statistical development, which is on top of countries' domestic budgets and the current annual volume of Official Development Assistance (ODA) for statistics of about USD 0.6 billion. Such ODA support for statistics has stagnated at around 0.33 percent of total ODA over the last few years. It is against this background that the 2018 Dubai Declaration called for innovative ways to fund statistics CD going forward (Box 1).

3.   **Against this background, IMF CD on statistics has provided an increasingly large contribution to satisfying country needs.** (Figures 1 and 2). Such CD has virtually doubled since 2011—accounting for close to 800 TA and training activities in FY 2019. This has positioned the IMF well among the top five global providers of statistics CD, as reconfirmed by Paris21.[2]

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[1] See Calleja, Rachael and Andrew Rogerson, *Financing Challenges for Developing Statistical Systems: A Review of Financing Options.* Paris21 Discussion Paper No. 14 (2018), unpublished. The authors draw on existing estimates from the academic and policy literature and supplement those with cost estimates from countries' national statistical development strategy documents to measure implementation of the strategic areas identified under the 2017 *Cape Town Global Action Plan for Sustainable Development Data.* They develop three costing scenarios that differ by level of ambition. While the least ambitious scenario will cover the most basic SDG monitoring needs, the more ambitious scenarios aim to capture statistical investment to safeguard the quality and long-term sustainability of the data produced and other factors, such as the dissemination of data and modernization of NSS.

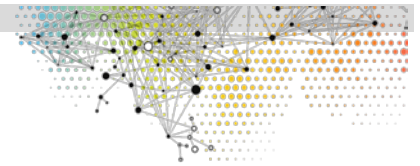[2] See Paris21 Partner Report on Support to Statistics (PRESS), 2018 edition.

Figure 1. Trends in ODA Support to Statistics and IMF Statistics CD, 2011–19

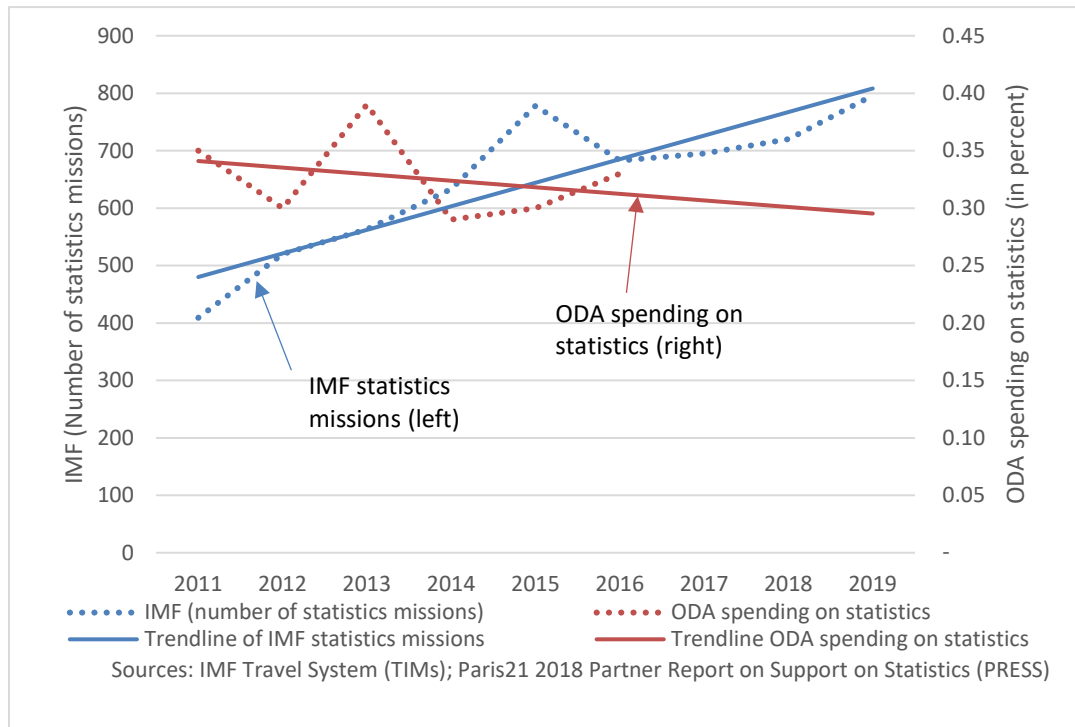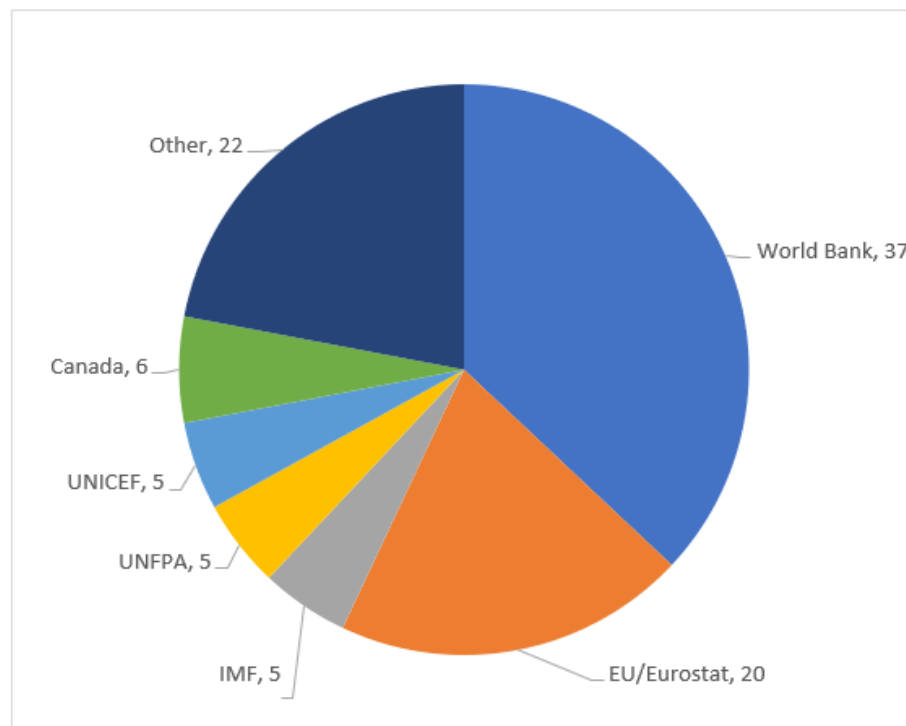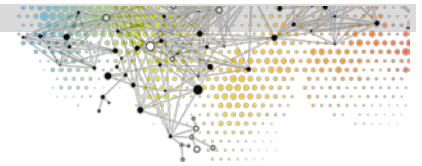Sources: IMF Travel System (TIMs); Paris21 2018 Partner Report on Support on Statistics (PRESS)

Figure 2. Top Global Providers of Statistics CD (in percent)

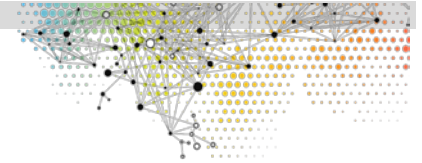Source: Paris21 2018 Partner Report on Support to Statistics (PRESS).

Box 1. World Data Forum 2018—The Dubai Declaration

The October 2018 World Data Forum in Dubai reaffirmed the aspirational objective of the 2030 SDG Agenda to transform and develop NSS such that they can produce quality, timely, relevant, open and disaggregated data. This will be essential to guide decisions to fight poverty, spur economic growth, promote inclusive societies, and foster health, education, and the environment so that "nobody is left behind".

The Forum's *2018 Dubai Declaration* reiterated the rallying call of the *2017 Cape Town Global Action Plan for Sustainable Development Data* that has since served as the blueprint for the global drive to modernize and strengthen NSS, including through demand-driven statistics CD. In particular, the Dubai Declaration emphasized the need to "mobilize financing at domestic and international levels and ensure political commitment within each country for adequate allocation of domestic resources to strengthen data systems to address existing gaps in the technical and institutional capacities of national data and statistical systems to improve the coverage, frequency, and availability of quality data." It also called for the establishment of an innovative funding mechanism that could raise additional resources to address the data needs for the full implementation of the 2030 Agenda. While the feasibility and modalities of such a funding mechanism still need to be determined—Paris21 is one of the entities undertaking such work—the existing statistics CD vehicles, such as the D4D Fund, will need to continue to play a pivotal role in helping countries develop their NSS. This is even more apt as more than one-third of SDG indicators directly or indirectly refer to macroeconomic variables where IMF CD has a comparative advantage.

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4.   **The more challenging international environment has required the IMF to recalibrate its approach to statistics CD** (Box 2). Consistent with the IMF's new Overarching Strategy on Data and Statistics, a new medium-term steady state CD architecture for statistics CD was developed. It entails that IMF statistics CD will increasingly be based on a mix of thematic and regional multi-partner vehicles—the D4D Fund, the FSSF, and RCDCs—that will be mutually reinforcing and ultimately account for the provision of more than four-fifths of CD. This will be complemented by targeted bilateral CD projects that serve narrowly defined purposes based on strong country demand. The main beneficiary countries under this strategic reorientation will be LLMICs, and especially also fragile states. By contrast, CD provided to high-

income countries will increasingly become a rare occurrence and be reserved to highly macro-critical needs as identified during the IMF's surveillance and lending operations.
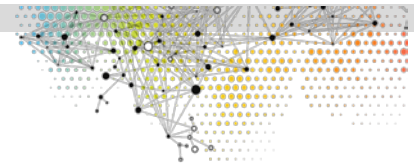
Box 2. The D4D Fund under the IMF's Medium-Term Steady State Statistics CD Architecture

The D4D Fund will be the cornerstone in the provision of IMF statistics CD. In a steady-state environment, D4D Fund-related activities are projected to account for more than one-quarter of total externally-funded IMF statistics CD every year. Considering only externally-funded CD activities managed from IMF headquarters (i.e., excluding RCDC-managed CD), the D4D Fund will account for a share of close to two-thirds of CD activities over the medium-term. Even in FY 2019, when the D4D Fund was only beginning its operations, it already represented one-tenth and two-tenth, respectively, of externally-funded TA and training under both measures.

D4D Fund's Share in Externally-Funded Statistics CD

FY19 Budget — D4D 10%

Medium-term Budget — D4D 28%

FY19 Budget Headquarters Only — D4D 22%

Medium-term Budget Headquarters Only — D4D 61%
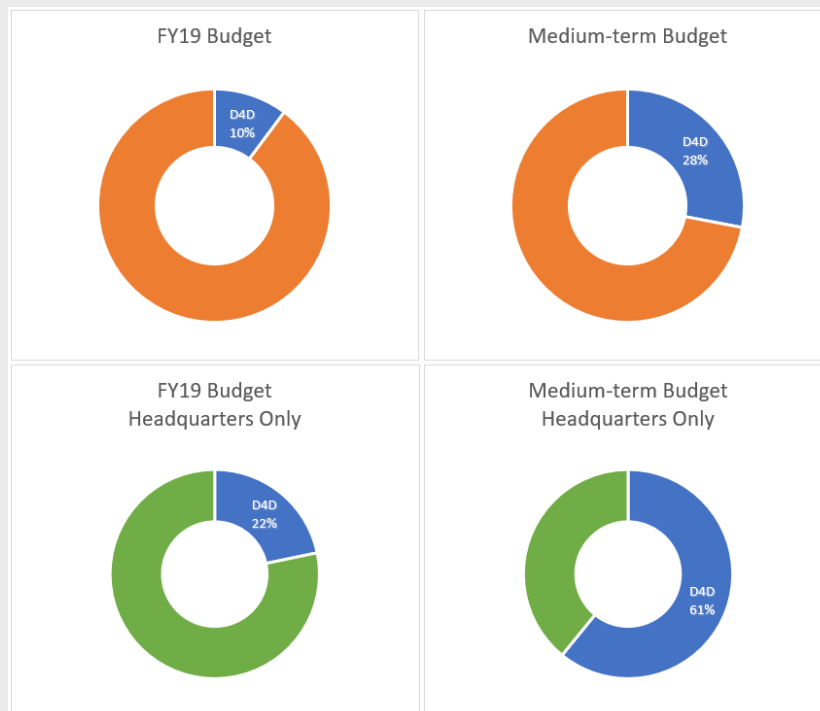
5.   The D4D Fund's modular structure has fostered agility and innovation in the implementation of statistics CD. This has enabled the IMF to set work priorities in light of newly emerging demands identified by country authorities and IMF country teams. In addition, the diagnostics and baselines derived during the various regional workshops have informed work plans under other thematic funds (e.g., the FSSF) and RCDCs, as well as bilateral projects and country engagements. This emphasizes the complementarity of the D4D Fund with other IMF CD vehicles to assist countries in achieving their development objectives while ensuring that milestones and outcomes under the IMF's Results-based Management (RBM) Framework are properly attributed to the relevant funding source.

