

**Dominican Republic: Report on the Observance of Standards and Codes—
Data Module, Response by the Authorities, Detailed Assessments
Using the Data Quality Assessment Framework (DQAF)**

This Report on the Observance of Standards and Codes on Data Module for the Dominican Republic was prepared by a staff team of the International Monetary Fund as background documentation for the periodic consultation with the member country. It is based on the information available at the time it was completed on June 2, 2006. The views expressed in this document are those of the staff team and do not necessarily reflect the views of the government of the Dominican Republic nor the Executive Board of the IMF.

The Response by the Authorities to this report and the Detailed Assessments Using the Data Quality Assessment Framework are also included.

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DOMINICAN REPUBLIC

Report on the Observance of Standards and Codes (ROSC)—Data Module

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June 2, 2006

The Report on the Observance of Standards and Codes (ROSC)—data module—provides an assessment of the Dominican Republic’s macroeconomic statistics against the recommendations of the *General Data Dissemination System (GDDS)*, complemented by an assessment of data quality based on the IMF’s Data Quality Assessment Framework (DQAF July 2003). The DQAF lays out internationally accepted practices in statistics, ranging from good governance of data-producing agencies to practices specific to datasets.

The datasets covered in this report are national accounts, consumer price index, government finance, monetary, and balance of payments statistics. The agency that compiles the datasets assessed in this report is the Central Bank of the Dominican Republic (BCRD), in collaboration with the State Secretariat of Finance (SEF), the Technical Secretariat of the Presidency, and the National Statistics Office (ONE).

The datasets to which this report pertains can be accessed in print and on the Internet:

BCRD: <http://www.bancentral.gov.do>
SEF: <http://www.finanzas.gov.do>

This report is based on information provided prior to and during a staff mission from August 3–16, 2005 and publicly available information. The mission team from the IMF comprised Mr. Weisman (Head), Mr. Moreno (STA), Mmes. Merino and Salvato, and Messrs. Mandler and Puig (Experts), and Mr. Matz (STA-Senior Research Officer).

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ABBREVIATIONS

<i>1968 SNA</i>	<i>System of National Accounts 1968</i>
<i>1993 SNA</i>	<i>System of National Accounts 1993</i>
BOP	Balance of Payments
BCRD	Central Bank of the Dominican Republic
<i>BPM5</i>	<i>Balance of Payments Manual</i> , fifth edition
CPC	Central Product Classification
COICOP	Classification of Individual Consumption by Purpose
CPI	Consumer Price Index
DCP	Public Credit Department, State Secretariat of Finance
DQAF	Data Quality Assessment Framework
GDDS	General Data Dissemination System
GDP	Gross Domestic Product
GFS	Government Finance Statistics
<i>GFSM 1986</i>	<i>A Manual on Government Finance Statistics</i> , 1986
<i>GFSM 2001</i>	<i>Government Finance Statistics Manual 2001</i>
ISIC	International Standard Industrial Classification, revision 2
<i>MFSM</i>	<i>Monetary and Financial Statistics Manual</i>
NSHEI	Household Expenditure and Income Survey
ODC	Other Depository Corporations
ONE	National Statistics Office
ROSC	Report on the Observance of Standards and Codes
SEF	State Secretariat of Finance
SIGADE	Debt Management and Financial Analysis System
SIGEF	Integrated Financial Management System
SNA	System of National Accounts
STA	Statistics Department, IMF

I. OVERALL ASSESSMENT

1. The statistical system of the Dominican Republic is assessed against the General Data Dissemination System (GDDS). Although the Dominican Republic is not currently a member of the GDDS, it is working with the IMF to become a participant and already meets many of the GDDS recommendations and some of the encouraged categories for dissemination of macroeconomic statistics.¹ The main exceptions on coverage are the lack of disseminated data on: a) a manufacturing or industrial production index; b) consolidated central government operations; c) central government domestic debt; d) a depository corporations survey, and e) the public and publicly guaranteed debt service schedule. For the data that are disseminated, the Dominican Republic data categories meet or exceed the recommended periodicity and timeliness, except for the periodicity of public and publicly guaranteed external debt.

2. The Dominican Republic has a statistical system centralized mainly within the Central Bank of the Dominican Republic (BCRD).² Notwithstanding recent efforts by the BCRD to improve the quality of macroeconomic statistics compiled and disseminated in the Dominican Republic, important weaknesses remain to be addressed. The BCRD legal framework provides the necessary authority for collecting and disseminating monetary and balance of payments (BOP) statistics, but the legal support for the compilation of other macroeconomic statistics is not clearly established. Confidentiality is protected by law, except cases covered in tax laws or when requested by judicial authorities. The methodology used to compile the consumer price index (CPI) is sound; however, the conceptual frameworks for the national accounts and monetary statistics, as well as the scope, classification, and basis for recording, in all other areas of macroeconomic statistics could be more closely aligned with current international methodologies. In particular, the national accounts correspond to an older (1968) methodology. Source data are generally available; although they should be assessed more comprehensively for the CPI and need to be more fully developed for the national accounts, monetary, and government finance statistics (GFS). Statistical techniques are broadly adequate; nevertheless, the national accounts and CPI suffer from significant shortcomings. The national accounts rely heavily on fixed 1970 coefficients and convert constant values into current ones using the CPI. The weight and reference periods to compile the CPI are not aligned. Periodicity and timeliness of data meet or exceed GDDS recommendations. Revision analysis and studies are generally absent or are not disseminated, except in the case of the CPI. In general, little is done to determine and meet external users' needs. Users do not have access to metadata on sources and methods

¹ As of November 28, 2005. The Dominican Republic participates in the GDDS since November 22, 2005.

² The mission also worked closely with the State Secretariat of Finance (SEF), which shares responsibility for the compilation of government finance statistics with the BCRD, and reviewed quality dimensions on the Prerequisites of Quality and Assurances of Integrity with the National Statistical Office (ONE). However, the ONE does not compile or disseminate macroeconomic statistics and is excluded from the report.

(particularly for GFS, monetary and BOP statistics), and there are no advanced release calendars to make the data more easily accessible.

3. In applying the IMF's Data Quality Assessment Framework (DQAF July 2003), the remainder of this section presents the mission's main conclusions. The presentation is done at the level of the DQAF's quality dimensions, by agency for the first two dimensions and across datasets for the remaining four. Section II provides summary assessment tables of data quality by agency and dataset. This is followed by staff recommendations in Section III. An overview of current practices regarding coverage, periodicity, and timeliness of macroeconomic data compared to the GDDS is provided in Table 4.

4. **Prerequisites of quality and assurances of integrity:**

- The **BCRD**, operates in a legal framework that provides the necessary authority for collecting and disseminating monetary and balance of payments statistics; however, the legal authority to compile other macroeconomic statistics (particularly GFS) is not clearly assigned. Monetary data sharing arrangements between departments run the risk of data inconsistencies. Resources in the statistics compiling units are broadly commensurate with current responsibilities, but they may be inadequate to support the developmental work indicated in the detailed assessments attached to this report. Statistics are produced on an impartial basis consistent with the requirements in the Monetary and Financial Law (Article 6). The choices of techniques are based solely on statistical considerations. However, no regular process exists to capture data users' needs. Moreover, the terms and conditions to produce and disseminate statistics, internal government access to data prior to their release, as well as advanced notice of major changes in methodology for all sets of statistics are not made available to the public. Ethical standards are in place for all sets of statistics and made known to staff.
- The **State Secretariat of Finance (SEF)** has the legal mandate (since end-2004) to compile and disseminate public debt data, but has not yet disseminated these data to the public. The existence of multiple agencies that authorize public debt contracts complicates the collection of consistent and comprehensive data on the nonfinancial public sector debt; although recent legislation aims to strengthen data collection. Resources appear to be sufficient. No regular process is established to capture the opinions of data users' needs. There are no laws or other formal arrangements to support the professional independence of public debt compilers. The public are not provided with advanced notice on major changes to sources and methods. Ethical standards are in place and made known to staff, including through the dissemination of a Code of Conduct to employees.

5. **Methodological soundness** should be improved in most areas, although the standards for consumer prices are observed. However, the concepts and definitions of the national accounts do not reflect the *1993 System of National Accounts (1993 SNA)* methodology, and monetary data do not cover a depository corporations survey or broad monetary aggregates. The scope for most macroeconomic statistics is consistent with international standards,

except for GFS (and some aspects of the national accounts and BOP). The GFS are limited to the budgetary central government, the coverage of transactions is incomplete for extra-budgetary operations, and data on public investment and related external debt are incomplete. Data on smuggling and certain services are incomplete in the BOP. Except for the industrial classification (ISIC), international classifications are not used in the national accounts statistics. For monetary statistics, the Other Depository Corporations classification, sectorization, and valuation are not fully consistent with international standards. For the BOP, certain public corporations' financial transactions are misclassified. Also the basis of recording does not apply the accruals principle and gross recording uniformly.

6. **Accuracy and reliability** elements are, for the most part, appropriately treated in the monetary statistics. Source data are adequately assessed for CPI statistics. Source data are reasonably available, but are not sufficiently developed for the national accounts, GFS, and monetary statistics, and certain BOP surveys are incomplete or completed with delays. Statistical techniques are broadly satisfactory in most areas; although significant deficiencies were observed in the national accounts and the CPI. The national accounts rely heavily on fixed 1970 coefficients and convert constant values into current ones using the CPI. The weight and reference periods to compile the CPI are not aligned. Revision studies and analysis are inadequate (especially for the national accounts and GFS), or absent (BOP statistics).

7. **Serviceability** of disseminated macroeconomic statistics is generally adequate, as the frequency and timeliness of disseminated data meet or exceed GDDS recommendations. Consistency is supported through data sharing among compiling units within the BCRD; however, users are unable to reconcile among the macroeconomic data sets based solely on publicly available data. Revision policies and practices seem adequate for the CPI and monetary statistics; however, users are not informed when GFS are revised.

8. **Accessibility** of macroeconomic statistics and metadata is generally a weak point in the statistical system, especially in the areas of GFS, monetary, and balance of payments data. Users do not have metadata on sources and methods (particularly for GFS, monetary, and BOP statistics), or advance release calendars to make the data more easily accessible. More could be done to provide users with contact points and to respond quickly to data requests for additional details.

II. ASSESSMENT BY AGENCY AND DATASET

9. Assessments of the quality of five macroeconomic datasets—national accounts, consumer price index, government finance, monetary, and balance of payments statistics—were conducted using the DQAF. In this section, the results are presented at the level of the DQAF's elements and using a four-point rating scale (Table 1). Assessments of the prerequisites of data quality and the assurances of integrity (Dimensions “0” and “1” of the DQAF) are presented in Tables 2a and 2b. For each dataset, the assessment of methodological soundness, accuracy and reliability, serviceability, and accessibility (Dimensions “2” to “5” of the DQAF) are shown in Tables 3a–e.

Table 1. Dominican Republic: Data Quality Assessment Framework July 2003—Summary Results

Datasets		National Accounts	Consumer Price Index	Government Finance Statistics	Monetary Statistics	Balance of Payments Statistics
Key to symbols: O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; NA = Not Applicable						
Dimensions/Elements						
0. Prerequisites of quality						
0.1	Legal and institutional environment	LO	LO	LNO	LO	LO
0.2	Resources	LO	O	LO	LO	O
0.3	Relevance	LO	O	LNO	LO	LO
0.4	Other quality management	O	LO	O	LO	O
1. Assurances of integrity						
1.1	Professionalism	O	O	LO	O	O
1.2	Transparency	O	LO	LNO	O	LO
1.3	Ethical standards	O	O	O	O	O
2. Methodological soundness						
2.1	Concepts and definitions	LNO	O	LO	LNO	O
2.2	Scope	LO	O	NO	O	LO
2.3	Classification/sectorization	LNO	O	LO	LO	LO
2.4	Basis for recording	LO	O	LO	LO	LO
3. Accuracy and reliability						
3.1	Source data	LNO	O	LNO	LO	LO
3.2	Assessment of source data	LO	LNO	O	O	O
3.3	Statistical techniques	LNO	LNO	LO	O	LO
3.4	Assessment and validation of intermediate data and statistical outputs	O	O	O	O	LO
3.5	Revision studies	LNO	LO	LNO	LO	NO
4. Serviceability						
4.1	Periodicity and timeliness	O	O	LO	O	LO
4.2	Consistency	LO	LO	LNO	LO	LO
4.3	Revision policy and practice	LO	O	LNO	LO	LO
5. Accessibility						
5.1	Data accessibility	LO	LO	LO	LO	LO
5.2	Metadata accessibility	LNO	O	LNO	NO	NO
5.3	Assistance to users	LO	LO	LO	LO	LO

Practice observed: current practices generally in observance meet or achieve the objectives of DQAF internationally accepted statistical practices without any significant deficiencies.
Practice largely observed: some departures, but these are not seen as sufficient to raise doubts about the authorities' ability to observe the DQAF practices. **Practice largely not observed:** significant departures and the authorities will need to take significant action to achieve observance. **Practice not observed:** most DQAF practices are not met. **Not applicable:** used only exceptionally when statistical practices do not apply to a country's circumstances.