Figure 3. D4D Fund Modular Structure and Tentative Budget Allocation
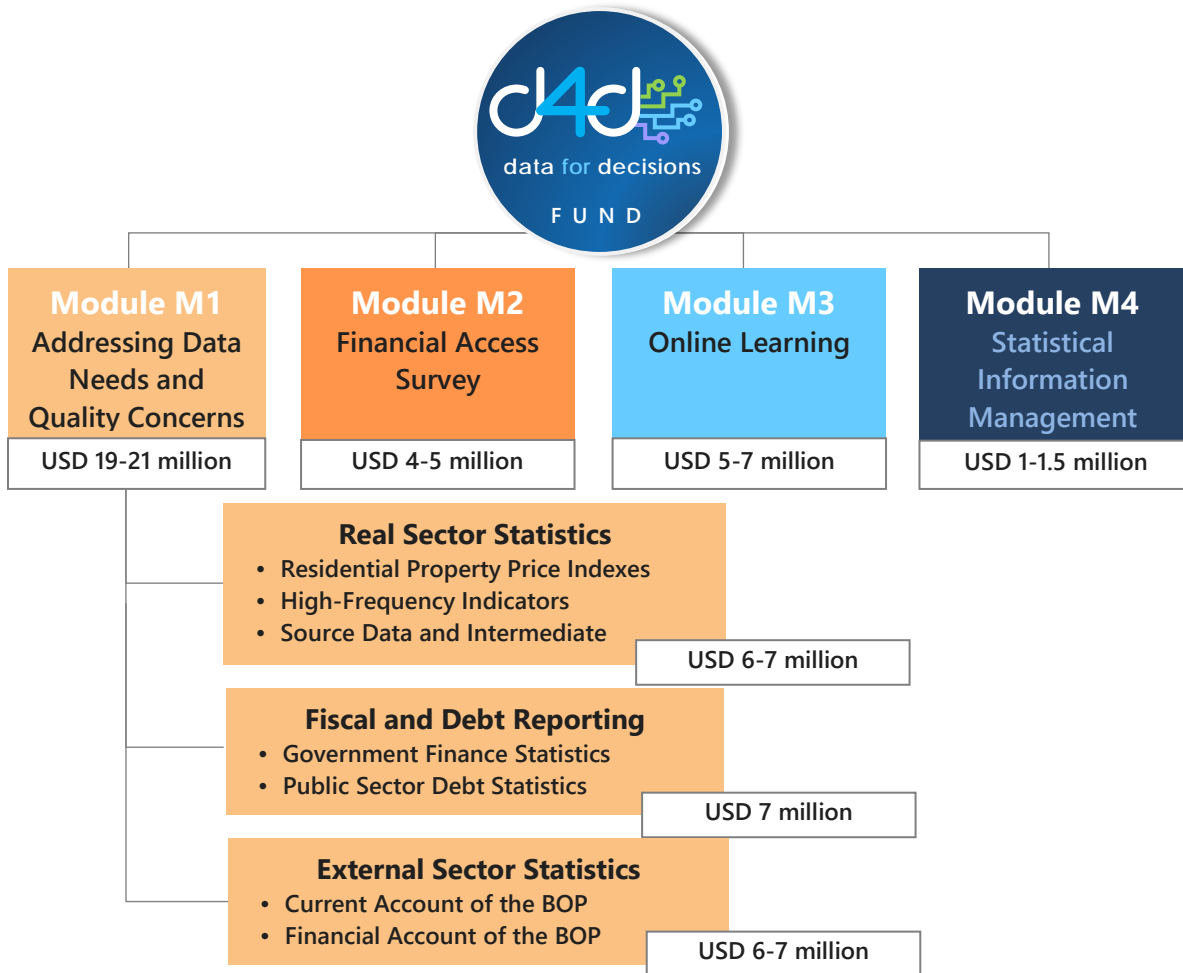
II. SUMMARY OF THE FINANCIAL STATUS AND FUNDRAISING

6.   **The D4D Fund is on a solid financial footing.** USD$ 18.4 million has already been pledged from partners, representing some 56 percent of the program document budget. All partners have finalized their contribution agreements. The available resources – including the pledged amounts – are sufficient to enable the SC to endorse the proposed work plan of US$ 10.1 million.

Table 1. Financial Contribution Report
As of January 8, 2019
(in Millions of US Dollars)

Partners	Agreement Information				Contribution Information (in U.S. Dollars)		
	Signed Date	Currency	Amount	U.S.Dollars	Received	Requested	Future Request
Partners							
China	5/12/2017	USD	1.0	1.0	0.5	-	0.5
European Union	8/7/2018	EUR	2.0	2.3	1.2	-	1.1
Korea	6/13/2018	USD	1.7	1.7	1.7	-	0.0
Luxembourg	1/12/2018	EUR	4.0	4.8	2.9	-	1.9
Netherlands	11/19/2018	EUR	4.0	4.5	1.1	-	3.4
Switzerland	8/10/2018	CHF	4.0	4.0	3.1	-	1.0
Partners Total				18.3	10.4	0.0	7.9
Grand Total				18.3	10.4	0.0	7.9
Budget				33.1			
Funding Gap				14.8			

Source: Partners Connect

7.   **Discussions with additional potential partners are proceeding well**. Two G-20 countries have indicated their serious intentions to join the D4D Fund in the near future, while interest from other potential partners remains strong.

Table 2. Cash Flow Statement as of January 8, 2019
(in Millions of US Dollars)

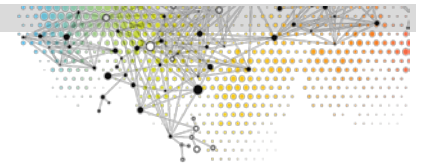| Partner	Actuals[1]		Projected Inflows/Outflows					Total
	FY2018	FY2019	FY2019	FY2020	FY2021	FY2022	FY2023	
China	-	0.5	0.5	-	-	-	-	1.0
European Union	-	1.2	-	1.2	-	-	-	2.3
Korea	-	1.7	-	-	-	-	-	1.7
Luxembourg	2.5	0.5	-	0.5	0.5	0.5	0.5	4.8
Netherlands	-	1.1		1.1	1.1	1.1	-	4.5
Switzerland	-	3.1			0.9	-	-	4.0
Total Net Inflows[2]	**2.5**	**8.0**	**0.5**	**2.8**	**2.6**	**1.6**	**0.5**	**18.4**
Total Interest	**0.0**	**0.1**	**-**	**-**	**-**	**-**	**-**	**0.1**
Total Expenses	**-**	0.5	2.7	5.4	**-**	**-**	**-**	8.7
Account Balance[3]	**2.5**	**10.0**	**7.8**	**5.1**	**7.6**	**9.3**	**9.7**	

[1] Actual refers to inflows/outflows as of 12/31/2018.

[2] Total Net Inflows = Total Net Received Contributions + Regular Transfers - Return to Donors.

[3] Account balances may not add up to amounts shown when calculated manually due to rounding of numbers in the table.

Source: Integrated Budget and Business Intelligence System (iBBis)
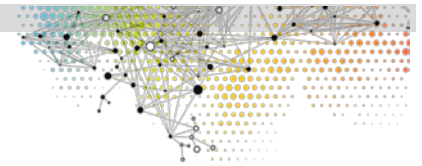
III. PROPOSED WORK PLAN FOR THE NEXT 18 MONTHS

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)

8.   Work on this module supports the development of robust and consistent statistics in key areas of macroeconomic statistics where the IMF is considered a global leader. This encompasses parts of real sector statistics, the current and financial accounts of the balance of payments (BOP), and the fiscal sector (comprising government finance and public debt statistics). Improving data compilation and dissemination in these three sub-modules is expected to support policy analysis and formulation, including by the early detection and monitoring of economic risk and vulnerabilities. In addition, bringing more and better data to the public sphere will benefit transparency and, ultimately, foster governments' accountability. The work across the sub-modules and work streams is being undertaken in close cooperation with IMF area departments so that scarce CD resources focus at countries most exposed to macroeconomic risks.[3] While CD activities in the real and external sector sub-modules are gradually expanding, the fiscal and debt reporting sub-module is heavily front-loaded, in line with concerns in the global policy dialogue about rising debt levels in LLMICs.

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[3] See the section on Acronyms (behind the table of contents) for a map of the five IMF area departments.

9. **The quest for better data for policy-making and SDG monitoring hinges on better source data.** The CD work aims to make the case for countries to improve data sources (including some well-established ones like surveys) and foster cooperation between data-producing agencies (e.g., sharing of tax data for GDP compilation). It also aims at resorting to private sector data, such as mobile money data from telecommunications operators or scanner data from supermarket chains, which can help make macroeconomic statistics more robust, reliable, and cheaper to produce. As such, the CD work under Module M1 is likely to also generate positive externalities beyond the targeted core CD activity. For example, better capturing the informal sector under the real sector statistics (RSS) work stream will improve the reliability of GDP estimates, which in turn can benefit the quality of remittances estimates, the assessment of debt sustainability, and—directly or indirectly—the monitoring of more than one-third of SDG indicators.

Submodule: Real Sector Statistics

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

Work Stream: Residential Property Price Indexes (RPPIs)

10. **RPPIs are used by policy-makers as an input into the design of macro-prudential and monetary policies, aiming to reduce systemic risks arising from real estate booms in the economy.** Strong fluctuations in real estate prices have proven to pose a serious risk to financial sector stability and, consequently, to economic growth. The aim of this work stream is to strengthen compilation and dissemination of RPPIs, by identifying or improving source data and advancing compilation and dissemination methods. The outcomes and indicators underlying the strategic log frame (Annex I) for this work stream remain valid.

Progress Achieved

11. **Since the D4D Fund launch in June, this work stream has faced strong demand.** This has already resulted in three TA activities to countries where policy-makers and IMF country teams have identified a need to develop or improve the RPPIs to address macroeconomic risks:

- The 2018 high-level policy discussions between the IMF and **Vietnam** identified insufficient data on the real estate market as a serious shortcoming for macroeconomic management at a time when the market is at a risk of overheating. A reliable RPPI would help inform policy analysis and formulation.