Table 2a. Dominican Republic: Assessment of Data Quality—Dimensions 0 and 1—Central Bank of the Dominican Republic

<p>0. Prerequisites of quality</p> <p>Legal and institutional environment The Monetary and Financial Law (183-02 of December 2002) provides the legal foundation to collect and disseminate monetary and balance of payments statistics, but the law does not clearly establish the compilation and dissemination of other macroeconomic statistics. The BCRD also compiles and disseminates the national accounts, the consumer price index, and government finance statistics and in practice responsibilities are clear. However, the lack of an explicit statistical law for those datasets creates potential uncertainty regarding institutional responsibilities. Specifically for GFS it means that enforcement mechanisms are not sufficient to encourage statistical reporting. The existence of multiple autonomous agencies complicates the collection of consistent and comprehensive data on the nonfinancial public sector. The law assures the confidentiality of statistics, except in cases covered by tax laws or when requested by judicial authorities. The sharing of responsibilities for monetary statistics across two divisions can lead to data inconsistencies.</p> <p>Resources Except for work space constraints for monetary statistics, resources in the BCRD compiling units are broadly commensurate with current statistical responsibilities, but they may be inadequate to support developmental work, especially for the national accounts.</p> <p>Relevance Regular processes are not in place to capture the needs of users.</p> <p>Other quality management BCRD is aware of the importance of the quality of data and make efforts to disseminate this perception at all levels of the institution. The intention expressed by the authorities to have the Dominican Republic participate in the GDDS is further evidence of the commitment to quality management in statistics. The production of high frequency monetary statistics takes resources from other tasks aimed at improving data quality.</p>	<p>1. Assurances of integrity</p> <p>Professionalism The Monetary and Financial Law (Article 6) requires the staff of the BCRD to execute their functions with complete impartiality and independence. The BCRD hires mainly economists that are familiar with statistical principles. The choices of sources and statistical techniques are chosen solely on the basis of statistical considerations. The BCRD follows the use of macroeconomic statistics in the media and, when necessary, can disseminate clarifying notes.</p> <p>Transparency Given that the Monetary and Financial Law is published, the terms and conditions under which monetary and balance of payments statistics are collected, processed and disseminated are available to the public; however this is not so for the national accounts, the consumer price index, or GFS. Internal government access to national accounts, consumer prices, and GFS prior to their release is not made public. The BCRD does not give advanced notice to users of major changes in methodology, sources or statistical techniques for the GFS or balance of payments.</p> <p>Ethical standards The BCRD has a formal code of conduct for its staff included in the Regulation for the Administration of Human Resources. These norms are made known to the staff when they join the BCRD. The BCRD also issues circulars and letters to remind the staff on ethical standards that should be followed.</p>
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Table 2b. Dominican Republic: Assessment of Data Quality—Dimensions 0 and 1—State Secretariat of Finance

0. Prerequisites of quality	1. Assurances of integrity
<p>Legal and institutional environment Since December 2004, the Public Credit Department (DCP) in the SEF has the legal mandate to compile and disseminate public domestic and external debt, but has not yet started disseminating public debt data to the public. The existence of multiple agencies that authorize public debt contracts complicates the collection of consistent and comprehensive data on the nonfinancial public sector debt. The law (Decree 1523-04 of December 2004) provides a legal framework for processing public debt data by the SEF and establishes sanctions for violations of these procedures. No access to individual data of the nonfinancial public corporations is given, other than to DCP staff to fulfill their statistical responsibilities.</p> <p>The SEF has the mandate to compile monthly “revenue” (cash inflows) and “expenditure” (cash outflows) statistics of the budgetary central government. It also compiles an annual financial management balance of the budgetary central government. However, only the BCRD compiles the GFS analytical presentation. The DCP has problems obtaining timely information on external public debt from executing agencies of investment projects and has established closer links with the National Planning Office and creditors to obtain this information.</p> <p>Resources The DCP has sufficient qualified personnel, equipment, and financial resources to fulfill the compilation of public debt data.</p> <p>Relevance No regular process is established to capture the opinion of nongovernmental users about the quality of the data or their additional needs.</p> <p>Other quality management SEF senior officials are aware of the importance of data quality and make efforts to disseminate this perception at all levels of the institution.</p>	<p>Professionalism Although the SEF does not have a specific law or regulation that ensures professional independence in the fulfillment of its statistical tasks, the Civil Servant’s Ethics Code (Article 4) encourages practices consistent with compiling statistics on an impartial basis. The DCP in the SEF hires mainly professionals trained as economists or from commercial and business fields, who are familiar with statistical principles. These staff have been trained in debt statistics methodology and they apply the international methodology in the IMF’s External Debt Guide. The information on debt is registered in the Debt Management and Financial Analysis System (SIGADE). The DCP records information from debt contracts and notifications of disbursements and repayments, all of which are adequate standard sources for recording public external debt data. The DCP follows media usage of public external debt data and can disseminate clarifying notes.</p> <p>Transparency The laws and regulations of the SEF (Decrees 1523-04 and 1524-04) include the terms and conditions under which public debt is compiled and disseminated. External public debt data have traditionally been disseminated simultaneously to the public. The DCP does not have the practice of giving advance notice to users of major changes in methodology, sources, or statistical techniques.</p> <p>Ethical standards The SEF has a Code of Conduct of the Public Servant (Law 120-01 of June 2001) that is provided to the staff when they join the Secretariat.</p>

Table 3a. Dominican Republic: Assessment of Data Quality—Dimensions 2 to 5—National Accounts

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p>Concepts and definitions Concepts and definitions follow the 1968 SNA. However, new series, with 1991 reference year and applying the 1993 SNA conceptual framework, are being compiled, but have not yet been disseminated.</p> <p>Scope The 1968 SNA-based set of accounts is only partially compiled. Quarterly gross domestic product (GDP) is disseminated by the production approach (at constant prices) and by the expenditure approach (at current and constant prices). Annual GDP is obtained by accumulating quarterly estimates. An Integrated Economic Account for the total economy, covering transactions through net lending, is being compiled, but has not yet been disseminated.</p> <p>Classification/sectorization Activities are classified by ISIC revision 2. Products are not classified by CPC. Household consumption is not classified by purpose and government expenditure is not classified by function.</p> <p>Basis for recording There are some deviations from the internationally recommended basis for recording, among them, part of agriculture production is not recorded on an accrual basis. The main aggregates are measured only in gross terms; the consumption of fixed capital is not estimated.</p>	<p>Source data Although a program of economic census and annual surveys is not in place, various types of household surveys are conducted regularly. Limited data sources are available for construction, commerce and service activities. Except for CPI and agriculture prices, price statistics are insufficient.</p> <p>Assessment of source data Source data are assessed against available related data and indicators, although sample characteristics are not assessed.</p> <p>Statistical techniques Excessive reliance on fixed, 1970-coefficients. Constant GDP and its components are converted into current GDP using the CPI. Expenditure on GDP is estimated at current and constant prices; however, household final consumption is obtained as residual.</p> <p>Assessment and validation of intermediate data and statistical outputs Intermediate data are assessed and estimates are checked against available indicators.</p> <p>Revision studies Revisions are analyzed, but studies of revisions are not carried out.</p>	<p>Periodicity and timeliness Periodicity and timeliness meets or exceeds GDDS recommendations.</p> <p>Consistency GDP by production and expenditure approaches are consistent. Household final consumption is obtained as a residual at current and constant prices. The relationship between current value, volume and price indices is also consistent. Consistent time series are available for 1970 onwards. Although the compiled data are broadly consistent across sectors, the data disseminated cannot be reconciled by users.</p> <p>Revision policy and practice Preliminary data are clearly identified in publications; however, revisions are not. Analysis of revisions are not made public.</p>	<p>Data accessibility GDP data disseminated in the <i>Report on the Economy of the Dominican Republic</i> contain charts and tables to facilitate analysis. Statistics are simultaneously disseminated to all users via the web. A data dissemination calendar is not made public. Users can obtain unpublished data on request, although this possibility is not announced to the public.</p> <p>Metadata accessibility Documentation on sources and methods was published when the 1970 series was disseminated, and is available only in the BCRD library; but it does not contain sufficient detail. Detailed metadata has not been produced.</p> <p>Assistance to users Assistance to users is provided on request, although only a general contact point is given on the BCRD website. Support service is not prompt. Users are not always satisfied with the responses to queries. A list of publications is available on the BCRD website.</p>

Table 3b. Dominican Republic: Assessment of Data Quality—Dimensions 2 to 5—Consumer Price Index

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p>Concepts and definitions The CPI weights are based on the 1997/1998 household expenditure and income survey (NSHEI). Household consumption expenditures used in these weights are consistent with the concepts and definitions of the national accounts. There is an adequate level of detail for both goods and services.</p> <p>Scope The CPI weights cover both urban and rural households at all income levels, including for the agricultural sector. Goods and services produced for own consumption by households, gifts in-kind received, and social benefits, are included.</p> <p>Classification All classification and coding for the 1997–98 NSHEI and the current CPI are based on the COICOP. The basket of the CPI, is compiled for 10 groups, 36 sub-groups, 95 classes and 245 goods and services.</p> <p>Basis for recording Both prices and weights are determined on an accrual basis using market and/or transaction values. Discounts through bargaining are not included in the price data. Purchases of used vehicles by households are included in the CPI weights using net values.</p>	<p>Source data CPI source data are broadly adequate. A random, representative sample of households was taken from the 1997-97 NSHEI. The CPI covers 79 municipalities. Prices are collected monthly through direct interviews.</p> <p>Assessment of source data Correction and validation of data are limited to simple techniques, including routine checks for extreme values, consistency, and incomplete data. Response and editing rates, and sampling and nonsampling errors are not calculated.</p> <p>Statistical techniques The CPI is based on a Laspeyres formula aggregating long-run average prices. Missing prices, quality adjustments, seasonal products, and techniques for the introduction of new products are absent. The weight and price reference periods are not the same.</p> <p>Assessment and validation of intermediate data and statistical outputs Detailed price data are compared to information from other sources, such as the Price Control Authority and the ONE.</p> <p>Revision studies Studies were conducted on the NSHEI for errors and consistency in expenditure data. New weights are subject to analysis and validation prior to being incorporated in the index. These results are used internally to guide decisions regarding any change of weights, although periodic weight revisions are not undertaken to determine the bias of the CPI.</p>	<p>Periodicity and timeliness Periodicity and timelines meet GDDS recommendations.</p> <p>Consistency The CPI is generally consistent over time; however, subnational indices are not integrated with the national CPI. The latest methodological change in the index compilation was introduced in 1999.</p> <p>Revision policy and practice The monthly CPI is not revised; data are final when released.</p>	<p>Data accessibility The CPI is posted on the BCRD website and includes the monthly national-level CPI for December of the previous year and the months of the current year. Detailed tables cover the <i>Distrito Nacional</i>, rural and urban areas, and the national level. They contain indices, weights, and percentage changes at different levels of COICOP aggregation. An analysis of the important price changes and their causes is included. An advance release calendar is not available.</p> <p>Metadata accessibility A summary methodology on both the CPI and the NSHEI is available to the public on the BCRD website. Detailed NSHEI and CPI methodologies also are available at the BCRD Documentation Center and the website.</p> <p>Assistance to users Assistance to users is provided on request, although only a general contact point is given on the BCRD website. Support service is not prompt. Users are not always satisfied with the responses to queries. A list of publications is available on the BCRD website.</p>

Table 3c. Dominican Republic: Assessment of Data Quality—Dimensions 2 to 5—Government Finance Statistics

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p>Concepts and definitions The concepts and definitions are not fully aligned to the <i>GFSM 1986</i>. There is no migration plan to the <i>GFSM 2001</i>.</p> <p>Scope GFS data only cover budgetary central government units and transactions coverage is incomplete. GFS data for the nonfinancial public sector are compiled but not disseminated. Only public external debt data, which includes publicly guaranteed debt, are disseminated; however, they have incomplete coverage of transactions. Domestic debt data are compiled but not disseminated.</p> <p>Classification/sectorization Sectorization of the public sector is consistent with the <i>1993 SNA</i>, but the names of the sub-sectors could be misleading. Revenue classification is largely aligned to the <i>GFSM 1986</i>, but expenditure related to own-account capital formation are not classified as such.</p> <p>Basis for recording Recording is aligned with the <i>GFSM 1986</i>, except that expenditure is on noncash basis and financing is recorded on a due-for-payments basis.</p>	<p>Source data Government accounting (in the SIGEF) is not yet comprehensive, therefore the compilation system comprises a set of partial sources of data for the budgetary central government. Investment data arrive with long lags.</p> <p>Assessment of source data Source data are assessed through cross checks, comparing trends, and comparing forecasted and actual amounts.</p> <p>Statistical techniques Data are revised with new financing data and with the final budget accounts. There is a balance between timeliness and accuracy. There are no procedures for estimating missing data. GFS data are not adjusted to reassign transactions to the period in which they took place.</p> <p>Assessment and validation of intermediate data and statistical outputs Some intermediate results are validated, i.e., revenues are cross-checked with data from collection offices.</p> <p>Revision studies Revisions are analyzed, but studies of revisions are not done.</p>	<p>Periodicity and timeliness The periodicity and timeliness for the budgetary central government GFS data meet or exceed the GDDS recommendations. However, data are disseminated on a cumulative quarterly basis (e.g., January–June) and not discretely for the quarters (e.g., January–March and April–June).</p> <p>Consistency The same concepts and classifications are used for quarterly and annual data because data are cumulative. Discrepancies between the deficit/surplus and financing are recurrent and significant, especially in quarterly data. Quarterly GFS data series are not disseminated to the public to assess consistency over time. Although the compiled data are broadly consistent across sectors, the data disseminated cannot be reconciled by users.</p> <p>Revision policy and practice There is no established procedure for revisions. Studies and analysis of revisions are not made public.</p>	<p>Data accessibility GFS data are not disseminated according to the tables prescribed in the <i>GFSM 1986</i>. Public external debt data are not disseminated by type of debtor. There is no preannounced schedule for the release of GFS and public external debt data. GFS data are not made available to all users at the same time; usually the SEF has pre-unpublished data on request, although this possibility is not announced to the public.</p> <p>Metadata accessibility GFS metadata are not disseminated. Only summary metadata on external public debt have been made available to the public.</p> <p>Assistance to users Assistance to users is provided on request, although only a general contact point is given on the BCRD and SEF Internet sites. Support service is not prompt. Users are not always satisfied with the responses to queries. A list of publications is available on the BCRD and SEF Internet sites.</p>

Table 3d. Dominican Republic: Assessment of Data Quality—Dimensions 2 to 5—Monetary Statistics

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p>Concepts and definitions Concepts and definitions does not generally conform to the guidelines of the <i>Monetary and Financial Statistics Manual (MFSM)</i>. A depository corporations survey and broad monetary aggregates are not disseminated.</p> <p>Scope Coverage of monetary statistics includes all depository corporations for which data are available (see also Source data).</p> <p>Classification/sectorization Classification/sectorization principles in the Central Bank Survey are broadly consistent with <i>MFSM</i> guidelines. However, classification of financial instruments and sectorization in the other depository corporations (ODC) survey are not fully in line with the <i>MFSM</i>.</p> <p>Basis for recording Basis of recording generally follows the <i>MFSM</i>. However, the ODC survey is compiled using data based on historical prices with no estimation of fair value/market prices. Accrued interest is not allocated with the corresponding financial instrument.</p>	<p>Source data Source data are derived from comprehensive data collection programs, excluding data that are not available on offshore operations of resident banks involving Dominican residents, and saving and credit cooperatives. Source data on ODCs do not follow international accounting standards. Monthly central bank data are not timely.</p> <p>Assessment of source data Assessment of source data is sound. Balance sheets are routinely reviewed and banks consulted for clarification when unusual data movements are detected.</p> <p>Statistical techniques Statistical techniques are generally sound. For the most part the compilation process is automated and electronic compilation procedures minimize compilation errors.</p> <p>Assessment and validation of intermediate data and statistical outputs Assessment and validation of intermediate data and statistical outputs are conducted routinely, through computer programs with built-in checks for errors and inconsistencies.</p> <p>Revision studies Revision studies are not conducted on a regular basis because revisions are unusual.</p>	<p>Periodicity and timeliness Periodicity and timeliness meet GDDS recommendations.</p> <p>Consistency Monetary statistics are consistent within the dataset, over time, and with balance of payments statistics. However, disseminated monetary statistics cannot be reconciled with fiscal data by external users.</p> <p>Revision policy and practice A revisions policy for monetary statistics is not well established; however, revisions to preliminary data are rare and generally small, since monthly data are first disseminated as final for most depository corporations.</p>	<p>Data accessibility Presentation of disseminated monetary statistics is generally clear and meaningful, although there is room for improvement to ensure correct interpretation among external users. Although there is no preannounced release schedule, data are disseminated on the BCRD website at regular intervals (daily and quarterly). Users can obtain unpublished data on request, although this possibility is not announced to the public.</p> <p>Metadata accessibility Metadata are not disseminated. Work is in progress, in coordination with the IMF's Statistics Department (STA), to complete a set of metadata.</p> <p>Assistance to users Assistance to users is provided on request, although only a general contact point is given on the BCRD website. Support service is not prompt. Users are not always satisfied with the responses to queries. A list of publications is available on the BCRD website.</p>

Table 3e. Dominican Republic: Assessment of Data Quality—Dimensions 2 to 5—Balance of Payments Statistics

2. Methodological soundness	3. Accuracy and Reliability	4. Serviceability	5. Accessibility
<p>Concepts and definitions The conceptual framework of the balance of payments closely follows the guidelines of the <i>BPM5</i>. Resident individuals and institutional units and the coverage of balance of payments transactions are defined in conformity with the <i>BPM5</i>.</p> <p>Scope The scope of the data is broadly consistent with the guidelines of the <i>BPM5</i>. Coverage of certain transactions (such as smuggling, and some categories of services) is incomplete.</p> <p>Classification/sectorization Although in general the classification of the <i>BPM5</i> is followed, income and financial transactions of public enterprises are shown in the same category as the general government. Data are disseminated only in an analytical presentation that lacks certain details.</p> <p>Basis for recording Market prices are used to value stocks and flows. Recording is done on an accrual basis. Interest on the external public debt was recorded on an accrual basis only for 2003 data. Certain current transfers are shown on a net basis. The principle of showing separately transactions in assets and liabilities is not followed in the quarterly presentations.</p>	<p>Source data Source data used in the compilation of the balance of payments are generally adequate and derived from administrative records, surveys of travelers, enterprise surveys, public debt records, and balance sheet data of the banking sector. Surveys are generally complete; however for surveys on certain services, direct investment, and private external debt, source data are incomplete. Except for survey data from private enterprises on direct investment and external loans, the data are timely.</p> <p>Assessment of source data Survey data are routinely assessed to ensure their internal and inter-temporal consistency.</p> <p>Statistical techniques In general, techniques to assess the quality of reported data are sound. The information is regularly assessed. However, there are no procedures in place for imputation or adjustments in cases of nonresponse. No estimates are made for unrecorded border trade.</p> <p>Assessment and validation of intermediate data and statistical outputs Intermediate results are cross-checked against other sources of information from partner countries. Net errors and omissions are regularly assessed and incorporation of information from the Bank for International Settlements has reduced them in recent years.</p> <p>Revision studies There are no formal procedures to assess revisions. Studies and analyses of revisions are not done.</p>	<p>Periodicity and timeliness Periodicity and timeliness are in line with the recommendations in the GDDS. Public and publicly guaranteed debt is disseminated semi-annually.</p> <p>Consistency Data are consistent internally (except for external public debt payments arrears) and over time. Although data are broadly consistent across sectors, disseminated data cannot be reconciled by users.</p> <p>Revision policy and practice There is no established procedure for revisions.</p>	<p>Data accessibility Presentations of data are significantly less detailed than in the standard presentation of the <i>BPM5</i>, particularly for disseminated quarterly data. More details (but not the full list of standard components) are given in the annual balance of payments bulletin, but these data are released with considerable delay. There is no preannounced data release schedule. Users can obtain unpublished data on request, although this possibility is not announced to the public.</p> <p>Metadata accessibility Balance of payment metadata are not disseminated. Work is in progress, in coordination with STA, to complete a set of metadata.</p> <p>Assistance to users Assistance to users is provided on request, although only a general contact point is given on the BCRD website. Support service is not prompt. Users are not always satisfied with the responses to queries. A list of publications is available on the BCRD website.</p>

III. RECOMMENDATIONS

10. Based on the review of the Dominican Republic's statistical practices, discussions with the data-producing agencies, and responses from data users (see Appendix III of the Detailed Assessments volume), the mission identified a set of recommendations. They are designed to increase further the Dominican Republic's adherence to internationally accepted statistical practices and would, in the mission's view, enhance the analytical usefulness of the Dominican Republic's statistics. Some additional technical suggestions are included in the Detailed Assessments volume.

Cross-cutting Recommendations

- Formalize participation in the GDDS and use the GDDS framework for strategic planning and prioritizing steps to strengthen macroeconomic statistics.
- Develop and publish detailed metadata on concepts, scope, classifications, basis of recording, data sources, and statistical techniques.
- Give advance notice of major changes in methodology, source data, and the statistical techniques employed to produce macroeconomic statistics.
- Compile and disseminate quarterly macroeconomic statistics on a discrete basis (January-March, April-June, etc.) and not on a cumulative basis.
- Make longer time series and more details available to users, with adequate explanatory material on issues related to intersectoral consistency. Prepare and disseminate intersectoral reconciliation tables.
- Prepare and disseminate advance release calendars. Ensure that each data set is disseminated on the BCRD website as soon as they become available.
- Disseminate the availability of unpublished statistics and the procedures for obtaining them.
- Provide specific contact information to resolve queries for each subject field, and ensure that responses are timely.
- Prepare and make widely available an explicit statistical revisions policy, identifying which data have been revised significantly and describe the data revision procedures employed. Prepare and disseminate revision studies.
- Monitor external user needs, conduct regular consultations with users, and sponsor the formation of groups of users and data providers to improve the quality and relevance of the statistics. Implement routine surveys of users of macroeconomic statistics.

National accounts

High priority

- Finalize and disseminate, as soon as possible, the new national accounts series implementing the *1993 System of National Accounts (1993 SNA)*. Disseminate the new series with detailed analyses and explanations of the differences from the old series.
- Update the directory of establishments and enterprises and develop a regular program of quarterly and annual economic surveys.
- Program and conduct the economic censuses and special economic surveys required for a more recent reference year.
- Improve the supply of price statistics, principally by compiling a producer price index and improving foreign trade price indices on goods and services.
- Compile a volume index of industrial production and improve the coverage and quality of volume measures for commerce and service activities.
- Reinforce staff resources to ensure adequate maintenance and developmental work.

Other key recommendations

- Estimate the increase in the informal sector's compensation of employees and mixed income, mainly based on data from the labor force survey, and adjust GDP figures.

Consumer Price Index

High priority

- Create a firewall around the BCRD unit that processes the consumer price index to foster full confidence in the integrity of its compilation.
- Release statistics to all users at the same time.
- Make adjustments for seasonal and missing price imputations, changes in product specifications/quality, and new products.
- Formulate a general plan for compiling updated weights and a reference base following international standards in the medium-term.

Other key recommendations

- Assess CPI data source response rates to price surveys, sampling errors, non sampling errors, and nonresponse errors.
- Aggregate price indices by geographical area and by expenditure quintiles.

Government Finance Statistics

High priority

- Review the legal environment to assign GFS compilation responsibility to a centralized agency and encourage data reporting through clear legal mechanisms, including local governments and nonfinancial public corporations.
- Improve GFS coverage of government units with own budgets, disbursements from abroad for investment expenditures, and extrabudgetary operations.
- Record transactions in the period to which they correspond, when revising data.
- Improve classification of expenditure related to fixed capital formation.
- Compile and disseminate (foreign and domestic) public debt for each subsector by creditor and instrument.
- Reinforce the central role of the SIGEF for the entire central government and the application of a comprehensive government accounting system.

Other key recommendations

- Establish a formal plan to migrate to the *GFSM 2001* in the medium term.
- Compile and disseminate GFS for the consolidated nonfinancial public sector and its subsectors.

Monetary Statistics

High priority

- Continue implementation of the work plan to adopt the *MFSM* methodology, in particular by (1) compiling a depository corporations survey and broader monetary aggregates, and (2) improving classification, sectorization, and valuation of financial instruments.
- Widen source data to include saving and credit cooperatives and offshore operations of resident banks involving Dominican residents.

- Streamline efforts in the compilation of monetary statistics and improve data sharing within the BCRD, in particular with regard to central bank data.
- Reassess the trade-offs between data accuracy, periodicity, and timeliness of monetary statistics, focusing in particular on the resources devoted to compile daily versus monthly monetary statistics.