- The economic downturn in **Mongolia** since 2013 has sharply reversed a real estate boom, leading to high vacancy rates in properties. As banks' rising non-performing loans have posed risks for financial sector stability, an enhanced RPPI could provide an essential early-warning indicator for future trends in non-performing loans, thereby allowing the central bank to take early action to protect financial sector soundness.

- **Indonesia,** an emerging middle-income country, already disseminates an RPPI under the G-20 data gaps initiative.[4] The central bank requested IMF TA to improve the RPPI in order to better understand linkages between property markets and financial soundness, serving the ultimate objective to better manage possible sources of risks in the country's rapid economic transition.
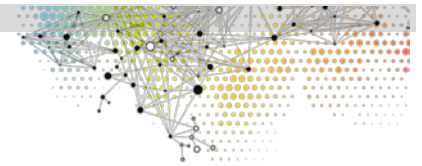
12.   The main challenge in all three countries is the need for suitable source data that could underlie the index. All three countries had already advanced work towards preparing an RPPI, benefitting from past IMF TA and workshops in Asia in 2015 and 2017. However, in Mongolia and Vietnam, administrative data suffer from under-reporting of prices and limited property characteristics. The Indonesian central bank conducts surveys of developers, brokers and property buyers, but with limited coverage and a potential bias arising from appraisals. Enhancing source data for these three countries will require a mix of regulatory amendments so that administrative data are collected with sufficient granularity (for example, mortgage information from commercial banks), legal and regulatory changes to allow the exchange of data between government entities (for example, inter-agency Memorandum of Understanding), and further improvements in surveys. Alternative Big Data sources, such as web-scraped listings, have already been explored by Vietnam's Statistics Office, but further work will be needed to mainstream the use of Big Data as a source for the RPPI.

Work Moving Forward

13.   The future work program will continue the successful work with Vietnam, Indonesia and Mongolia, but also aim to widen regional coverage with two workshops. Those are planned for the regions covered by the IMF's African Department (AFR) and Middle East and Central Asia Department (MCD) and will combine training on RPPI with the development of work plans for priority countries.

- Follow-up TA to **Vietnam** in April 2019 will assess measures taken to improve source data, including Big Data. To ensure that lessons learned will feed into IMF surveillance, this mission will coincide with an APD staff visit. It will also liaise with the World Bank's financial sector project.

- Since access to better data might be difficult to achieve in the short run due to legal constraints, **Mongolia's** Statistics Office has been working on implementing TA recommendations on compilation techniques for the current index, with remote assistance. Two follow-up missions are planned for FY 2020-21 to further advance this work. In the meantime, IMF country team visits will support legislative and regulatory reforms necessary to enhance RPPI source data, thus leveraging the TA advice provided.

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[4] In 2009, the G-20 Finance Ministers and Central Bank Governors endorsed 20 recommendations to address data gaps revealed by the global fiscal crisis. The initiative, aimed at supporting enhanced policy analysis, is led by the Financial Stability Board and the IMF with the objective to support G20 countries in implementing the 20 recommendations. The first phase of the G-20 Data Gaps Initiative (DGI) was successfully concluded in September 2015 when also the second phase of the initiative (DGI-2) was endorsed. The key objective of the DGI-2 is to implement the regular collection and dissemination of comparable, timely, integrated, high quality, and standardized statistics for policy use. DGI-2 encompasses 20 new or revised recommendations, focused on datasets that support (i) monitoring of risk in the financial sector and (ii) analysis of vulnerabilities, interconnections and spillovers, not least cross-border. See the Global Conferences on DGI.

- The central bank of **Indonesia** will likely request follow-up TA to finalize the new RPPI prior to its publication in early 2020.

- **Workshops** in the AFR[5] and MCD[6] regions will offer opportunities to start a dialogue with potential TA recipients in FY 2020–21. It is presumed that most participating countries have not yet secured suitable source data and lack knowledge on compilation and methodology. In addition to providing guidance in these areas, the workshops will assist countries in developing a basic work plan for RPPI compilation. If there is sufficient progress in basic data collection, countries exhibit reform ownership, and IMF area departments indicate that real estate price fluctuations are becoming increasingly macro-critical, follow-up TA will be scheduled to the workshop countries, as needed. Based on already ongoing discussions with IMF area departments and country authorities, Bolivia, Bangladesh, India, and Morocco have been identified for RPPI TA activities in FY 2020–21.

Table 3. CD Activities on RPPIs

Original WP	Updated WP	Change
FY 2019		
AFR Workshop	AFR Workshop (Q4)	
Vietnam ✔		
Mongolia ✔		
Indonesia (*Approved Oct. 2018*) ✔		
Vietnam (*Approved Dec. 2018*)	Vietnam (Q4)	
FY 2020–2021 (Q1)		
Bolivia	Bolivia	
Bangladesh	Bangladesh	
MCD Workshop (*Approved Oct. 2018*)	MCD Workshop	
	AFR Workshop Country (2)	+2
	MCD Workshop Country	+1
	Mongolia (2)	+2
	Morocco	+1
	India	+1
	Indonesia	+1
	Net change	**+8**

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

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[5] For AFR, the targeted countries could comprise Ethiopia, Rwanda, Zambia, Zimbabwe and Tanzania, as well as Botswana, a middle-income country already working on an RPPI.

[6] For MCD, the targeted countries could comprise Egypt, Morocco, West Bank and Gaza, Jordan, and Iraq.
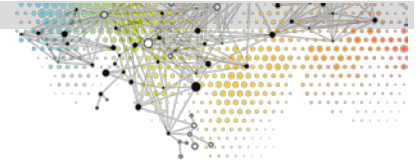
*Work Stream: High-frequency Indicators (HFIs)*

14.   HFIs provide policy-makers with insights into the cyclical position of an economy. This facilitates the early identification of economic vulnerabilities and guides the finetuning of economic policy. Demand for TA on HFIs in LLMICs has steadily increased over the last few years as fluctuations in commodity prices and rising integration with global financial markets have created more volatility which requires high-frequency information to monitor economic trends. The approach underlying this work stream relies on maximizing the use of available source data and helping countries implement systems that will support the compilation, validation, analysis, and dissemination of HFI statistics. There are also positive spillovers into other statistical domains, as, for example, source data identified for HFIs can also improve national accounts and BOP compilation. The work stream continues to target that (i) at least 10 LLMICs currently not producing an HFI will compile and disseminate such an indicator for a significant activity or sector; and (ii) at least 15 additional countries will strengthen their HFI compilation (Annex I).

Progress Achieved

15.   The work has advanced in line with the original workplan, complemented by a pilot mission to Indonesia that offered an opportunity to explore the use of Big Data for HFI compilation:

- Preparations for two diagnostic **workshops with anglophone AFR and APD countries** in Q4 FY 2019 have been finalized. Priority was given to countries[7] where no measures of economic growth are available in a timely manner beyond annual GDP. This was complemented by insights from IMF country teams and the IMF's long-term statistics experts in RCDCs about countries' capacity and needs. Based on methodological training and the analysis of a country's baseline, workshop participants will develop work plans to help improve the compilation and dissemination of a HFI for their respective country, which may trigger follow-up TA.

- Findings from a **pilot TA mission to Indonesia** provided new insights on a cost-effective way to compile HFIs even on a weekly basis (Box 3).

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[7] The preliminary list of countries provided in the June 2018 work plan was confirmed and invitations have been sent (i) for the anglophone AFR workshop to Ethiopia, Kenya, Rwanda, Tanzania, Uganda, The Gambia, Ghana and Nigeria; and (ii) for the APD workshop to Bhutan, Cambodia, India, Lao P.D.R., Mongolia, Philippines, Sri Lanka, and Vietnam, as well as to Indonesia whose experience in HFIs will offer valuable peer-learning opportunities.
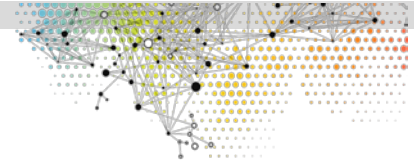
Box 3. Pilot Project on Big Data in Indonesia

A pilot project on big data was launched in Indonesia, in collaboration with Statistics Netherlands—a leading statistics agency in using Big Data for official statistics. An IMF mission visited Bank Indonesia in December 2018 to support the authorities in using retail scanner data to develop HFIs of private consumption and consumer prices. The experimental indicators that were produced and validated showed good correlation with official statistics.

The team provided advice on how to improve and expand collection of scanner data and offered methodological guidance on how to use such data to develop HFIs. Two statistical products were initiated in this pilot: (i) monthly retail sales indexes by province and (ii) weekly price indexes for volatile and core items of the consumer price index basket sold in supermarkets. The authorities agreed to complete this pilot by mid-2019, possibly expanding the collection and coverage of scanner data.
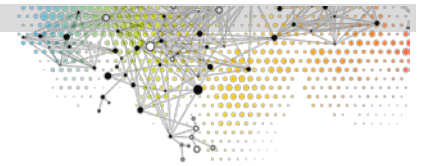
In addition to assisting Indonesia, this pilot provided valuable lessons on the use of Big Data as an innovative source for HFIs. Scanner data may offer a cost-efficient way to calculate the consumer price index, particularly for items available in modern outlets.

Work Moving Forward

16.   **The TA missions to Jordan, Uganda, and Vietnam during Q4 FY 2019 aim at improving existing basic HFIs.** The beneficiary countries have expressed strong demand for the TA interventions, which have thus already been scheduled for this FY. In particular:

- The TA to **Jordan** will focus on improving the existing HFIs, including the Industrial Production Index.

- The mission to **Uganda** will assess the current set of sectoral high-frequency data (e.g., agriculture, energy, mining, manufacturing, trade) and propose a work plan to broadening the measurement scope, harmonize methods, and improve compilation techniques.

- The TA to **Vietnam** will address cross-sectoral data inconsistencies and advise on a general framework to integrate available data. Timeliness and data access will also be a focus of the work.

17.   **Diagnostic workshops will establish the foundation to select further countries for TA missions going forward.** While the final decision on follow-up TA will only be taken once the work plans have been completed and endorsed by senior country officials, the initial list of priorities for FY 2020–21 includes Lao P.D.R., Mongolia, and Sri Lanka—participants in the Q4 FY 2019 APD workshop—in light of the analysis by the relevant IMF country teams that HFIs would be particularly beneficial for macroeconomic decision-making. Discussions with countries and relevant IMF area departments will help finalize the list of participants for the two additional workshops planned for francophone/lusophone AFR and the MCD workshops in FY 2020–21.

Table 4. CD Activities on HFIs

Original WP	Updated WP	Change
FY 2019		
AFR Workshop I	AFR Workshop I (Q4)	
APD Workshop	APD Workshop (Q4)	
Jordan	Jordan (Q4)	
AFR Country – Uganda	Uganda (Q4)	
Vietnam *(Approved Oct. 2018)*	Vietnam (Q4)	
Indonesia (*Approved Dec. 2018*) ✔		
FY 2020-21 (Q1)		
AFR Workshop II	AFR Workshop II	
MCD Workshop	MCD Workshop	
AFR Workshop Country (2)	AFR Workshop I and II Country (4)	+2
APD Workshop Country (1)	APD Workshop Country (3)	+2
WHD Country	WHD Country	
MCD Workshop Country (2) *(One was approved in Oct. 2018)*	MCD Workshop Country (3)	+1
	Net change	**+5**

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

Work Stream: Improved Source Data and Intermediate Statistics

18.   **This work stream aims at developing source data to compile annual and quarterly GDP as well as services producer price indices (SPPIs).** Improved source data for national accounts will enhance the coverage and accuracy of GDP estimates, support ongoing and future rebasing exercises,[8] and improve the quality of SDG reporting. Among others, this will require better use of administrative data and improved surveys, including for the informal sector and the digital economy. In addition, integrated macroeconomic statistics can help provide greater insights into the economic, financial, and monetary inter-linkages of an economy, which are only partially revealed by the individual sets of statistics and critical in helping to detect systemic risks, vulnerabilities, and possible contagion from economic shocks. Finally, the work stream aims to support the development of price statistics for the services sectors which have been developing rapidly in many LLMICs, partly related to digitalization. However, in many LLMICs, producer price statistics remain limited to goods, resulting in significant measurement issues. Support in the compilation and dissemination of an SPPI will also be conducive to better measurement of real GDP and productivity.