Other key recommendations

- Prepare a medium-term plan to further expand the coverage of monetary statistics to include other financial corporations (insurance companies, pension funds, and financial auxiliaries), which would permit eventual compilation of a financial corporations survey.
- Improve the staff workplace by providing more space to compilers of monetary statistics.

Balance of Payments Statistics

High priority

- Classify transactions of the general government and the rest of the public sector in the appropriate institutional sectors.
- Present data for current transfers on a gross basis. In the financial account, show separately transactions in assets and liabilities.

Other key recommendations

- Develop appropriate procedures for imputation and adjustment in cases of nonresponse, whenever possible.
- Apply the accrual principle for recording interest on public sector debt.
- Record counterpart entries to the estimates for workers' remittances in kind, as a debit in goods.
- If material, improve the coverage of data on smuggling and certain services.
- Strive to achieve more complete and timely surveys especially for certain categories of services, direct investment, and private external debt.

Table 4. Dominican Republic: Overview of Current Practices Regarding Coverage, Periodicity, and Timeliness of Macroeconomic Data Compared to the General Data Dissemination System

D=daily; W=weekly; M=monthly; Q=quarterly; A=annual; NA = not applicable/not yet disseminated						
GDDS Data Category	Coverage (meets GDDS)	Periodicity		Timeliness		
		GDDS	Dominican Republic	GDDS	Dominican Republic	
COMPREHENSIVE FRAMEWORK						
Real sector: National accounts	Yes	A	Q, A	10–14 months	60 days	
Fiscal sector: Central government operations	No	A	NA	6–9 months	NA	
<i>General government operations</i>	<i>No</i>	<i>A</i>	<i>NA</i>	<i>6–9 months</i>	<i>NA</i>	
Financial sector: Depository corporations survey	No	M	NA	2–3 months	NA	
External Sector: Balance of payments	Yes	A	Q, A	6–9 months	Q: 8 weeks; A: 3 months	
<i>International investment position</i>	<i>No*</i>	<i>A</i>	<i>NA*</i>	<i>6–9 months</i>	<i>NA*</i>	
DATA CATEGORIES AND INDICATORS						
Real Sector						
GDP (nominal and real)	Yes	A (Q)	Q, A	6–9 months	60 days	
<i>Gross national income, capital formation, saving</i>	<i>No</i>	<i>A</i>	<i>NA</i>	<i>6–9 months</i>	<i>NA</i>	
Manufacturing or industrial production index/indices	No	M	NA	6–12 weeks	NA	
<i>Primary commodity, agricultural, or other indices, as relevant</i>	<i>No</i>	<i>As relevant</i>	<i>NA</i>	<i>6–12 weeks</i>	<i>NA</i>	
Consumer price index	Yes	M	M	1–2 months	10 days	
<i>Producer price index</i>	<i>No</i>	<i>M</i>	<i>NA</i>	<i>1–2 months</i>	<i>NA</i>	
Employment	Yes	A	Semi-annual	6–9 months	4 months	
Unemployment	Yes	A	Semi-annual	6–9 months	4 months	
Wages/earnings (all sectors)	Yes	A	Semi-annual	6–9 months	4 months	
Fiscal Sector						
Central government budgetary aggregates: revenue, expenditure, balance, and financing with breakdowns (debt holder, instrument, currency)	Yes	Q	Q	1 quarter	2 months	
<i>Interest payments</i>	<i>Yes</i>	<i>Q</i>	<i>Q</i>	<i>1 quarter</i>	<i>2 months</i>	
Central government debt: domestic and foreign debt, as relevant, with appropriate breakdowns (debt holder, instrument, currency)	No	A (Q)	NA	1–2 quarters	NA	
<i>Government-guaranteed debt</i>	<i>No</i>	<i>A (Q)</i>	<i>NA</i>	<i>1–2 quarters</i>	<i>NA</i>	
Financial Sector						
Broad money and credit aggregates	Yes	M	W, M	1–3 months	W: 7 days; M: 3 months	
Central bank aggregates	Yes	M	W, M	1–2 months	W: 7 days; M: 3 months	
Short- and long-term government security rates, policy variable rate	Yes	M	D, M	In high frequency publication	D: 1 day; M: 10 days	
<i>Money or interbank market rates and a range of deposit and lending rates</i>	<i>No</i>	<i>M</i>	<i>NA</i>	<i>In high frequency publication</i>	<i>NA</i>	
<i>Share price index, as relevant</i>	<i>NA</i>	<i>M</i>	<i>NA</i>	<i>In high frequency publication</i>	<i>NA</i>	
External Sector						
Balance of payments aggregates	Yes	A (Q)	Q, A	6 months	Q: 8 weeks; A: 3 months	
Public and publicly guaranteed external debt outstanding, with maturity breakdown	Yes	Q	Semi-annual	1–2 quarters	8 weeks	
Public and publicly guaranteed debt-service schedule	No	Twice yearly	NA	3–6 months	NA	
<i>Private external debt not publicly guaranteed</i>	<i>No</i>	<i>A</i>	<i>NA</i>	<i>6–9 months</i>	<i>NA</i>	
Gross official reserves denominated in U.S. dollars	Yes	M	M	1–4 weeks	4 weeks	
<i>Reserve-related liabilities</i>	<i>No</i>	<i>M</i>	<i>NA</i>	<i>1–4 weeks</i>	<i>NA</i>	
Total exports and total imports	Yes	M	M	8–12 weeks	8 weeks	
<i>Major commodity breakdowns with longer time lapse</i>	<i>Yes</i>	<i>M</i>	<i>M</i>	<i>8–12 weeks</i>	<i>8 weeks</i>	
Exchange rates: spot rates	Yes	D	D	<i>In high frequency publication</i>	1 day	

Italics indicate encouraged categories.

* International investment position data have been compiled, but not disseminated to the public in the Dominican Republic.

INTERNATIONAL MONETARY FUND

DOMINICAN REPUBLIC

Report on the Observance of Standards and Codes (ROSC)—Data Module

Response by the Authorities

June 2, 2006

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I. CENTRAL BANK OF THE DOMINICAN REPUBLIC

We broadly agree with the substance of the assessment contained in the IMF's Report on the Observance of Standards and Codes (ROSC) for the Dominican Republic's official statistics. This largely reflects the efforts by the Central Bank of the Dominican Republic (BCRD) and the Secretariat of Finance (SEF)—in conjunction with the Technical Secretariat of the Presidency (STP) and the National Statistical Office (ONE)—to improve data quality, soundness, reliability, and timeliness of statistics. In particular, we wish to highlight the following points made in the assessment:

- The BCRD's legal framework provides the necessary authority for compiling and disseminating BOP and monetary and financial statistics, as well as other statistics required for the performance of the BCRD's functions.
- Statistics are produced on an impartial basis consistent with the requirements of the Monetary and Financial Law (Article 69).
- The choice of techniques is based on statistical considerations. The statistical techniques are generally adequate.
- Methodologies for compiling macroeconomic statistics are generally in line with international standards.
- The availability of disseminated macroeconomic statistics is generally adequate. Periodicity and timeliness meet or exceed recommendations of the General Data Dissemination System (GDDS).
- The BCRD has a formal code of conduct for its staff included in the Regulation for the Administration of Human Resources.

The ROSC mission's recommendations generally represent a fine contribution to the work of our Central Bank. Consequently, we will evaluate each recommendation in the institutional context of the BCRD and we will implement all of the recommendations that are practicable and beneficial for our institution and our country.

Below please find our comments on the observations pertaining to the data processed and disseminated by the BCRD.

A. Monetary Statistics

- Most of the dimensions evaluated (90.9 percent) were characterized as observed or largely observed (see Table 1 of the Data Quality Assessment Framework). Furthermore, the review policies for monetary statistics are rated as adequate.

- Categories of monetary data have been developed that meet or exceed the periodicity and timeliness standards recommended by the IMF.
- The Monetary Programming and Economic Statistics Department (PROMIECO) has been working on the concepts and definitions introduced in the new *Monetary and Financial Statistics Manual (MFSM)*. It should be noted that the currently published monetary statistics were prepared before the *MFSM* was published in 2000. However, new statistical series are being developed based on the *MFSM* to replace the existing ones.
- Likewise, with respect to the principles for classifying and sectorizing “Other Depository Corporations,” PROMIECO is also developing (with IMF technical assistance) new statistical series based on the financial instrument and economic sectorization criteria set forth in the *MFSM*.

B. Balance of Payments

- With respect to the recommendation to give high priority to the presentation of data for current transfers on a gross basis, this recommendation may be complied with immediately, for since the *Balance of Payments Manual* fifth edition (*BPM5*) was implemented, our Department has been calculating BOP statistics on a gross basis, although they are currently disseminated on a net basis.
- The same applies to the presentation of external transactions of the public sector broken down between general government and public enterprises, with particular reference to external public debt.
- With respect to services, we compile and record the main components in accordance with *BPM5* criteria. Components such as: transportation, travel, communications, and insurance have adequate coverage and we are in the process of developing other additional components.
- As for imputation due to lack of responses or coverage, we believe that in future it will be possible to set a number of criteria to impute the missing values, once the requisite research is available.
- It should be explained that the BCRD has released BOP time series which are available on CDs at the BCRD’s library.
- The BCRD has published all the methodological changes to the BOP, although it is clear that studies of these revisions are not being prepared. We generally agree with those suggestions that call for a higher degree of dissemination of the available information and the adoption of procedures for these purposes.

C. National Accounts

- The report presents an assessment of the methodology based on the *System of National Accounts 1993 (1993 SNA)* for the calculation of national accounts. However, the BCRD has moved rapidly to complete the calculations for the new accounts, which include the change in the base year and the application of the *1993 SNA* concepts, definitions, and methodologies to the 1991–2005 series, which were presented to the public in the second week of March 2006. The publication documents (2 volumes) will be put into circulation in the first week of April 2006. The national accounts aggregates corresponding to the current year will be based on these new calculations.
- According to the ROSC-Data Module recommendations, quarterly macroeconomic statistics will be presented separately for each quarter. In addition, supply-use tables for the series will be presented to facilitate inter-sectoral reconciliation.
- In the same way, as the ROSC recommends, the above-mentioned volumes will present technical papers (*fichas técnicas*) containing full details with regard to methodologies, sources, periodicities, etc. for each economic activity. The other text will present analyses of the series at current and constant prices as well as the main differences compared to the previous system.
- With respect to programming for an economic census, preparations are currently underway to develop an economic directory, in conjunction with the National Statistics Office (ONE). The ONE is conducting a population count that will serve as input for the directory, with a view to carrying out an economic census in early 2007.
- With respect to the price index, work has begun on revising the sample of commercial establishments and the system for capturing CPI prices, in order to incorporate into the database the names of the establishments with the aim of imputing the missing prices. In addition, we are looking at various data imputation methods. At the same time, we are taking steps to prepare calculations for underlying inflation.
- In addition, the BCRD is providing the ONE with technical assistance in planning and implementing the Household Income and Expenditure Survey (ENGIH) to be conducted over the period June 2006–June 2007. The Central Bank will use the findings to calculate a new basket of goods for the CPI and also to change the base year for measuring inflation.

II. STATE SECRETARIAT OF FINANCE

A. Government Finance Statistics

The SEF's comments with respect to the ROSC mission's main recommendations in the area of government finance statistics are:

- With respect to reviewing the laws to entrust a centralized agency with responsibility for compiling fiscal statistics, a draft law has now been submitted to the National Congress to create the State Secretariat of Finance (*Secretaría de Estado de Hacienda*, formerly *Secretaría de Estado de Finanzas*.) Its legal framework will encompass the conduct of the government's overall fiscal policy and its components—revenue, expenditure, and financing—thereby ensuring that this policy can be sustainable in the short, medium, and long terms. It will also address the design, implementation, and maintenance of the fiscal statistics system, inter alia.
- At the same time, the Government Accounting Law No. 126-01 of July 27, 2001 establishes that the State Secretariat of Finance is required to submit consolidated statistics on the nonfinancial public sector by the end of each fiscal year. In addition, the Draft Organic Budget Law, recently submitted to Congress, broadens the coverage of institutions for approval of the Expenditure Law and sets responsibility for preparing and implementing the consolidated budget of nonfinancial public sector institutions. Furthermore, it establishes penalties and binding obligations to file information with the supervisory authority which in this case will be the General Directorate of Budget, reporting to the State Secretariat of Finance.
- To improve the coverage of government finance statistics, as part of its programmed activities, the SEF (through the Integrated Financial Management System (SIGEF)) will incorporate, record, and disseminate the following information:
 - With respect to the decentralized or autonomous government units, the SEF is currently processing the extension of the Inter-American Development Bank loan to improve the coverage of the Integrated System of Financial Information for Decentralized or Autonomous Public Institutions. Moreover, there are plans to include municipal governments at a later stage, with the aim of obtaining budgetary control and generating statistical data.
 - With respect to external disbursements for capital expenditure, the Integrated Financial Administration Program is developing the conceptual model for the external loan executing units. Through this mechanism, there are plans to encompass all externally funded operations intended for capital projects and programs.
 - Extrabudgetary operations are being reported with information that is processed manually, by means of the compilation of information at executing units. In FY 2006, this activity is to be conducted quarterly with the aim of improving the Central Government's fiscal statistics.
- As for the recording of transactions in the corresponding period, the SIGEF now covers all the operations carried out by the SEF of the central government whose disbursement procedures pass through the National Treasury, which accounts for

approximately 80 percent of the information processed in the system. The rest of the information corresponds to loans or grants in cash or financing facilities involving bilateral loans which are envisaged to be recorded quarterly. These measures will obviate the need to make adjustments at the end of the fiscal year.

- Article 38 of Law No. 06-06 establishing the Directorate of Public Credit states that nonfinancial decentralized or autonomous institutions; social security institutions and nonfinancial public enterprises; and the units executing externally funded projects and those whose obligations are backed by the central government, shall be obligated to meet in a correct and timely fashion any requests for information on budget outturn or any other kind of financial information asked for by the Directorate in the exercise of its powers. Pursuant to this article, it is expected that information on the use of financing will be made transparent, and that it will be possible to specify the use of financing both for current expenditure and for capital expenditure.
- Furthermore, the SEF has plans to coordinate with ONAPLAN and the loan executing units a more effective classification of externally funded programs and projects, thereby ensuring more accurate tracking of the ultimate use of such financing, whether for current expenditure or for capital expenditure.
- With respect to the compilation and dissemination of domestic and external public debt, since Decree No. 1093-04 of September 2004 the Public Credit Department has been compiling information on such debt. Dissemination has been carried out since September 2005 on the SEF's webpage, by creditor, sector, and instrument. Furthermore, there is a commitment to continuing the periodic quarterly, semiannual, and annual publication on the SEF's webpage. The portal has already been created, covering all matters pertaining to domestic and external public debt.
- The draft Law establishing the Integrated System for Government Financial Administration (SIAFE), currently before the National Congress, states that the SEF will be the coordinating authority for the system. Furthermore, the same draft law indicates that nonfinancial public sector institutions are required to implement the SIAFE in the interests of generating information in a timely fashion.
- Currently, central government information is complemented with data produced by the CBRD on the transactions of decentralized or autonomous public institutions. As part of its institution-building program, the SEF is proposing to design and implement a fiscal statistics system.

INTERNATIONAL MONETARY FUND

DOMINICAN REPUBLIC

Detailed Assessments Using the Data Quality Assessment Framework (DQAF)

Prepared by the Statistics Department

Approved by Robert W. Edwards and Anoop Singh

June 2, 2006

This document contains a detailed assessment by dataset of the elements and indicators that underlie the data quality dimensions discussed in Dominican Republic's Report on the Observance of Standards and Codes (ROSC)—Data Module. It also includes as appendices the DQAF generic framework and the results of the users' survey.

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ACRONYMS

<i>1968 SNA</i>	<i>System of National Accounts 1968</i>
<i>1993 SNA</i>	<i>System of National Accounts 1993</i>
AMF	Monetary and Financial Authority
BCRD	Central Bank of the Dominican Republic
<i>BPM5</i>	<i>Balance of Payments Manual</i> , fifth edition
CBS	Central Bank Survey
CEI	Export and Investment Center
CGR	General Comptroller of the Republic
COFOG	Classification of the Functions of the Government
COICOP	Classification of Individual Consumption by Purpose
CPC	Central Product Classification
CPI	Consumer Price Index
DC	Accounting Department
DCEM	Consolidation of Monetary Statistics Division
DCNEE	Nacional Accounts and Economic Statistics Department
DCP	Public Credit Department in the SEF
DEE	Economic Studies Department in the SEF
DF	Financial Department in the BCRD
DGA	General Directorate of Customs
DGE	General Directorate of Statistics
DI	International Department in the BCRD
DIGECOG	General Directorate of Government Accounting in the SEF
DP	Prices Division in the BCRD
DPF	Fiscal Policy Division in the BCRD
DPM	Monetary Programming Division in the BCRD
DQAF	Data Quality Assessment Framework
ENFT	National Labor Force Survey
ENGIH	National Household Income and Expenditure Survey
GDDS	General Data Dissemination System
GDP	Gross Domestic Product
GFS	Government Finance Statistics
<i>GFSM 1986</i>	<i>A Manual of Government Finance Statistics, 1986</i>
<i>GFSM 2001</i>	<i>Government Financial Statistics Manual 2001</i>
IAS	International Accounting Standards
ILO	International Labor Organization
LMF	Monetary and Financial Law
<i>MFSM</i>	<i>Monetary and Financial Statistics Manual</i>
ODCs	Other Depository Corporations
ONAPLAN	National Planning Office in the STP
ONAPRES	National Budget Office in the STP
ONE	National Statistics Office
PROMIECO	Monetary Programming and Economic Research Department
ROSC	Report on the Observance of Standards and Codes

SBP	Balance of Payments Subdirectorato, in the DI
SDDS	Special Data Dissemination Standard
SDCN	Subdirectorato of Nacional Accounts
SDE	External Debt Subdirectorato, in the DI
SEF	State Secretariat of Finance
SIB	Superintendency of Banks
SIGADE	Debt Management and Financial Analysis System
SIGEF	Integrated Financial Management System
STA	Statistics Department in the International Monetary Fund
STP	Technical Secretariat of the Presidency
TN	National Treasury in the SEF

DETAILED ASSESSMENT USING THE DATA QUALITY ASSESSMENT FRAMEWORK (DQAF)

The following detailed information on indicators of statistical practices in the areas of the national accounts, consumer prices, government finance, money and banking, and balance of payments statistics was gathered from publicly available documents and information provided by the Dominican Republic officials. This information, which is organized along the lines of the generic DQAF (see Appendix II), was used to prepare the summary assessment of data quality elements, based on a four-part scale of observance, shown in Dominican Republic's Report on the Observance of Standards and Codes (ROSC)—Data Module.

I. NATIONAL ACCOUNTS

0. Prerequisites of quality

0.1 *Legal and institutional environment*

0.1.1 *The responsibility for collecting, processing, and disseminating the statistics is clearly specified*

The Central Bank of the Dominican Republic (BCRD) was created on October 9, 1947 by Organic Law No.1529, and commenced operations on October 23, 1947 as a decentralized and autonomous entity. From December 29, 1962 it was governed by Organic Law No. 6142, until November 22, 2002, when the Monetary and Financial Law (183-02) was adopted and replaced Law No. 6142. The Monetary and Financial Law is reproduced on the BCRD's Internet site www.bancentral.gov.do.

Article 15, Section IV, of the Monetary and Financial Law states that: "The role of the Central Bank shall be to execute monetary, exchange and financial policy, in accordance with the Monetary Program approved by the Monetary Board, using exclusively the instruments specified in Title II." The Law establishes that "It shall be the role of the Central Bank to compile and produce balance of payments and monetary and financial sector statistics, as well as any other statistics needed for the performance of its functions."

Although responsibility for collecting, processing and disseminating the national accounts is not explicitly assigned to the central bank, it may compile and prepare "any other statistics needed for the performance of its functions." The macroeconomic aggregates of national accounts are required for policy-making and included in the preparation of the *Annual Report* which the BCRD must submit to the Executive Branch and the National Congress (Article 5 of the above-mentioned Law), preparation of a quarterly *Report on the Economy of the Dominican Republic* and publication of a quarterly *Bulletin* compiling the main economic, monetary, and financial statistics (Article 22 of the Law).

Article 5 (d) of Law 183-02 obliges individuals and legal entities to provide to the BCRD any information that it may require for the performance of its functions. Similarly, Article 79 (e) gives the BCRD the power to verify and collect statistical information on a mandatory basis. Article 15 gives the BCRD the responsibility for compiling and producing the statistics needed for the performance of its functions. Article 22 (d), (h) and (i) obliges the BCRD to release to the public the quarterly *Report on the Economy of the Dominican Republic*, a *Quarterly Bulletin* compiling the main economic, monetary and financial statistics, and any other relevant information in order to maintain an appropriate level of transparency in its activities. Both publications require national accounts statistics.

0.1.2 Data sharing and coordination among data-producing agencies are adequate

Although there is no institutionalized mechanism for coordination between the BCRD and the data-producing agencies that provide information to it, the Subdirectorate of National Accounts (SDCN) in the National Accounts and Economic Statistics Department (DCNEE) is in direct and permanent contact with other public and private institutions, as well as with other departments in the BCRD itself that provide the information it needs. Contacts with the private and public sectors are generally adequate. As regards the private sector, for example, regular meetings are held with officials of the National Hotel and Restaurant Association and of the Dominican Chamber of Construction. As regards the public sector, it should be mentioned that, as a result of changes in systems for presentation and collection of data, introduced without coordination with the compilers of national accounts, data disaggregations required for the accounts were eliminated. The next National Household Income and Expenditure Survey (ENGIH) to be implemented in 2006 will be conducted by the BCRD and the National Statistics Office (ONE), for which purpose a first coordination meeting has been held. The last two surveys, in 1984 and 1988, were conducted by the BCRD.

0.1.3 Individual reporters' data are to be kept confidential and used for statistical purposes only

The confidentiality of data is covered in the Monetary and Financial Law and is also mentioned in the communications sent to reporters. Article 8 of Law 183-02 states: "Staff of the Monetary and Financial Authority (AMF) who by virtue of their functions have access to data of a confidential and privileged nature shall be obliged to observe total discretion. Failure to do so shall be grounds for immediate dismissal". However, the same Article adds: "When for the purposes specified in tax legislation ... the Tax Authority ... requires data of a confidential nature, such data shall be transmitted in writing through the competent authorities of the Monetary and Financial Authority." Article 8 of the Law protects confidentiality, except in cases covered by tax legislation or following a request from judicial authorities. The exception regarding the Tax Authority detracts from the confidential nature of data received by the BCRD in its surveys.

The BCRD respects the confidentiality of data from the surveys that it conducts and releases only aggregated data. Through its Systems and Technology Department, it provides backup copies of the daily figures to users in all departments and ensures that unauthorized staff do not have access to stored data. This is done by means of individual secret codes.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response

As stated in Article 5 of Law 183-02 mentioned above, "All individuals and legal entities, whether public or private, shall be obliged to provide the information requested." However, some private sector institutions are reluctant to provide data, particularly large firms. Article 5 (d) of the Law specifies, as a penalty applicable in such cases, that refusal to provide data may be publicized in a national newspaper. However, Article 79 (e) establishes strict measures applicable to persons refusing to provide data requested of them. The BCRD prefers not to use these means of pressure and, in this connection, the staff of the SDCN encourages voluntary compliance and is continually checking whether data have been provided.

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs

As regards staff, facilities, computing resources, and financing, the SDCN has a director, a technical coordinator with the rank of deputy director, a technical coordinator and 25 technicians distributed between the four constituent divisions, namely: Division for Agricultural and Industrial Economies, responsible for animal husbandry, industry and free trade areas; Division for Public Finances, responsible for governance, education and health; Division for National Accounting, responsible for the remaining activities; and Division for Special Studies, responsible for satellite accounts and other studies.

Some of the technicians in this area have undergraduate degrees and seven of them have master's degrees. Staff salaries are competitive for the civil service. Work is being done simultaneously on estimates with base year 1970 and on the project for the *System of National Accounts (1993 SNA)* implementation and updating of the base year. The human resources available are insufficient to adequately cover work on the release of the current series and compilation and proper evaluation of the new series.

As regards computing equipment and resources, each technician has a desk-top PC with Microsoft Office 2003 (EXCEL, WORD, Power Point, etc.). In this connection, the BCRD replaces equipment regularly (approximately every two years) in order to keep up with technological advances in both hardware and software. It also has a file server in a WINDOWS environment, a server using the UNIX platform and an updated virus protection program, with backup copies of all data. The SDCN receives ongoing technical support from

the BCRD Systems and Technology Department. The physical layout and installations are adequate for the activities required.

0.2.2 Measures to ensure efficient use of resources are implemented

In order to guarantee the efficient use of resources to achieve its goals and perform the activities required for this purpose, the BCRD prepares medium-term and long-term strategic plans encompassing the work plans of each Department. These plans are matched with budget allocations, specifying the human resources required and corresponding costs for the work to be done during the period. The progress made by each Department in achieving budget goals and in the monthly activities of each unit is evaluated each quarter. Budgetary processes provide precise data to the authorities and background information needed for the introduction of the necessary modifications in the allocation of financial resources to reflect changes in DCNEE priorities, which are discussed by the Department Director with the authorities concerned. In addition, there is an annual staff evaluation system, devised by the Department of Human Resources.