19.   **The near-term focus of this work stream is on integrated macroeconomic statistics, improved surveys, and the development of SPPIs.** By contrast, work on administrative data (e.g., use of tax data for

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[8] Some one-third of IMF member countries have not rebased their national accounts for more than 10 years, contrary to best practice that suggests rebasing every five years or less. As a result, the accuracy of estimates on the size and structure of the economy suffers.
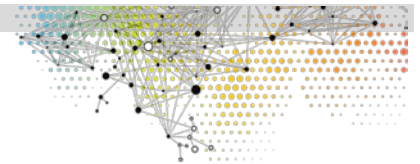
GDP compilation) is going to be launched at a larger scale only in FY 2021, following the recent extension of a large bilateral project in the AFR region by another year to complete work begun under that project.

Progress Achieved and Work Moving Forward

Integrated Macroeconomic Statistics

20.   The first TA mission to Moldova in December 2018 assisted the authorities to set up a workplan. Compilation will start in 2019, including data on the microfinance institutions and leasing corporations with assets estimated at more than13 percent of total banking assets. These data will serve as input for financial stability analysis and regulation and support the country's planned adherence to the IMF's highest data standard, the Special Data Dissemination Standard Plus. These statistics will also improve the robustness of Moldova's national accounts and provide a more accurate view of the country's macro-financial developments in an integrated framework (Figure 4).

Figure 4. Moldova: Integrated National Accounts Framework
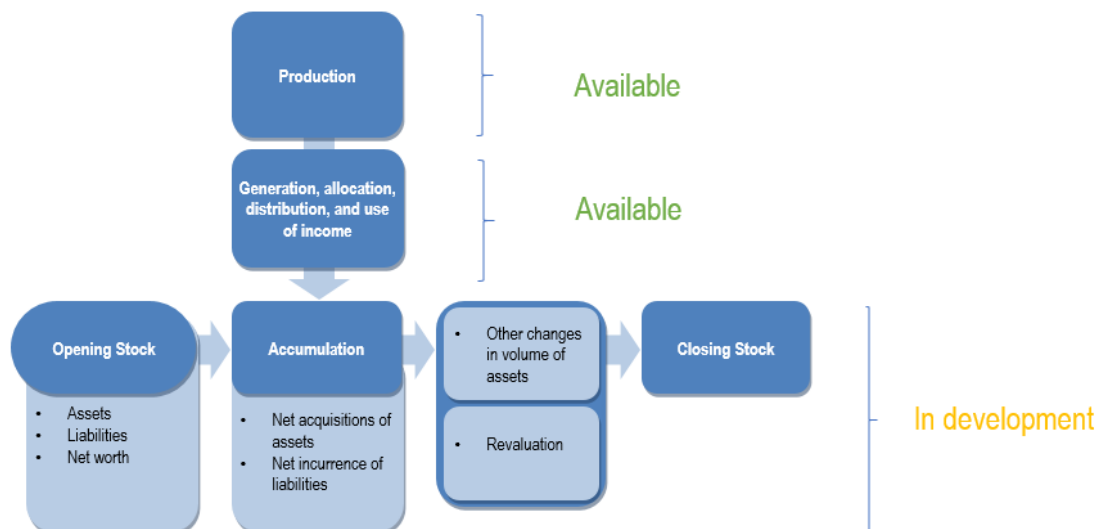
21.   Going forward, work on integrated macroeconomic statistics will focus on continued support to Moldova, as well as engagement with Uganda and Kosovo:

- While remote assistance to the central bank on methodology and developing source data for the nonfinancial sector will continue, the next TA engagement with **Moldova** is expected for September 2019 following the receipt of data for the nonfinancial sector. The central bank has committed to compiling annual estimates for 2015 to 2017 by December 2019.

- **Kosovo** and **Uganda** have launched work streams on integrated macroeconomic statistics but requested TA to guide them in developing a work plan. First diagnostic TA missions to both countries are planned for FY 2019 Q4, with follow-up TA scheduled for FY 2020–21.
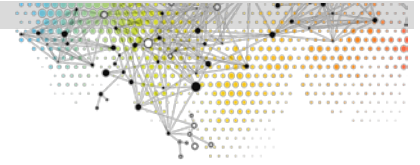
Source Data

22.   A TA mission to Honduras has been arranged for Q4 FY 2019. It will assist with the economic survey design and other source data to improve the quality of GDP estimates for the new base year. The project is coordinated with the relevant RCDC (Regional Technical Assistance Center for Central America, Panama and the Dominican Republic).

23.   Diagnostic workshops focusing on surveys and other source data will be held during FY 2020 for Asia/Pacific and African countries, followed by targeted TA activities. The survey work will center on sampling techniques, questionnaire design, editing procedures, and imputations for non-response. It will be closely coordinated with other TA providers in this field, especially the World Bank and Nordic countries. Better coverage of the informal sector (often 50 percent or more of GDP) in surveys and other source data will be an important aspect of the work. In addition, the coverage of the digital economy to measure its contributions to GDP and productivity growth is another aspect of the planned work on other source data development. It is expected that the development of country-specific work plans at the diagnostic workshops will allow the fielding of up to four follow-up TA missions on surveys and other source data before the end of April 2020. Work on administrative data should begin in FY 2021.

SPPIs

24.   The initial work on SPPIs under the D4D Fund has focused on assessing the baseline in preparation of CD to come. A survey of producer price index compilation practices has been conducted for 94 countries where data was available, often through the assistance of RSS long-term experts in RCDCs. Among the 41 LLMICs in this sample, the study revealed that Bhutan, Nigeria, Senegal, Sri Lanka, Tanzania, and Uganda are already compiling a producer price index with at least one service component. In these countries, services represent up to 60 percent of activities in the economy (Figure 5). The growing contribution of services to economic activity over the past seven years, including mobile money, illustrates the importance and dynamics in this sector.

25.   A thematic workshop planned for FY 2020 will set the stage for CD in SPPIs. Such a workshop will offer countries training on best practices, but also provide an opportunity for peer learning. Work plans will be developed as a basis for future TA, especially for countries where the services sector has been expanding rapidly and the demand for CD is most pressing. Building on the diagnostic study on SPPI availability, consultations with IMF country teams and RSS long-term experts in the RCDCs have begun to identify suitable countries for the workshop.

Figure 5. Contributions of Service Activities to the Economy for Selected Countries
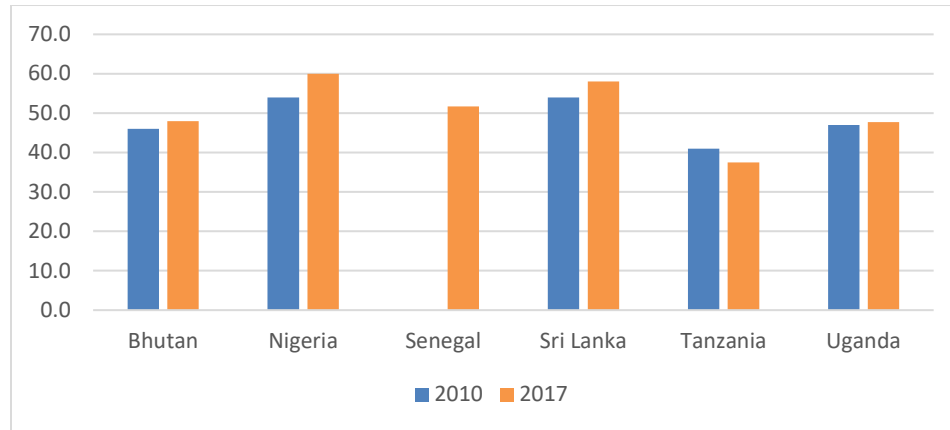
The blue bars refer to 2013 for Uganda and Tanzania.
The orange bar refers to 2016 data for Senegal.

Table 5. CD Activities on Improved Source Data and Intermediate Statistics

Original WP	Updated WP	Change
FY 2019		
Moldova (*Approved Oct. 2018*) ✔		
Honduras	Honduras (Q4)	
Uganda	Uganda (Q4)	
Kosovo	Kosovo (Q4)	
FY 2020-21 (Q1)		
APD workshop	APD Surveys Workshop	
AFR workshop	AFR Surveys Workshop	
Moldova	Moldova	
Kosovo	Kosovo	
Uganda	Uganda	
Liberia	AFR, APD Surveys Workshop Country	
Nigeria	AFR, APD Surveys Workshop Country	
Zimbabwe	AFR, APD Surveys Workshop Country	
Malawi	AFR, APD Surveys Workshop Country	
	Thematic Workshop on SPPIs	+1
	AFR, APD SPPI Country	+1
	AFR, APD SPPI Country	+1
	Net change	**+3**

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

Submodule: External Sector Statistics

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

26. **This submodule aims to address data gaps that can help detect and address external risks and vulnerabilities emanating from globalization and digitalization.** Important policy implications are derived from ESS, affecting monetary, fiscal and exchange rate policies and informing on structural reform needs. This is even more so in LLMICs, which tend to be more open to the rest of the world than more advanced countries. As globalization has changed the way trade and investments are conducted, ESS compilation has to adjust to these innovations. This relates, for example, to global value chains transactions arising from the production of primarily goods split across borders. In addition, Big Data offer new data sources to improve the accuracy of statistics, for example, by using mobile money transactions for estimating remittances.
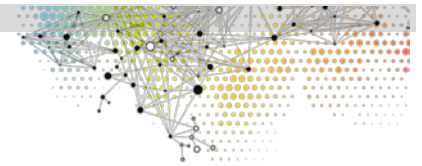
Progress Achieved

27. **TA missions were conducted in Kenya and Uzbekistan where ESS weaknesses have hampered policy analysis and formulation:**

- **Kenya's** ESS weaknesses were identified as a priority reform area in the 2018 high-level policy discussions with the IMF. The deficiencies in data sources and the dissemination of two sets of quarterly BOP data by different government agencies, neither of them reconcilable with annual data, have been hampering economic analysis.

- Political changes in **Uzbekistan** triggered reforms in favor of more transparency, including the decision to start disseminating ESS data, which had previously been treated as confidential. Organizational changes in the assignment of responsibility for ESS compilation led to a loss of institutional knowledge and breaks in compiled time series.

28. **In both cases, compilation errors were found in critical BOP components of several percentage points of GDP, causing a misleading picture for the current and financial accounts.** 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. While Kenya has potential to improve inter-agency cooperation in the short- to medium-term, Uzbekistan's institutional and legal set-up might require more time to change, but work is under way to improve compilation and dissemination systems.

29. **A November 2018 ESS workshop in Morocco was intended to launch engagement with countries that were most promising to make headway with respect to the work stream's strategic log frame.** This included focus on improving the coverage of goods, services, financial and remittances flow

data, as well as reducing errors and omissions in their BOP statistics. While the focus was on AFR and MCD countries, the workshop also included a few countries from the Asia/Pacific region that based on prior analysis were considered promising in terms of achieving outcomes and fostering peer learning.[9] The workshop combined country-specific advice on data sources and techniques for improving ESS with the preparation of country-specific draft work plans, including discussions of potential future TA missions.

30.   While draft work plans are still being finalized following consultations with senior managers in benefitting agencies, two groups of countries have been evolving:
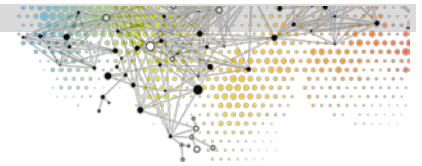
- Countries with **low statistical capacity** in ESS expressed interest in more frequent TA activities. The most pressing TA needs include strengthening interagency cooperation, methodological issues, and enhancing data sources and data processing.

- Countries with **more advanced ESS capacity** require further strengthening of compilation techniques and estimation methods in areas that have been identified as D4D Fund priorities. This includes the recording of cross-border transactions resulting from value-chain production, digitalization, fintech, illicit/informal trade, and challenges in financial account compilation and its integration with the international investment position (IIP).

31.   Based on this diagnostic, some countries have already been identified for D4D Fund-supported TA missions, subject to final endorsement of work plans by senior managers:

- TA interventions to countries with **lower ESS capacity** are scheduled to include Uzbekistan, Kenya, Madagascar, and Afghanistan. Since the civil unrest ended in Madagascar in 2016, progress has been made in establishing basic ESS compilation, but challenges remain, especially in the area of source data. For Afghanistan and Kenya, TA support will focus on improving data collection and compilation, complemented by more demanding challenges such as regional integration initiatives for Kenya and illicit/informal cross-border flows for Afghanistan. In Uzbekistan, TA will allow the rebuilding of capacity after the recent organizational changes, providing an opportunity for rapid improvements.

- Among countries with **more advanced ESS capacity**, TA missions to Morocco, Tunisia, and Jordan will center on developing data sources and enhancing compilation techniques for cross-border transactions resulting from globalization and digitalization. The work in the Philippines will assess progress made in improving reporting of remittances through surveys on mobile money transactions, an innovative approach that could feed into ESS CD in other LLMIC's where remittances are often a major yet difficult-to-measure BOP inflow.

32.   To fully benefit from the rich diagnostic that was prepared in the opening workshop in Morocco, a follow-up workshop is planned for FY 2020. This workshop will be customized to provide hands-on training on the priority topics that have been identified. Participants will include some of the more

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[9] 23 representatives from central banks and national statistical offices from 13 LLMICs (Afghanistan, Egypt, The Gambia, Jordan, Kenya, Kiribati, Madagascar, Morocco, Philippines, Solomon Islands, Tunisia, Uzbekistan, and West Bank and Gaza) participated in the workshop.

advanced ESS compilers in the initial group of countries, with the possibility of adding a few new countries that face similar challenges. Work on the integration of financial accounts with the IIP will be closely coordinated with activities under the FSSF, which offers CD on IIP statistics, to prevent overlap. This could include using the work plans developed under the D4D-funded diagnostic workshop for CD to be provided under the FSSF. Log frames under the RBM framework would be designed in a way that would allow attribution of the outcomes to both multi-partner vehicles if their contributions in the diagnostic and the setting of milestones warrants this.

Table 6. CD Activities on External Sector Statistics

Original WP	Updated WP	Change
FY 2019		
Opening MCD and Selected Countries Workshop ✓		
The Gambia	The Gambia (Q4)	
Kenya ✓		
Uzbekistan ✓		
Vanuatu	Vanuatu (Q4)	
FY 2020-21 (Q1)		
Madagascar	Madagascar	
Uzbekistan	Uzbekistan	
APD Country	Philippines	
MCD Opening Workshop Country	Tunisia	
MCD Opening Workshop Country	Morocco	
MCD Opening Workshop Country	Afghanistan	
	Jordan	+1
	Kenya	+1
	Opening Workshop Country	+1
	Follow-up Workshop	+1
	Net change	**+4**

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)

33.   This submodule supports countries in addressing data gaps in the compilation and dissemination of GFS and PSDS, aimed at informing the conduct of fiscal policy and reducing debt
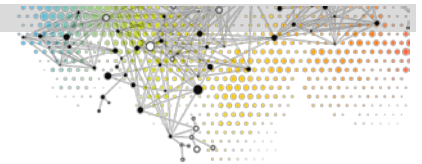
vulnerabilities. In many LLMICs, debt ratios have increased sharply, resulting in a corresponding rise in countries at risk of debt distress. LLMICs' fiscal positions have tended to deteriorate in spite of moderate economic growth over the last five years, even though more recently oil-producing LLMICs have observed a more positive trend, reflecting the recovery in oil prices (Figure 6). Hence, the global policy dialogue remains focused on rising debt vulnerabilities in LLMICs, triggered partially also by the weak transparency in PSDS.[10] In response to these concerns, the PSDS work under the D4D Fund has been front-loaded.

**Figure 6. Average Fiscal Balance and Public Debt for LLMICs, 2013-18
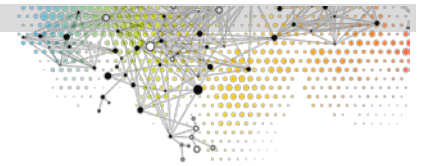(in percent of GDP)**
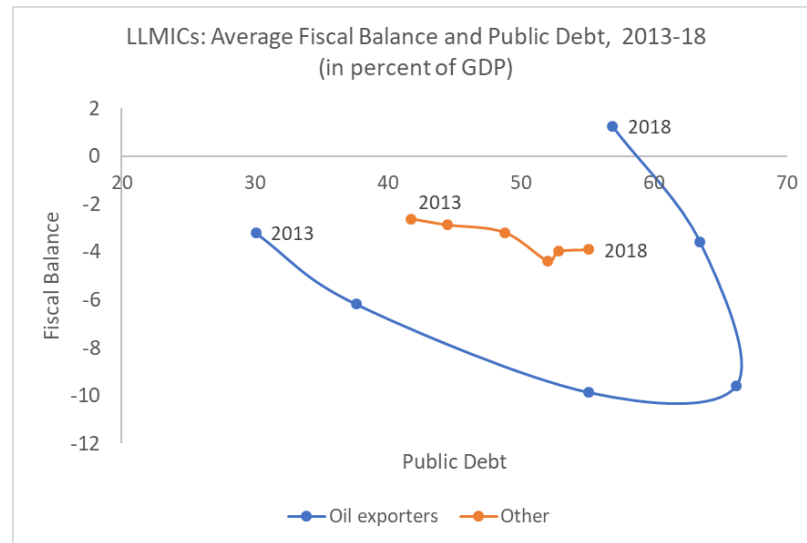
Progress Achieved

34.   The first regional PSDS diagnostic workshop in October 2018 found innovative ways to identify countries' most pressing data gaps and develop work plans that included low-hanging fruits to jump-start PSDS reforms.[11] To establish robust country-owned workplans that take into consideration the macro-criticality of data gaps identified by data compilers, IMF country teams were asked to assess PSDS data gaps the same way as workshop participants. The findings are summarized in Figure 7 and include some areas where relatively quick progress in improving debt coverage can be achieved:

- Countries' compilers and IMF country teams agreed that widening sectoral coverage by incorporating **state-owned enterprises** (SOE) had the highest priority. This assessment is in line with the detailed analysis of fiscal risks arising from limited sectoral coverage prepared in the IMF's Fiscal Transparency Evaluations (FTEs). Among the publicly available FTEs for LLMICs, for Kenya and Tunisia the fiscal deficit

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[10] IMF Communique for the 2018 IMF/WB Annual Meetings.

[11] The workshop took place in Mauritius with 30 GFS and PSDS compilers from 10 Anglophone African LLMICs (eSwatini, Kenya, Liberia, Lesotho, Malawi, Rwanda, Tanzania, Uganda, Zambia, Zimbabwe). To ensure that the appropriate country officials attended (i.e. those who are responsible for data compilation for surveillance purposes participate in the workshop), invitations were sent in close consultation with area departments.

would widen by around 2 percent of GDP if SOEs were included, while in Uganda and Bolivia the deficit would fall by 0.3 and 3.5 percent of GDP, respectively. While the work plans developed at the workshop identified some obstacles to SOE reporting, it was also felt that progress could be made relatively quickly in this area, which suggests a promising start for follow-up CD.

- Many country officials flagged **contingent liabilities** as a priority area for future CD. This includes the relatively straightforward issue of reporting guarantees, but also more complex government contingencies such as those arising from Public-Private Partnerships. Addressing these challenges will require close coordination with the IMF's Fiscal Affairs Department and the World Bank, which have already developed tools to analyze Public-Private Partnerships.

- For a few countries, workshop participants and IMF country teams flagged widening sectoral coverage to **local governments** as a high priority. Some of these countries have very particular issues to tackle, for example Kenya's decentralization program, which will be dealt with through TA on a case-by-case basis, considering also the relative macroeconomic importance of state and municipal governments.

- Regarding the need to widen coverage of debt instruments, there was agreement that **arrears** reporting needed to be improved. The FTEs for LLMICs identified unrecorded arrears of around 2 to 5 percent of GDP, which would need to be added to the debt stock to arrive at a more comprehensive recording of liabilities.

Figure 7. PSDS Priorities at Mauritius Opening Workshop

Respondents	Sector Coverage					Instrument Coverage				Other Gaps
	Budgetary Central Government	Extrabudgetary Unit	Local Government	Social Security Funds	Nonfinancial Public Corporations	Currency and Deposits	Loans	Insurance, Pension and Standardized Guarantee Scheme	Arrears	Contingent Liabilities
Work Attendees	Low	Low	Medium	Low	High	Low	Low	Low	Medium	High
Area Departments	Low	Low	Medium	Low	High	Low	Low	Low	Medium	High

Light Green- Low Priority
Green- Medium Priority
Dark Green- High Priority

35. With respect to GFS, a TA mission to Comoros helped lay the foundation for improved fiscal data for fiscal policy analysis and formulation. A fragile state with an erratic fiscal policy, Comoros suffers from a severe lack of resources for statistics, coupled with the absence of an appropriate institutional and
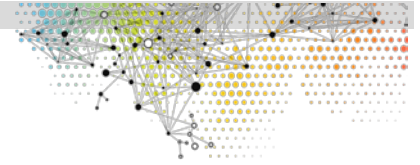
legal framework. Against this background, the TA assisted the authorities in compiling, for the first time, fiscal data for the last three years in line with the *Government Finance Statistics Manual 2014*, including detailed data for revenues, expenses, and transactions in nonfinancial assets and liabilities for the Union and the three islands separately.

Work Moving Forward

36.   CD activities for PSDS for the remainder of FY 2019 and FY 2020–21 will focus on largely completing the diagnostic work on PSDS deficie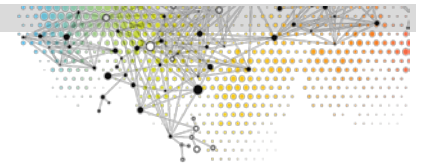ncies and engaging with countries through follow-up TA. Given the frontloading of this work stream, it is expected that by the end of FY 2020, some 60 countries will have benefited from participating in a diagnostic workshop—some three quarters of eligible D4D Fund countries. The workshop format will largely be shaped by the positive experience of the inaugural workshop in Mauritius, the development of country-specific work plans, the identification of low-hanging fruits, and the focus on data availability fit for policy purposes.