0.3 Relevance

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

Users of the statistics generated by the BCRD are encouraged to contact the BCRD through its Internet site, where an e-mail address is provided for the public. In addition, informal contacts are maintained with users and an effort is made to accommodate them by meeting requests for additional unreleased data whenever possible. However, there are no surveys or formal channels for identifying new needs that may arise.

0.4 Other quality management

0.4.1 Processes are in place to focus on quality

In order to ensure the quality of statistics compiled and released by the BCDR, the BCRD has an adequate management platform for this purpose, consisting of the medium-term and long-term strategic plans and the work plans. Quality considerations are behind the decision to implement the 1993 SNA, to request international technical assistance and to send BCRD technicians to participate in training activities and international seminars on national accounts, among other activities.

Resources for the upgrading of technicians' methodological and conceptual skills, and for the payment of consultants and experts in the various topics to evaluate the results obtained are an important part of the DCNEE budget.

0.4.2 Processes are in place to monitor the quality of the statistical program

The processes adopted can be seen in the arrangements for follow-up and evaluation of the plans mentioned above. In addition, the cycle of revision and release of accounts involves an evaluation of the reasons for differences between preliminary and revised estimates and, in some cases, a review of the quality of data sources and compilation procedures.

0.4.3 Processes are in place to deal with quality considerations in planning the statistical program

The SDCN takes quality considerations into account in planning its activities. For example, it weighed the need to release data against the need for quality and decided to postpone the release of data from the new series resulting from implementation of the 1993 SNA, in order to ensure the quality of the accounts. The decision resulted in important changes in procedures for analyzing the quality of estimates.

1. Assurances of integrity

1.1 Professionalism

1.1.1 Statistics are produced on an impartial basis

Although its professional independence is not specifically enshrined in the law, the BCRD has been known to be an institution governed by professionalism, transparency and ethics. The regulations and functions of the institution specify standards of conduct for staff that call for discretion and confidentiality in the handling of statistical data. In addition, specific penalties are prescribed in the BCRD's internal rules for violation of this code of conduct, that include fines or dismissal. Similarly, standards are set for professional behavior, courtesy, integrity, impartiality, performance of official duties and avoidance of outside influence. In addition, Article 8 of the Monetary and Financial Law specifies that compliance with these duties is mandatory. The Law also contains the rules and penalties applicable both to the institution as such and to its employees and officials.

1.1.2 Choices of sources and statistical techniques as well as decisions about dissemination are informed solely by statistical considerations

The officials in charge of the various areas choose the data sources and estimation methods on the basis of technical considerations relating to conceptual suitability, coverage, quality, opportunity and costs, endeavoring to apply internationally accepted practices. Similarly, decisions on the timing and advisability of dissemination are based solely on technical considerations. The national accounts data are initially disseminated on the BCRD Internet site.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics

On occasion, the BCRD clarifies interpretations and misuse of statistics and provides users with the necessary explanatory material, by means of press releases, television programs and other means. Similarly, the SDCN closely monitors coverage of its data in the media, through daily press clippings of economic news and a press summary available internally for the institution.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public

As mentioned above, the BCRD posts on its Internet site the Monetary and Financial Law, which specifies the terms and conditions on which basis the BCRD performs its statistical activities. Similarly, in the various surveys which it conducts, the BCRD informs the persons interviewed of its obligation to respect the confidentiality of the information that they provide.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified

Statistics are released simultaneously to the public on the BCRD's Internet site. The authorities do not have advance access to national accounts statistics.

1.2.3 Products of statistical agencies/units are clearly identified as such

The national accounts are released to the public on the BCRD's Internet site and are identified with the BCRD logo.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques

There are usually no major changes in methodology, source data, and statistical techniques; when they do occur, however, the public is informed. For example, in a recent instance, the calculation of the activity of hotels, bars and restaurants was adjusted and the public was informed by an explanatory note in the *Report on the Economy of the Dominican Republic*, since the exchange rate change was not adequately reflected by the deflator used in the estimates at constant prices. More important changes in methodology, such as the adoption of the United Nations *System of National Accounts 1968 (1968 SNA)*, resulted in notification of these changes only at time of data dissemination. This has also been done for the forthcoming dissemination of a new series based on the *1993 SNA*.

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff

An internal regulation of the BCRD specifies the guidelines for staff behavior. The regulation describes obligations and sanctions for noncompliance. The document is given to all new recruits and is posted on the Intranet.

2. Methodological soundness

2.1 Concepts and definitions

2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices

The series of national accounts which the BCRD is releasing applies the concepts and definitions of the *1968 SNA*. At the same time, the BCRD is compiling data base on the *1993 SNA*, changing the base year to 1991, for dissemination at the end of 2005 or beginning of 2006.

2.2 Scope

2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices

The national accounts cover the entire geographical area of the country and no regional estimates are made. Coverage of the economy includes territorial enclaves in the rest of the world, free trade areas, and workers employed in other countries for part of the year.

The following accounts and tables are released regularly:

- Quarterly and annual gross domestic product (GDP), at constant prices by economic activity. Value added by economic activity is not released at current prices, but total GDP is.
- GDP by expenditure category, on a quarterly and annual basis, at current and constant prices.

Available national income is also released at constant prices.

The total integrated economic account for the economy and the sequence of accounts are compiled, but not released, through net lending. Dissemination of GDP by economic activity is limited to 13 economic activities. Accounts for institutional sectors and for the rest of the world are not compiled, although all the components of the latter are included in the available

national income account. Production data do not include illegal production or own-account production of fixed capital goods. Computer programs and agricultural work-in-progress are not recorded as assets.

2.3 Classification/sectorization

2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices

The Standard International Trade Classification of all Economic Activities, Revision 2, is used for the different economic activities. The Central Product Classification (CPC), the Classification of Individual Consumption by Purpose (COICOP) and the Classification of the Functions of the Government (COFOG) are not used.

2.4 Basis for recording

2.4.1 Market prices are used to value flows and stocks

Production and value added are recorded at market prices and GDP categories by the expenditure approach at purchaser's price. Total imports and exports are valued on an f.o.b. basis. Their dollar values are converted into pesos at the selling exchange rate in the relevant period for transactions reported on different exchange markets. In the case of exports, the average buying exchange rate is used. When different exchange rates are used for exports and imports, the value of the service generated by buying and selling foreign currency is included in such flows.

2.4.2 Recording is done on an accrual basis

Prior to 2002, government income and expenditure were estimated on a cash basis. Since 2003, budget executions have been used, recorded on an approximate mixed (cash and accrual) basis for expenditure items included in final consumption and government fixed capital formation but on a cash basis for sales of services. Some agricultural production is not recorded at the time when it occurs.

2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices

Aggregates of domestic product, value added and fixed capital formation are estimated on a gross basis because fixed capital consumption is not calculated. Transactions between establishments in the same firm were recorded on a gross basis in base year 1970, in so far as the basic data available included them.

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data are obtained from comprehensive data collection programs that take into account country-specific conditions

The basic statistics provided consist of: statistics for firms and establishments, mainly compiled through surveys of these types of unit; data on households and individuals compiled mainly through household surveys; public sector statistics, obtained mainly from administrative and statistical records for other sectors (also obtained from administrative records). Price statistics are analyzed separately.

Statistics for firms and establishments

There is no regular program of censuses and there are no annual economic surveys of firms and/or establishments. The latest economic censuses were conducted during the 1950s and the latest annual surveys were made by the ONE in the mid-1980s.

For the base period 1970, there was a relatively good database for compilation of GDP using the production approach, on the basis of production accounts. Until 1984, GDP estimates at current and constant prices were made by economic activity. Because the ONE stopped conducting its annual economic surveys, the BCRD took over the task of compiling volume indicators which made it possible to continue the calculation at constant prices. There was quarterly monitoring of a sample of 71 products, distributed among the 13 economic activities for which gross value added estimates are released. Source data are obtained every month by telephone, fax, e-mail, and visits to the firms and establishments included in the samples by activity, updating these samples by adding new firms and removing others. However, the list of products has remained the same. For example, the list for the manufacturing industry includes: sugar, soybean oil, flour, rice, coffee, paint, cement, reinforcing bars, rum, beer, cigarettes, pasta, and pasteurized milk. For these product lines, information is requested on quantities produced, quantities sold and sales value and is used to calculate unit prices and quantity indices. The list of products has become less representative, with the exception of products such as sugarcane derivatives, milled products and alcohol and tobacco products.

Data for agricultural activities are obtained from the Secretariat of Agriculture and coverage is adequate. They include quantity data, in metric tons, and value data for over 80 products and groups of products.

The data collected for most economic activities do not allow compilation of production accounts, including gross value of production and intermediate consumption, in order to obtain gross added value by difference and, at constant prices, by double deflation.

At the same time, accounts and tables for transactions of goods and services using the 1993 SNA are being prepared. The new sample includes 247 products distributed among 31 economic activities. A sample of financial statements provides information on production, fixed capital consumption and stock variations of a significant number of the economic activities.

The National Business Opinion Survey, which is quarterly and covers manufacturing activity, is conducted by the BCRD. It is a qualitative survey, but complements the quantitative surveys conducted by the BCRD. The business community is asked to compare production levels, sales and prices for its principal product with those for the preceding quarter and those for the same quarter in the preceding year. The sample includes 280 firms; 40 percent are included automatically and the rest are chosen at random. This survey is used in the national accounts to provide supplementary indicators of Other Services activity.

Statistics on households and individuals

The most recent ENGIH surveys were conducted in 1976, 1984, and 1998. An ENGIH is currently planned to be conducted jointly by the BCRD and the ONE in 2006. The 1984 ENGIH was conducted by ONE and the other two by the BCRD. For the first time this year, the ONE is conducting a Multi-Purpose National Household Survey, which is studying only social aspects.

The BCRD conducts the National Labor Force Survey (ENFT) twice a year, for use in the national accounts mainly to estimate Other Services activity. Estimates are provided *inter alia* on employment, unemployment, remuneration of wage earners for employed persons and mixed income for self-employed persons by economic activity. Data on the employed population show whether they are working in the formal or informal sector and what their income is. In October 2003, the ENFT used a new sampling framework based on the mapping for the National Population and Housing Census conducted in October 2002, and estimates were based on total population counted in the Census.

Public sector statistics

Data for the central government, the various decentralized institutions and the municipalities are obtained from the Directorate General of Government Accounting (DIGECOF) in the State Secretariat of Finance (SEF). Data for local governments are obtained directly from the municipalities, particularly the major ones, so that total coverage is good. The data received are used to estimate value added and final consumption expenditure of the general government (central government, decentralized and autonomous institutions and municipalities). The necessary information is available for the calculation of public sector gross fixed capital formation on the basis of budget executions of public institutions. Implementation of the Integrated Financial Management System (SIGEF) resulted in an aggregation of expenditure items that does not provide information with the same level of detail as was obtained previously and is required for the national accounts. One example is

the figure for construction investment, which was previously broken down by type of construction work.

Statistics from other administrative sources

The other information obtained from administrative sources includes monthly statistics on financial activity, covering commercial banks and financial and insurance institutions. Firms' financial statements were used for estimates for the accounting base period 1970, but not for time series estimates.

Price statistics

The indices used and main sources of prices are as follows:

The consumer price index (CPI) of the BCRD, general and by groups of products, uses a basket of 245 products, divided into 10 groups of products classified according to the purpose of the expenditure, in accordance with the COICOP Classification in the 1993 SNA.

The construction price index of the Dominican Chamber of Construction, which prepares monthly surveys of prices for the principal intermediate construction inputs.

Unit values for principal exports, both traditional and nontraditional, calculated on the basis of information on volume and value provided by Customs.

Unit value index for imported goods, calculated on the basis of unit value indices for exports from the main suppliers (United States, Japan, Germany, Canada, Netherlands, and United Kingdom), weighted according to their relative share in the Dominican Republic's imports. No satisfactory price indices are available for exported and imported services.

The State Secretariat of Agriculture provides prices for over 80 agricultural products, on a monthly basis, as well as prices for five animal products, with irregular frequency.

The SDCN surveys 16 lines of manufactured products from a sample of 30 firms. The data requested are the quantity produced and sold, as well as the value of sales of the principal products. Using these data, prices are calculated for the products in scope, which in fact are unit values.

No producer price index or wholesale price index is constructed. Excluding the CPI and some agricultural prices, most of the prices available represent unit values.

Other background

Economic developments that should be reflected in national accounts or that may affect estimates are monitored in newspapers, periodicals, specialized journals and research being

done at academic and other centers. Internationally accepted standards, guidelines and good practices for national accounts are also monitored, particularly at international meetings and seminars attended by staff from the Department.