37.   Given the targeted scope of country engagement, it is envisaged to rely on several CD instruments for follow-up CD. In instances where methodological and basic PSDS compilation issues are in the foreground, some or all of the follow-up TA will be undertaken by RCDCs.[12] However, current discussions with workshop participants point to a high likelihood that up to half of the targeted workshop countries will need to benefit from one or more TA missions provided for by the D4D Fund, resulting in an upward revision of the envisaged PSDS TA missions in this work plan. In addition, to the extent that the five workshops will have the diagnostics completed for the bulk of eligible D4D Fund countries by the end of FY 2020, space is being created for an accelerated schedule of follow-up TA activities during the second half of the D4D Fund's five-year cycle. This bodes well for achieving the strategic log frame objectives and outcomes underlying this work stream (Annex I).

38.   In the short run, the IMF will begin engaging with follow-up TA in several countries that attended the inaugural diagnostic workshop:

- The TA to Liberia, Zambia, and Zimbabwe, that were already identified in the initial D4D Fund work plan, remain crucial in view of risks from high debt levels. Based on the workshop findings, work in Liberia will focus on improving SOE reporting, while for Zimbabwe SOEs and arrears reporting have been identified as priorities. For all three countries, the work plans aim at improving coordination between agencies involved in PSDS compilation to widen coverage and improve frequency and timeliness.

- Additional TA missions will be lined up once senior management of the benefiting agencies has endorsed the work plans over the coming months. The IMF will inform the SC on agreements with countries to launch follow-up CD in line with the D4D's operating procedures (Annex II). The same

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[12] For the East African Community (EAC) countries that attended the Mauritius workshop (Kenya, Rwanda, Tanzania Uganda), it is envisaged that AFRITAC East (AFE) will continue to provide CD, aimed at implementing the EAC guidelines by establishing bottom-up reporting frameworks, in line with AFE's five-year work program. Because the EAC guidelines are focused on general government statistics, data gaps related to SOE debt statistics identified by the Mauritius workshop are outside of AFE's work plan. Therefore, CD under the D4D Fund will complement AFE's work by providing targeted assistance in this urgent need.

approach will be followed for the other three workshops in the pipeline. In total, it is expected that 18 PSDS TA missions will advance in FY 2020-21(Q1) (Table 7).

39.   **With the heavy focus on debt reporting, the D4D Fund has limited activities envisaged for GFS reporting for FY 2020-21.** Altogether five slots for GFS TA missions have been reserved at this stage. The bar for benefiting from D4D Fund resources for GFS CD has been set at a very high level, putting macro-criticality in the foreground. The IMF's surveillance dialogue with countries can provide important inputs in this decision-making, as was done for Comoros and in the forthcoming TA to Ghana where weaknesses in fiscal reporting have complicated fiscal adjustment under an IMF-supported program aimed at restoring debt sustainability.

Table 7. CD Activities on GFS and PSDS

Original WP	Updated WP	Change
PSDS		
FY 2019		
Anglophone AFR Workshop ✓		
Lusophone AFR Workshop	Lusophone AFR Workshop (Q4)	
Liberia *(Previously Sierra Leone approved Oct. 2018)* ✓		
Zambia	Zambia (Q4)	
Zimbabwe	Zimbabwe (Q4)	
FY 2020–21 (Q1)		
APD Workshop	APD Workshop	
Francophone AFR Workshop	Francophone AFR Workshop	
MCD Workshop	MCD Workshop	
MCD Workshop Country (3)	MCD Workshop Country (3)	
Francophone AFR Workshop Country (3)	Francophone AFR Workshop Country (3)	
APD Workshop Country (3)	APD Workshop Country (4)	+1
Lusophone AFR Workshop Country (3)	Lusophone AFR Workshop Country (4)	+1
	WHD Workshop	+1
	Anglophone AFR Workshop Country (4)	+4
GFS		
FY 2019		
Comoros ✓		
Ghana	Ghana (Q4)	
FY 2020–21 (Q1)		
Country TBD (3)	Country TBD (5)	+2
	Net change	**+9**

Dark green – Endorsed and conducted
Light green – Endorsed and planned
Orange – Additions or changes that need endorsement
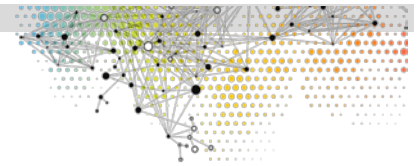
B.   Module II: Financial Access Survey

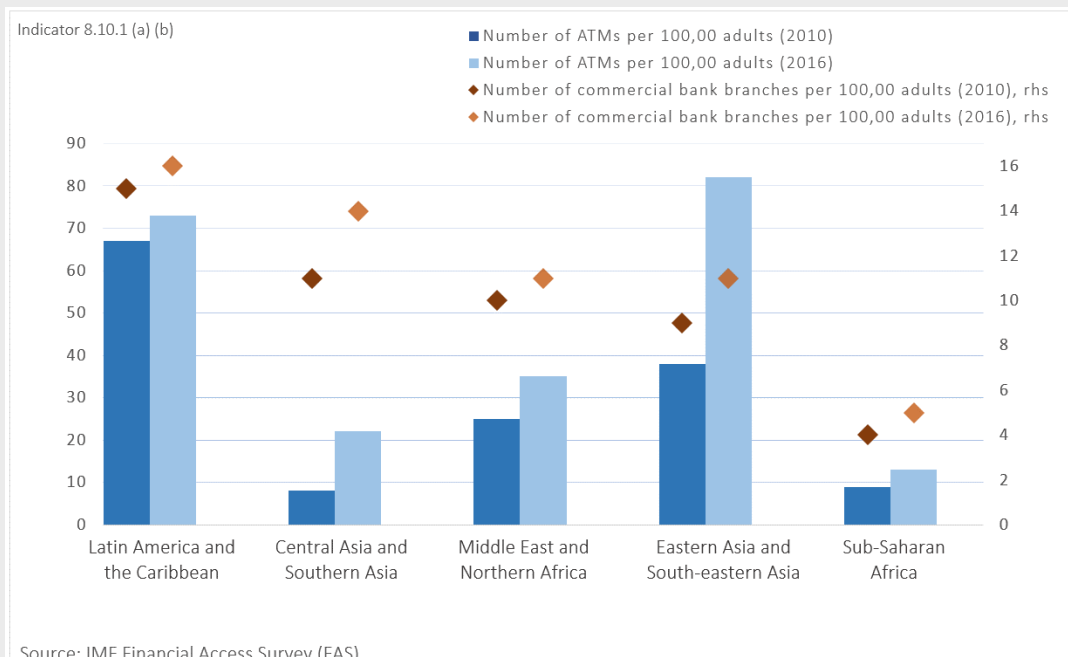| M2	Financial Access Survey (FAS)	Sustain and expand the FAS

40.   The FAS aims at supporting inclusive growth by providing data to policy-makers on access to, and use of, financial services. It is the sole source of supply-side data on financial access with global coverage, helping policy-makers and analysts track progress in financial inclusion and benchmark it against peers. Thanks to these features, two FAS indicators have been adopted as part of the SDG monitoring framework (Box 4). The FAS has evolved over time, adapting to the changing landscape of financial services, including a rise of mobile money and growing demand for gender-disaggregated data. Demand for FAS data has been strong, with over 36,000 users recorded over the last three years.
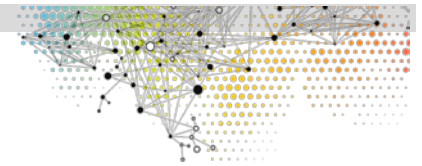

Box 4. FAS Indicators to Monitor SDG Targets

In 2016, two FAS indicators were adopted by the international community to monitor Target 8.10 of the 2030 SDGs. This target aims at strengthening the capacity of domestic financial institutions to expand access to banking and financial services. The FAS contributes to the monitoring of this target with annual data on the number of Automated Teller Machines (ATMs) and commercial bank branches.

The FAS data illustrate regional differences in the degree of financial access and highlights the rapid economic transformation in the ways financial services are delivered. While the number of bank branches has plateaued between 2010 and 2016, increasing only by 3 percent, the availability of ATMs increased by more than 50 percent worldwide, driven mainly by developments in Asia.

Availability of ATMs in SDG Regions

Indicator 8.10.1 (a) (b)

- ■ Number of ATMs per 100,00 adults (2010)
- ■ Number of ATMs per 100,00 adults (2016)
- ◆ Number of commercial bank branches per 100,00 adults (2010), rhs
- ◆ Number of commercial bank branches per 100,00 adults (2016), rhs

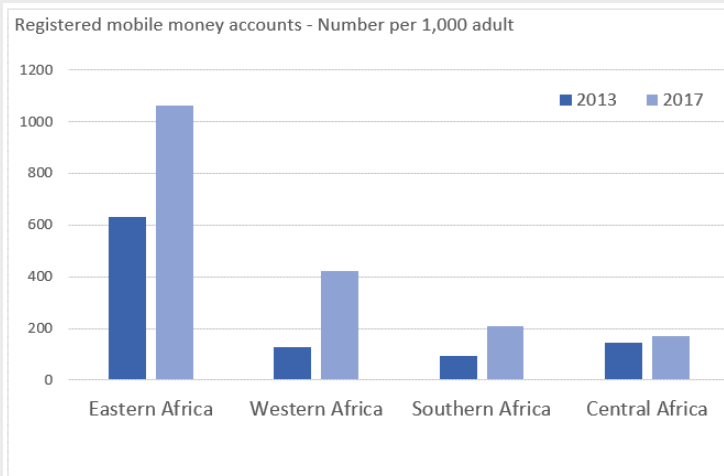Source: IMF Financial Access Survey (FAS)

Progress Achieved

41.   The 2018 FAS round ("2018 FAS") further deepened data availability on financial access
(Box 5).[13] The overall reporting to the FAS remained broadly stable, but with the mainstreaming of the
gender-data pilot, the number of authorities reporting gender-disaggregated data has increased to 35
countries. New series that are only reported in the FAS, such as on "branchless banking" (for example,
through banking services provided by retail shops), added new insights on how different means of delivering
financial services contribute to deepening access. The results of the 2018 FAS, especially the analysis of
mobile money services, gained considerable traction in the media.[14]

Box 5. Highlights from the 2018 FAS

Mobile Money Services in Africa

Registered mobile money accounts - Number per 1,000 adult

Source: IMF's Financial Access Survey

With the FAS's wide country coverage,
cross-country comparisons offer success
stories of policy measures that made a
difference to financial inclusion, spanning
from innovative tools like mobile money to
"branchless banking." Here are some
examples:

After the initial success in East Africa, mobile
money services have rapidly spread to other
parts of Africa, and countries in other
regions are also catching up (for example,
Bangladesh, Pakistan and, more recently,
Myanmar).

Jordan has succeeded in increasing the
number of mobile money accounts (by almost six times) through the central bank's Mobile Money App that
connects telecoms, banks, transfer companies, and other financial intermediaries, allowing users without an
account at a financial institution to make transactions. To promote usage, the central bank gave permission
to use the UN refugee document as proof of identity, making it a convenient tool for money transfers for
refugees, who typically face difficulty in gaining access to financial services.

Over the past decade, some countries where gender-disaggregated data are available have made
considerable progress towards closing the gender gap. In Malaysia, for instance, the gender gap (defined as
the difference of the ratio between loan accounts for men and women per 1000 adults) was almost halved
over the past decade. Targeted schemes offered by microfinance institutions appears to have played a key
role in achieving this result.

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[13] See press release from September 28, 2018. A brochure titled "2018 FAS Trends and Developments" presents the latest
trends and developments in financial access. Further information is available on the FAS data portal.