3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required

The definitions, scope, classification, valuation, and time of recording of source data are generally consistent with the statistics of national accounts. Exceptions are revenue and expenditure of the general government, which (as noted in paragraph 2.4.2) until 2002 were estimated on a cash basis, but starting in 2003 use budget executions for which records are kept on a basis similar to accrual.

No estimates are made of illegal activities. No separate estimates are made of trends in informal activities, and their relative level of participation recorded in the base year is implicitly kept constant. The ENFT covers informal employment and income of informal workers, employed and self-employed. This information and information from other sources is not used to estimate changes in the relative importance of the informal sector in employment and income generation.

3.1.3 Source data are timely

Source data are generally sufficiently timely to meet timeliness and regularity requirements for dissemination of quarterly GDP, except for those from the ENFT, which appear twice yearly, and those relating to animal products and construction licenses, which are received irregularly.

3.2 Assessment of source data

3.2.1 Source data—including censuses, sample surveys and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide statistical processes

The SDCN monitors a fixed sample of representative products for various activities, selected for the base year. Atypical values are investigated, and reporters are contacted. An analysis is also made of the consistency of source data with supplementary indicators for each economic activity. In the revision cycle for national accounts estimates, the accuracy of data released earlier on a preliminary basis is evaluated. In the case of the ENFT, standard errors, variation coefficients, and confidence intervals are released for major areas. The statistical characteristics of surveys not conducted by the BCRD are only partially evaluated.

3.3 *Statistical techniques*

3.3.1 Data compilation employs sound statistical techniques to deal with data sources

The data compilation procedures reduce to a minimum processing errors such as coding, editing and tabulating errors. Possible instances of errors, atypical values or any other anomaly that may arise are evaluated, and confirmation from reporters is sought and recorded. No adjustments are made to incorporate unobserved activities, which remain in the accounts with the relative share recorded for them in the base year.

3.3.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques

Production focus procedures

GDP is estimated at constant prices by economic activity for 13 activities. Total GDP is calculated by totaling the value added of activities at constant prices and this is the basis for calculation of total GDP at current prices.

Estimating methods: Value added of economic activities at constant prices is estimated by extrapolating the value added for 1970, using physical production volume indices for each activity, except Trade, Transport, and Hotels, Bars and Restaurants, for which values added are obtained by extrapolation or deflation of their respective components, depending on each case. Extrapolation of values added with production volume indices implies that the intermediate consumption/gross production value coefficients of the base year are retained. In estimating total GDP, excessive use is made of fixed coefficients for base year 1970. Prior to 1984, GDP by economic activity was estimated at current prices. When the ONE discontinued its surveys, value added by economic activity at current prices was no longer estimated and total GDP started to be calculated at current prices. This was done with a value index calculated using the annual volume index resulting from calculation of GDP using the production at constant prices approach, and the CPI. As mentioned in paragraph 3.3.1, no adjustments are made to incorporate unobserved activities, which remain in the accounts with the relative share recorded for them in the base year.

Calculation of GDP using the expenditure at current and constant prices approach:

Estimating methods: Separate estimates are made of final consumption expenditure of the general government, gross fixed capital formation of the general government in machinery and equipment and in construction, and exports and imports of goods and services. Household final consumption expenditure, including nonprofit institutions providing services to households, is obtained as a residual and stock variations are estimated by applying the GDP growth rate resulting from the production approach.

The value of final government consumption is estimated using the following data: remuneration of wage earners, purchases for intermediate consumption and sales of services. In order to estimate final government consumption at constant prices, intermediate purchases and sales of services at current prices are deflated by the CPI and value added is extrapolated using a general government employed persons index.

Total gross fixed capital formation in machinery and equipment, at current prices, is obtained by applying the goods flow method to imports of such products and, at constant prices, by deflation. Total investment in construction at current prices is calculated by extrapolation using a value index of the principal intermediate inputs for construction and, at constant prices, by extrapolation using a volume index of the principal intermediate inputs. Private investment is obtained by difference, after deducting public sector investment from total gross fixed investment, by type of fixed asset. Stock variations, at both current and constant prices, are obtained from GDP growth at current and constant prices respectively (excluding such stock variations). Exports and imports of goods and services are those appearing in the balance of payments in dollars, which are converted into Dominican pesos at the exchange rates mentioned in paragraph 2.4.1. Exports and imports of goods are estimated at constant prices by deflation, using unit value indices. In the case of exports, traditional, nontraditional, free trade zone and services exports are deflated separately, using corresponding deflators. Services imported and exported are deflated using a tourism service index, because this is the largest item.

Since quarterly estimates are cumulative, giving the annual value at the end of the relevant year, there is no need to use techniques to compare annual and quarterly estimates (see paragraph 4.2.1). Seasonally adjusted quarterly data are not released.

3.4 Assessment and validation of intermediate data and statistical outputs

3.4.1 Intermediate results are validated against other information where applicable

Intermediate results are validated against other available information, since a series of supplementary indicators exists for each economic activity, so that GDP performance can be evaluated by economic activity at constant prices.

The quarterly *Report on the Economy of the Dominican Republic*, the *Quarterly Bulletin*, and the executive summaries released by the BCRD, both in paper format and on the Internet site, show the principal indicators of economic activities, including those used by the SDCN as supplementary indicators to validate its estimates. They can be cross-checked, verified, and/or criticized both by the general public and by the data providers.

3.4.2 Statistical discrepancies in intermediate data are assessed and investigated

Statistical discrepancies in intermediate data are investigated using the relevant available information.

3.4.3 Statistical discrepancies and other potential indicators of problems in statistical productions are investigated

No statistical discrepancies are found at the aggregate level, since GDP by the production approach is obtained from the sum of gross values added and in GDP by the expenditure approach final household consumption is obtained as a residual. The resulting data are consistent both at current and at constant prices and in terms of their respective growth rates. For the same reason, the ratio between value, volume and prices indices is consistent. The behavior of the implicit deflationary index of final household consumption is analyzed and compared with CPI trends.

3.5 Revision studies

3.5.1 Studies and analyses of revisions are carried out routinely and used internally to inform statistical processes (see also 4.3.3).

Throughout the cycle of national account revisions, the resulting changes for GDP and its components are analyzed, by economic activity and expenditure category. Revision studies are not conducted.

4. Serviceability

4.1 Periodicity and timeliness

4.1.1 Periodicity follows dissemination standards

GDP is disseminated on an annual and quarterly basis, following the recommendations in the GDDS. However, quarterly data are disseminated cumulatively throughout the year and not by actual quarters.

4.1.2 Timeliness follows dissemination standards

Both quarterly and annual GDP are disseminated within a period of 60 days after the base period, well within the schedule recommended in the GDDS.

4.2 Consistency

4.2.1 Statistics are consistent within the dataset

The national accounts are internally consistent. Consistency in estimates of GDP by economic activity and by expenditure category is automatically ensured by calculating household consumption as a residual. Because of this, identical growth rates are obtained for the GDP series by economic activity and the GDP series by expenditure category. As household consumption expenditure is estimated by difference, both at current and at

constant prices, volume indicators and (implicit) deflators are compatible with the “value = volume x price” framework.

4.2.2 Statistics are consistent or reconcilable over a reasonable period of time.

Quarterly GDP estimates are consistent with annual estimates because annual GDP is obtained by adding the corresponding quarterly estimates. For the same reason, the concepts, definitions, and classifications used to prepare the quarterly GDP estimates are identical to those used to compile annual estimates.

Consistent time series are available for:

- 1970-to present. Annual GDP series at 1970 prices, by economic activity and expenditure category, at current and constant prices.
- 1980-to present. Quarterly GDP series at 1970 prices, by economic activity.
- 1997-to present. Quarterly GDP series by expenditure category, at current and constant 1970 prices.
- 1970-to present. Annual GDP series, per capita and in dollars.

Any unusual fluctuation in economic trends is explained in the *Report on the Economy of the Dominican Republic*, the quarterly publication, which is also posted on the BCRD’s Internet site.

4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks

Information for the national accounts can be cross-checked with information for the external, monetary, and government sectors, so that the results can be validated. For example, the data for transactions with other countries are taken directly from the balance of payments. However, comparison is not easy and users cannot reconcile the publicly available data. Bridge tables are not prepared so that the public can understand and verify how national accounts data are obtained on the basis of data from the balance of payments, public finances, or other statistical frameworks.

4.3 Revision policy and practice

4.3.1 Revisions follow a regular and transparent schedule

The revision cycle follows an established and reasonably stable procedure from one year to the next. When a period is being worked on, revisions are made to the two similar immediately preceding periods, publishing the three most recent similar periods as preliminary and the earlier periods as final. However, the revision cycle is not explicitly

announced to the public. No special documentation is issued explaining the basis for the revision cycle. When revisions not included in the regular cycle are made (for example, if a significant error is detected), they are announced to the public.

4.3.2 Preliminary and/or revised data are clearly identified

At the time of dissemination, it is clearly explained whether or not the published data are preliminary; but this is not done for revised data.

4.3.3 Studies and analyses of revisions are made public (see also 3.5.1)

Although the quarterly *Report on the Economy of the Dominican Republic* contains analysis of the national accounts data, the reasons for revisions are not explained to the public. As noted in paragraph 3.5.1, revision studies are not conducted.

5. Accessibility

5.1 Data accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)

The national accounts statistics are published in a clear format; charts and tables are disseminated in the quarterly *Report on the Economy of the Dominican Republic* and supplement the data in order to facilitate analysis. GDP by production approach is published for 13 economic activities and, as noted above, most of the indicators used in estimates and related indicators with which the data can be compared are posted on the BCRD's Internet site. Each issue of the quarterly *Report on the Economy of the Dominican Republic* includes an analysis of current-period developments. Time series, covering the period from 1970 to the present, are posted on the BCRD's Internet site.

5.1.2 Dissemination media and format are adequate

Press briefings are held regularly to announce GDP estimates. The most comprehensive statistics of GDP aggregates are given on the BCRD Internet site and, with varying degrees of detail, in the reports and annual report of the BCRD.

5.1.3 Statistics are released on a preannounced schedule

There is no public announcement of an advance schedule for release of data.

5.1.4 Statistics are made available to all users at the same time

Statistics are made available to the public (to all users at the same time), on the BCRD's Internet site. No government authority has advance access to national accounts data.

5.1.5 Statistics not routinely disseminated are made available upon request

Specialized tabulations of data for specific purposes are provided on request; however this possibility is not made known to the public.

5.2 *Metadata accessibility*

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated

In connection with the 1970 rebasing, a document on sources and methods was published and was widely disseminated at the time, but it is difficult to consult today. It may be consulted in the BCRD library. However, there is a need for a more detailed and updated description of the characteristics of the sources used and the methods followed.

5.2.2. Levels of detail are adapted to the needs of the intended audience

The only document available on national accounts metadata is the one mentioned in paragraph 5.2.1, which does not meet the needs of different groups of users.

5.3 *Assistance to users.*

5.3.1 Contact points for each subject field are publicized

The BCRD gives the public the opportunity to contact it via the Internet, giving a general electronic address for that purpose. Users have expressed dissatisfaction with the timeliness of responses to their queries. No specific contact point is provided for national accounts.

5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available

A list of publications and documents issued by BCRD is given on the Internet. The documentation may also be consulted at the BCRD's Juan Pablo Duarte library.