[14] For example, "Mobile money adoption rises in low-income countries," The National, September 29, 2018; and "IMF: Africa
leads way in mobile banking," New Telegraph, September 29, 2018.
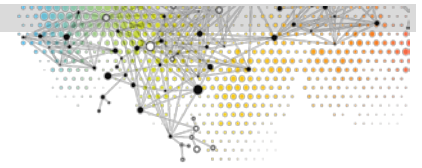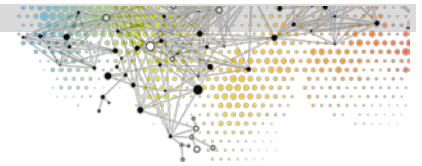
Work Moving Forward

42.   In preparation of the 2019 and 2020 FAS, the IMF developed a strategy to further improve countries' ability to report to the FAS. In line with the strategic log frame (Annex I), the strategy entails combining the FAS with CD and adapting it to the ever-changing financial sector landscape:

- **By complementing the FAS with CD, compilers (i) improve their understanding on why FAS data matter for policy analysis and formulation and (ii) benefit from training on the FAS methodology which will feed back into higher reporting rates.** In a prototype regional FAS workshop for Asian countries in September 2018,[15] participants emphasized the difficulty in collecting gender-disaggregated data and the fragmented financial regulatory structure as main challenges. Given that most of countries represented in the workshop are in the process of preparing a national financial inclusion strategy that includes the collection of relevant data, participants requested hands-on training to deepen their understanding of methodological issues. Such training will become a hallmark in future workshops, including the ones planned for African countries in March 2019[16] and Middle Eastern countries in FY 2020. Consideration could also be given toward scheduling an additional workshop for Latin America where there are several pioneers of financial inclusion work (e.g. Chile and Colombia). Such a workshop would not only aim to facilitate peer-learning but also improve the FAS through direct feedback from more experienced FAS reporters. However, as not all participating countries would be LLMICs,[17] the SC would need to assess the merits of such a workshop.

- **To remain relevant, the FAS needs to be agile in responding to new technological trends and the evolving financial sector landscape:**

  - To better monitor the increased use of the internet and mobile banking, the 2019 FAS will start collecting data on mobile and internet banking, including the value and volume of such transactions. In view of rising demand for gender-disaggregated data, coverage in this area will also be expanded. To help reduce the reporting burden of countries and ensure that the FAS database will be easier to navigate for users, some series, that are less relevant due to regulatory setups that limit cross-country comparability, will also be streamlined.

  - New pilots are currently under preparation to gather data using non-traditional methods. For example, data on costs of financial services, such as minimum balance and account opening fees, are key factors limiting financial access but currently not collected in a systematic way. A new pilot can

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[15] This workshop in Bangkok, Thailand, was funded by a bilateral donor and included participants from Afghanistan, Bangladesh, Bhutan, Brunei, India, Indonesia, Lao PDR, Myanmar, Nepal, Pakistan and Thailand**.** The summary of the workshop is available on the FAS website.

[16] Representatives from Botswana, eSwatini, Ghana, Kenya, Lesotho, Liberia, Malawi, Mauritius, Namibia, Nigeria, Rwanda, South Africa, Uganda, and Zambia have been invited.

[17] While the focus of the D4D Fund is on LLMICs, it allows CD to also be extended to upper-middle income countries that have policy-relevant data deficiencies. The workshop for Latin America could target *Bolivia*, Brazil, Chile, Colombia, *El Salvador*, Guatemala, *Haiti*, *Honduras*, Jamaica, Mexico, *Nicaragua*, and Peru (LLMICs marked in italics).

bridge the gap by obtaining the information directly from banks' website, ensuring comparability, and collating the data for the convenience of policy makers.

Table 8. CD Activities on Financial Access Survey

Original WP	Updated WP	Change
FY 2019		
AFR Workshop	AFR Workshop (Q4)	
FY 2020-21 (Q1)		
MCD Workshop	MCD Workshop	
	Net change	**0**

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)

43.   The development and roll-out of a comprehensive online learning curriculum in the statistics field will help sustain the success of traditional CD interventions. Currently, statistics classroom training courses are in high demand and, therefore, over-subscribed. Applications from many government officials, especially from LLMICs, need to be rationed out, impairing the knowledge transfer necessary to sustain improvements in the compilation of statistics. Transforming the curriculum of the face-to-face courses into online learning courses will substantially enhance the reach of IMF statistics training, providing free access to high-quality training anytime and anywhere.

44.   The IMF has developed a framework for the envisaged eight online learning courses suitable for statistics learning content. It entails flexible technical design solutions and a pedagogical design plan that is tailored to the needs of the statistics learning content which can be quite "dry", but also often very complex.
The following features—applied for the first course on PSDS and, based on lessons learned, to be adapted for the following seven courses as needed—aim at keeping the learner engaged:

- Instead of videos with experts teaching in a setting that resembles a classroom, the course will mainly use attractive **visuals** to convey the detailed information necessary to comprehend statistics methodology in a concise and appealing format.

- **Interactive activities** allow the learner to connect with other learners in peer-to-peer fora to discuss topics. An IMF expert will periodically join these fora to answer questions and facilitate discussions.
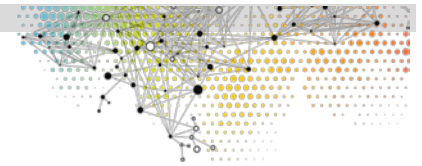
- With statistics compilers in LLMICs being a very heterogenous group—spanning from usually well-trained experts in central banks to staff in statistics offices that tend to have benefited from less training—it is essential to give **flexibility** to the learner on selecting learning content. Therefore, the courses will be designed so that learners can easily navigate between more basic and advanced lessons. Flexibility will also be provided by the availability of the content on a continuous basis around the clock.

45.   The design plan for the online courses accommodates the need for cost-efficient translation in up to five languages. Using visuals predominantly will avoid the expensive re-shooting of videos in different languages. Translations will only be phased in one year after the course is launched to give time to fine-tune the course based on feedback from learners on the efficiency of the different course modules. If necessary, modifications will be made on parts of a course to optimize the learning experience. After this phase, a decision will be taken on the selection of languages.

46.   The objective of developing and rolling out eight courses entails that work on three courses will proceed in a staggered manner during this proposed work plan. The pilot PSDS course is slated to be launched in August 2019 when the development of the GFS course will have already started (Figure 8). After the PSDS and GFS courses, the national accounts statistics course is tentatively scheduled to be next in line, as it provides the backbone for economic analysis in many areas, as illustrated in numerous economic concepts that are commonly expressed in GDP, including many SDG indicators.

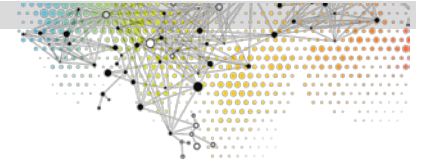**Figure 8. Schedule for Online Course Production**
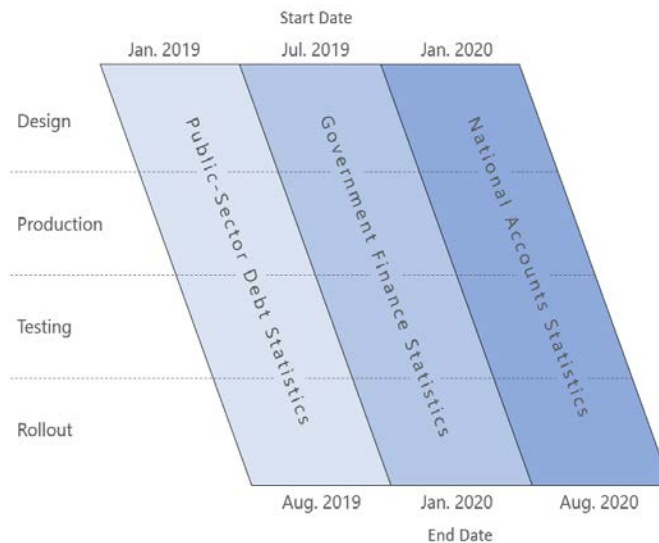
D.   Module IV: Statistical Information Management

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

47. **Responding to country demand, this module represents an innovative CD product to help countries improve their statistical data management to sustain progress in data compilation and dissemination.** For example, stand-alone data management systems often have different data formats, and time is wasted by reconciling and manipulating data, which also increases the risk of errors. Modern data management systems allow easy access and an improved flow of data, thereby minimizing repetitions and errors. This optimized data sharing is also a precondition to operate business intelligence tools, including the IMF's National Summary Data Page (NSDP), a machine-readable tool that facilitates joining the IMF's data dissemination standards and reduce countries' reporting burden.[18]
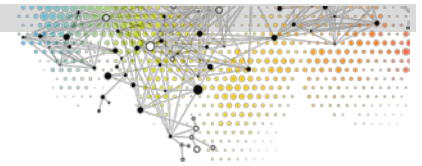
48. **Overall, this work stream promises significant externalities beyond macroeconomic statistics.** This is because it helps improve data management across the full spectrum of the beneficiary agency's work, which could yield particular benefits to countries aiming to improve their SDG monitoring.

49. **Discussions have advanced with Lebanon and Tunisia to the point that TA missions have been planned.** In line with the experience from a 2017 pilot in Kenya, considerable pre-mission work has been needed to clarify key information management challenges. As information management is a complex process that includes governance structures and tools for effective statistical information management, as well as information on suitable technical standards and statistical information models, a thorough dialogue on institutional needs is required to ensure that the TA tackles the right issues.

- The work plan agreed with the Bank of **Tunisia** for a mission in early 2019 aims to streamline the data exchange between agencies at a national level (for example, the national statistics office) and with international players, including the IMF's NSDP. The TA will also assess current data dissemination and possible new data categories to be added. To facilitate change management, an in-country workshop will raise awareness for good data management practices among staff.

- The Bank of **Lebanon** requested TA to disseminate data in Statistical Data and Metadata Exchange (SDMX), a format that sets standards to facilitate the exchange of statistical data and metadata using modern information technology. Therefore, the TA will focus on best practices in the use of SDMX, including content that can be disseminated. The mission has been tentatively scheduled for early 2019.

50. **Preparatory discussions are under way with Nauru and Vietnam in response to TA requests.** Missions have been planned for FY 2020, but preparatory discussions through video conferences will determine the scope of the work and, consequently, staffing needs. A placeholder was added for FY 2021, with the beneficiary country being determined once initial interest expressed by several countries has been substantiated.

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[18] See information on country NSDP's on the IMF's Dissemination Standards Bulletin Board.

Table 9. CD Activities on Statistical Information Management

Original WP	Updated WP	Change
FY 2019		
Lebanon	Lebanon (Q4)	
Tunisia *(Approved Dec. 2018)*	Tunisia (Q4)	
FY 2020–21 (Q1)		
	Nauru	+1
	Vietnam	+1
	Country TBD	+1
	Net change	**+3**

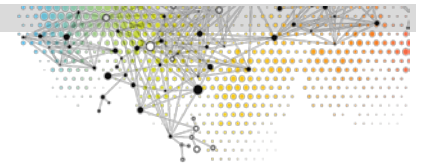Dark green – Endorsed and conducted
Light green – Endorsed and planned
Orange – Additions or changes that need endorsement

IV. FIRST LESSONS FROM IMPLEMENTATION

51.   Notwithstanding the short time span since its launch, several lessons can already be derived from the implementation of the D4D Fund. Foremost, the emphasis on getting the diagnostics and baselines right through workshops, surveys, and close engagement with IMF country teams and long-term experts in the field have laid a very strong foundation for follow-up TA and identifying milestones and outcomes under the IMF's RBM framework. This raises the specter of cost-effectiveness, efficiency, impact, and sustainability of the TA to be provided. In addition, the workshops have offered ample opportunity for peer-learning, including in some cases by including countries with a higher capacity to showcase how they tackled challenging statistical reforms. The engagement with IMF country teams has yielded cases where D4D-funded TA overlapped with surveillance missions, thereby leveraging the TA advice provided. In addition, the innovative approach at the first PSDS workshop—whereby both country authorities and IMF country teams were asked to identify the most pressing data needs—provided an efficient model to follow in the future.

52.   The initial work under the D4D Fund has also emphasized the complementarity of the IMF's other CD vehicles and the importance of coordination with other CD providers. With the rich diagnostics from the D4D Fund workshops under Module M1, guidance was also received for follow-up CD that can be undertaken under different CD vehicles, such as the FSSF or RCDCs. For example, while the D4D Fund focuses on ESS flows—the current and financial accounts of the BOP—the workshops pointed to work to be undertaken on stocks in the form of the IIP. In the same vein, to the extent that PSDS work needs to focus more on strengthening the methodological basis, RCDCs can provide valuable support to countries, such as in the case of AFE, while the D4D Fund would center more on addressing PSDS data gaps. In some instances, especially with respect to the work stream on source data, close coordination with other CD providers, such as the World Bank and several Nordic countries, will be essential to reap synergies and avoid duplication. While such complementarities and coordination will benefit the CD recipient, care will need to

be taken that the RBM log frame for the country intervention correctly addresses the contributions of the CD activity to the funding source.

V. INDICATIVE PROGRAM BUDGET FOR THE NEXT 18 MONTHS

53. **The budget presented in Table 10 illustrates the increasing resource needs in implementing the proposed work program for the period up to July 2020.** While expenses until end-2018 account for about one-fifth of the FY 2019 budget, spending is projected to accelerate sharply during the remainder of FY 2019, coming close to the authorized budget amount. Importantly, (i) the recruitments for the D4D Fund Program Manager and the economist to coordinate the stepped-up PSDS work will noticeably affect spending only beginning in January; (ii) the online learning work on the PSDS course will commence in January as well; (iii) spending related to the FAS became effective in October 2018 after the survey was transferred from an expiring bilateral donor project and recruitment of two financial experts took place; and (iv) workshops and TA missions will largely affect the second half of FY 2019, following the completion of the conceptual preparatory work.

54. **The FY20 revised budget represents the steady-state implementation of the D4D Fund.** It is centered on the premise that all hiring is completed, and CD activities are reflected in the IMF's Regional Allocation Plan for TA and training. Future years may see shifts in resource needs across the various modules and sub-modules, but the overall envelope is likely to remain the same.

Table 10. FY 2019-21 Proposed Indicative Budget by Module
As of January 8, 2019
(in US Dollars)

Modules/Submodules	FY 2019		FY 2020			FY 2021 (Q1)	
	Budget FY19 (A)	Expenses FY19 (as of Jan 8, 2019)	FY20 Original Budget	FY20 Additional Budget	FY20 Total Revised Budget (B)	FY21 Budget (C)	Total (A)+(B)+(C)
Module 1 - Addressing Data Needs and Quality Concerns	**1,089,995**	**368,512**	**2,033,636**	**954,691**	**2,988,327**	**930,606**	**5,008,928**
Module M1: Submodule Real Sector Statistics	216,366	96,969	529,200	500,227	1,029,427	467,836	1,713,629
Module M1: Submodule External Sector Statistics	358,864	159,829	269,524	195,453	464,977	93,634	917,475
Module M1: Submodule Fiscal and Debt Reporting	514,765	111,715	1,234,912	259,011	1,493,923	369,136	2,377,824
Module M2: Financial Access Survey	**586,746**	**78,721**	**537,404**	**173,208**	**710,612**	**194,809**	**1,492,167**
Module M3: Online Learning	**598,680**	**40,950**	**1,036,693**	**0**	**1,036,693**	**553,205**	**2,188,578**
Module M4: Statistical Information Management	**83,460**	**683**	**85,878**	**0**	**85,878**	**42,939**	**212,277**
RM Project Manager	**169,672**	**0**	**180,865**	**90,433**	**271,298**	**69,791**	**510,761**
Sub total	**2,528,553**	**488,866**	**3,874,476**	**1,218,332**	**5,092,808**	**1,791,350**	**9,412,710**
TF Management Fee (7%)	176,999	34,221	271,213	85,283	356,497	125,394	658,890
Total	**2,705,552**	**523,087**	**4,145,689**	**1,303,615**	**5,449,304**	**1,916,744**	**10,071,600**

STATISTICS DEPARTMENT

STATISTICS DEPARTMENT 39
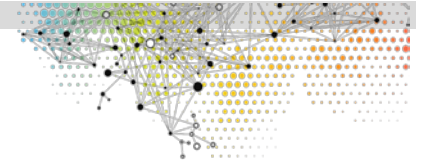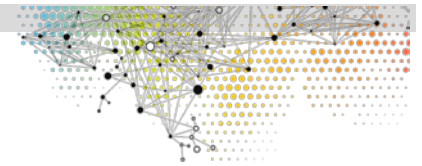
VI. ISSUES FOR INFORMATION AND ENDORSEMENT

55.   This section contains information for the SC to endorse. It reflects the revised budgets for FY 2019-21(Q1), as summarized in Table 10 and reflected in the underlying CD activities in Tables 3 to 9.

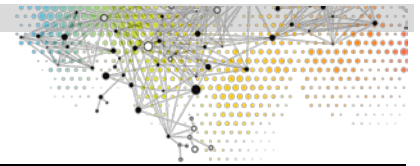### Table 11. Issues for Information and Endorsement

No.	Description	Budget Implication	Reference
1.	Module 1, Sub Module Real Sector Statistics	USD 1.71 million	Table 3, 4, 5 & 10
2.	Module 1, Sub Module External Sector Statistics	USD 0.92 million	Table 6 & 10
3.	Module 1, Sub Module Fiscal and Debt Reporting	USD 2.38 million	Table 7 & 10
4.	Module 2: Financial Access Survey	USD 1.49 million	Table 8 & 10
5.	Module 3: Online Learning	USD 2.19 million	Figure 8 & Table 10
6.	Module 4: Statistical Information Management	USD 0.21 million	Table 9 & 10
7.	Program Manager	USD 0.51 million	Table 10

Annex I. D4D Fund Strategic Log Frame

D4D's Strategic Objective		
Assist LLMICs[19] 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:		
Objective Module 1: Policy-makers 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:** *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 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 a RPPI: Staff capacity will be increased through CD on further	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.

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[19] Capacity development could also be extended to upper-middle income countries that have policy-relevant data deficiencies in the modules included in the D4D.

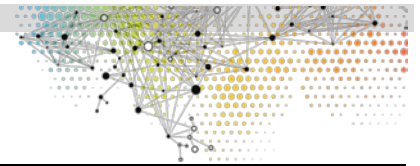| | improving source data, compilation methods, and dissemination; | |
| | • for the around four-fifths of eligible countries where no RPPI is available but economic analysis requires better real estate price data: Regional workshops will provide training on data needs and methodology, complemented by follow-up TA missions if there is sufficient progress in basic data collection. | |

Real Sector Statistics:
Objective 2: *High frequency indicators of economic activity* **(HFIs) provide policy-makers with information about the cyclical position of the economy to be able to adjust the policy mix in a way that eases economic volatility.**

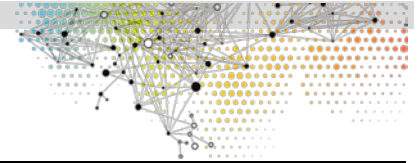| Outcome	Indicators	Data Source
Strengthened compilation and dissemination of well-defined, high-frequency indicators of economic activity.	Currently about two-thirds of LLMICs compile some type of a monthly or quarterly economic activity indicator. At the end of the five-year D4D period, this work 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.

Real Sector Statistics:
Objective 3*: 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.**
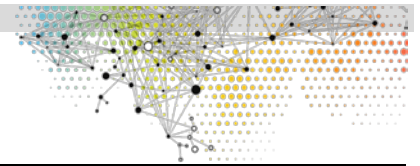
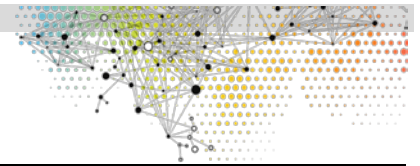| Outcome	Indicators	Data Source
Development and use of source data (administrative data, business and household surveys, price indices for services and fast-changing goods in the digital economy, and big data) will contribute to: • improved national accounts data, including estimates of the informal	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	Follow-up assessments through IMF CD activities.

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.

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;

- 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.

External Sector Statistics:

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

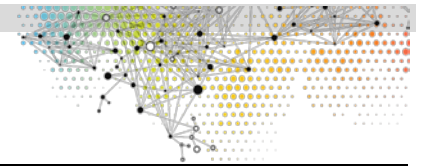| Outcome	Indicators	Data Source
More accurate and comprehensive data on **international trade in goods and services** is available to inform analysis of the impact of global trends, including global value chains and the digital economy.	At the end of the five-year D4D Fund cycle, the submodule aims 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 of the balance of payments should improve when measured by the errors and omissions metric. However, this indicator might not show a linear trend,	Follow-up assessments through IMF CD activities. Dissemination on NSDPs, IMF databases, and/or country web sites. IMF Article IV and program staff reports.

	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 policy-making, 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 policy-makers 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 policy-makers and analysts with high-quality statistics on financial inclusion through the FAS database.

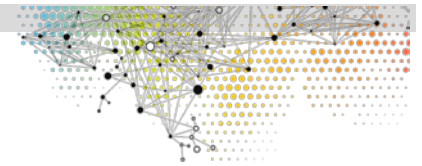| Outcomes	Indicators	Data Source
Continued production of the FAS, providing access to long time series on financial access.	• The FAS survey is sent annually to all IMF members; • Data are validated by IMF staff according to the reporting guidelines, with close follow-up with respondents; and	IMF FAS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

	Data are disseminated on a rolling basis (immediately following validation).	
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 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 UN 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.
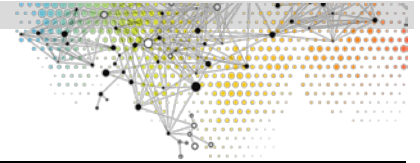
Objective Module 4: Streamline, standardize and automate statistical information management to enhance countries' ability to compile and disseminate macroeconomic and financial statistics.		
Outcomes	**Indicators**	**Data Source**
Disseminate and facilitate implementation of best practices in statistical 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 subaccount and the IMF.

Chair and Vice-Chair

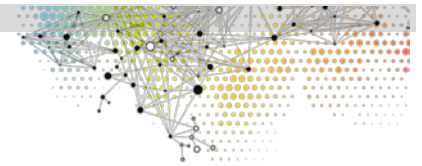**3.**   The SC will be chaired by a donor with a strong interest in contributing to the operations of the D4D Fund. The IMF, as the secretariat of the SC, will propose to the SC a Chair and a Vice Chair. The Chair and Vice Chair will be elected by consensus. The term of the Chair and Vice Chair will 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 sub-modules' 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 are authorized to access, detailed modules and sub-modules descriptions no later than three months after the modules and sub-modules summaries are endorsed;

b.   Provide on the Partners Connect annual modules and sub-modules 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 sub-modules 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.