Table 1. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for National Accounts
(Compiling Agency: Central Bank of the Dominican Republic)

Element		Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		NA	O	LO	NO		
0. Prerequisites of quality							
0.1	Legal and institutional environment			X		<p>Although, the Monetary and Financial Law (183-02) does not assign the national accounts compilation to the BCDR, it mentions that the BCRD may compile other statistics needed to carry out its functions. Among them, the presentation of an Annual Report, a quarterly <i>Report on the Economy of the Dominican Republic</i> and a <i>Quarterly Bulletin</i> contain national accounts statistics.</p> <p>Changes introduced to government's information systems without adequate coordination with compilers, have eliminated data disaggregations required for national accounts.</p> <p>Confidentiality is protected by Article 8 of the Monetary and Financial Law, except in cases covered in the tax laws, or when requested by judicial authorities.</p> <p>Due to the burden of the 1993 <i>SN/A</i> implementation in parallel with the regular compilation of the official estimates, staff resources are not enough for maintenance and developmental work.</p> <p>Formal mechanisms for consulting users' needs and identify new and emerging data requirements have not been established.</p>	<p>Short term. Carry out a web based survey to consult the public on national accounts users' needs.</p>
0.2	Resources				X		
0.3	Relevance					X	
0.4	Other quality management		X				
I. Assurances of integrity							
1.1	Professionalism		X				
1.2	Transparency		X				
1.3	Ethical standards		X				

Table 1. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for National Accounts
(Compiling Agency: Central Bank of the Dominican Republic)

Element	NA	Assessment			Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	NO		
2. Methodological soundness						
2.1 Concepts and definitions			X		<p>Concepts and definitions follow the 1968 SNA as the conceptual framework. A new series, with 1991 reference year and applying the 1993 SNA conceptual framework, is being compiled, but has not been disseminated.</p> <p>The BCRD disseminates quarterly GDP by economic activity (only at constant prices) and GDP by expenditure categories (at current and constant prices), as well as National Disposable Income. An Integrated Economic account for the total economy (through net lending) is compiled but not disseminated. Production and assets boundaries have partial coverage.</p>	<p>Short term. Finish the revision process and disseminate the new national accounts series, implementing the 1993 SNA and changing the reference period to 1991.</p> <p>Short term The new series will contain:</p> <ul style="list-style-type: none"> • Annual production accounts (for 31 economic activities); at current, previous year prices and chained indices to reference 1991 year. • Annual GDP for period 1991–2004, by production and expenditure approaches at current and constant prices and GDP by income approach at current prices. • Quarterly GDP by production and expenditure approaches; at current, previous period prices and chained indices to reference 1991 year. Quarterly GDP data will be disseminated at a more aggregated level, than the annual data. <p>Medium term Compile institutional sector accounts in the 1993 SNA-based data.</p> <p>Short term The new national accounts series will apply national classifications based on ISIC rev. 3 for economic activities, CPC for products, COICOP for individual consumption by purposes, and COFOG for government functions.</p>
2.2 Scope		X				
2.3 Classification/sectorization			X		<p>ISIC is the only internationally recommended classification applied, however, in its outdated version 2. Products are not classified by CPC, house-holds consumption is not classified by purposes and government's expenditures are not classified by functions.</p>	

Table 1. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for National Accounts
(Compiling Agency: Central Bank of the Dominican Republic)

Element	NA	Assessment			Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO		
2.4 Basis for recording			X		Partial recording of transactions on an accrual basis. Domestic product, added value and fixed capital formation are recorded only in gross terms, as consumption of fixed capital is not estimated.	Short term The 1993 SNA recommended basis of recording will be followed, as much as data sources allow.
3. Accuracy and reliability						
3.1 Source data				X	Source data do not provide adequate information to compile the production account. The last economic censuses were conducted in the 1950's and the last annual economic surveys in the 1980's. Enterprises financial statements were used only for the 1970 base year. Main source for production estimates is a quarterly survey investigating a fixed sample of 71 products, some of them have lost their relative importance. Limited source data especially for construction, commerce and service activities.	Short term Proposal for budget allocation and for external technical assistance for the following tasks: Economic surveys and special studies for a new updating of the national accounts' reference year. Increase the sample of the quarterly survey, for selected activities that require it, especially for manufacturing. Up-date the enterprises and establishments directory. Design samples for the new required surveys.

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria

Table 1. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for National Accounts
(Compiling Agency: Central Bank of the Dominican Republic)

Element	NA	Assessment			Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO		
3.1 Source data (cont.)				X	<p>Neither a producer or wholesale price index is compiled. Excluding the CPI and agriculture products prices, most of the collected prices are unit values rather than prices in the market. However, Household Income and Expenditure surveys are conducted approximately every 10 years and a Labor Force survey investigates, with a 6 months periodicity, employment and income, including for the informal sector. The informal sector's participation in GDP is assumed to be constant. The labor force survey and other sources provide data on the informal sector that could be used to assess changes in its relative importance. Sources are timely, except for livestock, forestry, and construction licenses.</p>	<p>Medium term</p> <p>Conduct the surveys that lead to an up-date in the reference period.</p> <p>Compile a volume production index and a producer price index.</p> <p>Assess changes in the relative importance of the informal sector.</p>
3.2 Assessment of source data			X		<p>Source data are assessed against available related data and indicators; however, statistical characteristics of the surveys, for example, sample design and coverage, are only partially assessed.</p>	

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria

Table 1. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for National Accounts
(Compiling Agency: Central Bank of the Dominican Republic)

Element	NA	Assessment			Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO		
3.3 Statistical techniques				X	Adjustments for unobserved activities are not made. The 1970 reference year is outdated. Quarterly GDP by production approach at constant prices is mainly estimated by extrapolating value added by output volume indicators, implicitly applying outdated fixed 1970 input/output coefficients. Value added by economic activity is not measured at current prices. Total GDP is obtained at current prices by covering GDP at constant prices by CPI. Components of GDP by the expenditure approach are measured at current and constant prices, however, changes in inventories are only partially covered and households final consumption expenditure is obtained as a residual. Quarterly GDP estimates are not seasonally adjusted.	Short term Compile a new series of production accounts (31 activities are compiled), supply and use accounts for as many products as possible (271 products are investigated for the new series). Supply and Use Matrix, from which consistent GDP estimates by economic activity, expenditure categories and income components, will be generated. Quarterly GDP will be seasonally adjusted. Use of a Denton-type technique to produce a consistent series, integrating the annual and quarterly data.
3.4 Assessment and validation of intermediate data and statistical outputs		X				Medium term Further implementation of the 1993 SNA by constructing institutional sector accounts, from production to capital accounts (through net lending). Up-date the Satellite Tourism Account. Construct a simplified quarterly supply and use table.
3.5 Revision studies				X	Revisions are analyzed, but studies of revisions are not carried out.	Medium term Start conducting studies of revisions.
4. Serviceability						
4.1 Periodicity and timeliness		X				Short term Follow the GDDS recommendations also for the new and more detailed GDP series.
4.2 Consistency			X		Although data compiled are broadly consistent across sectors, disseminated data do not allow reconciliation by users.	Short term Generate consistent GDP estimates by activity, expenditure, and income approaches in the framework of the Supply and Use Matrix.

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria

Table 1. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for National Accounts
(Compiling Agency: Central Bank of the Dominican Republic)

Element		Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		NA	O	LO	LNO		
4.3	Revision policy and practice			X			<p>Short term Make the public aware of the revision policy and disseminate more information on analysis of revisions.</p>
5. Accessibility							
5.1	Data accessibility			X		<p>An advanced release calendar is not available. Unpublished data are provided on request; however, this possibility is not made known to the public.</p>	<p>Short term Disseminate an advanced release calendar.</p>
5.2	Metadata accessibility				X	<p>A document was published when the 1970 series were initiated, but it does not contain enough detail for users. Methodological notes are not available for different types of users.</p>	<p>Short term Disseminate a detailed metadata document for the new 1991 series of national accounts; also disseminate other metadata documents to meet the needs of different groups of users.</p>
5.3	Assistance to users			X		<p>Only a general contact point is provided for the BCRD. Support service is not prompt. Users are not always satisfied with the responses to queries.</p>	

II. CONSUMER PRICE INDEX

0. Prerequisites of quality

0.1 *Legal and institutional environment*

0.1.1 *The responsibility for collecting, processing, and disseminating the statistics is clearly specified*

Law No. 5096 (Art.1) on Statistics and National Censuses, which came into force on March 14, 1959, entrusts to the former General Directorate of Statistics (currently the National Statistics Office of the Dominican Republic—ONE) the functions of collecting, revising, producing and publishing economic statistics (agricultural, commercial, industrial, financial, social), population data and national censuses, and of coordinating the Republic's statistical services.

For 30 years, the ONE prepared a cost of living index for the city of Santo Domingo (base year: 1941). However, over time its sphere of action was reduced and in 1969 the BCRD assumed responsibility for all activities connected with the collection, analysis, processing and presentation of the results of the CPI and the income and expenditure surveys for the basket selection and weighting of three CPI series (base years: 1976–77, 1984, and 1999).

The Monetary and Financial Law (Law 183-02), adopted on November 22, 2002, does not explicitly assign to the BCRD responsibility for producing the CPI but the BCRD became responsible because of the need to use the index for the formulation and monitoring of monetary policy, as illustrated by the following mandates:

- Article 15, Section IV: It shall be the role of the Central Bank to compile and produce balance of payments and monetary and financial sector statistics, as well as any other statistics needed for the performance of its functions.
- Article 22: The BCRD shall make available to the public the monthly balance sheet, the summary of the monetary program and its monthly execution, the quarterly *Report on the Economy of the Dominican Republic*, the bulletin of decisions of the Monetary Board and BCRD circulars of general interest, and a quarterly bulletin of the principal economic, monetary and financial statistics of the Dominican Republic.

The fact that the BCRD is both producer and user could give the impression that there are conflicts of interest in the BCRD, because it is responsible both for implementing the policy of maintaining price stability and for compiling the CPI.

0.1.2 *Data sharing and coordination among data-producing agencies are adequate*

The BCRD has the appropriate structure and sufficient resources both for producing the CPI and for selecting the basket and weights.

The frameworks used to select the sample of households for the third ENGIH come from the enumeration areas in the National Population and Housing survey conducted by the ONE in 1993.

Procedures exist for obtaining information on prices charged for some goods and services (electricity, fuel and water) from the records of public agencies such as the Electricity Superintendency, the State Secretariat for Industry and Commerce, the Santo Domingo Water Mains and Sewers Corporation, and the National Institute of Drinking Water and Sewers.

0.1.3 Individual reporters' data are to be kept confidential and used for statistical purposes only

Article 8 of the Monetary and Financial Law (183-02) states that staff of the AMF who by virtue of their functions have access to data of a confidential and privileged nature shall be obliged to observe total discretion. Failure to do so shall provide grounds for immediate dismissal. Similarly, Article 12 of the Law on Statistics and National Censuses states that data and reports provided by individuals must be considered confidential and may be used solely for the preparation of national statistics. The forms and communications given to reporters, both for price surveys and for the 1997–1998 ENGIH, explicitly mention this article of the Law, stating in writing that the BCRD treats the data provided as confidential.

When an establishment is selected for a price survey, it is given a communication signed by the Director of the DCNEE, which identifies the person who will collect the data, describes the purpose of the survey, and mentions the Monetary and Financial Law. There is a reference at the top of the forms to the BCRD, the name of the survey and the name of the collector, as well as the code for the establishments surveyed (the name of the establishment is not given).

Access to individual data is restricted to the technicians responsible for compiling them, who are given an individual password. These technicians have been informed in writing of the legal regulations, as well as the penalties for noncompliance. Results are published in aggregated tables that do not identify reporting units. Once the information has been transcribed, the forms are filed in the Division for a three-month period, and are later transferred to the general archive of the BCRD, where they are kept for a period of five years, after which they are destroyed.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response

Article 5 of the Monetary and Financial Law states that individuals and legal entities, whether public or private, are obliged to provide the information requested. Failure to provide information may be publicized in a national newspaper.

At the outset of the surveys (CPI and ENGIH), a letter introducing the collector is sent to each of the selected reporters. The letter refers to the Law, without explicitly mentioning that provision of the requested information is mandatory. The authorities prefer to encourage voluntary cooperation, explaining the goal of the survey and thanking the reporter for the attention given to completing the form. If there is reluctance, the supervisor makes a special visit and, if the reluctance persists, a replacement reporter is found.

The ENGIH forms are completed by the collector jointly with the reporter providing the information requested (i.e., housewife, head of household/member of household who has the information).

Forms for the price survey (36 forms) are tailored to each type of establishment, so that they include only the products (goods or services) regularly sold in the type of establishment concerned. For each good, only one variety is surveyed (based on habitual consumption, permanence on the market, easily observable prices). Varieties are described in terms of brand, unit of measurement and form of presentation. Services are described according to their typology, in an attempt to give complete information so that the collector has no doubts at the time when the information is obtained. The collector personally notes the prices, in the presence of the head of the establishment (except for supermarkets and similar establishments).

The ENGIH was announced on radio and television and in press releases. At the end, reporters were given a basket of commodities. The response rate for this survey was 94 percent.

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs

The staff involved in compiling the CPI consists of a technical coordinator, a division chief, eight technicians (four analysts and four supervisors) and 143 collectors. The collectors are recruited for one-year periods, without interruption, and the average time to remain in the post is 5.6 years. The permanent staff are listed in the human resources table of the BCRD. There are sufficient staff to collect and process prices for 245 goods and services each month, in approximately 8,500 establishments nation-wide. In the last week of the month, they are reinforced by two data entry staff assigned to other statistical operations in the DCNEE in order to expedite the transcription of prices, following the established timetable.

The CPI technical staff (coordinators and analysts) have attended university and received training in economics and business administration. Supervisors are required to have a high school certificate and prior experience as a collector. Collectors are required to have a high school certificate (urban areas) or a school leaving certificate (rural areas). A number of supervisors and collectors have university degrees and most coordinating staff and analysts have post-graduate degrees.

The remuneration of CPI staff is competitive with that of other public sector employees. Staff remain in the same post for an average of six to seven years. They have recently received general salary increases adjusted for inflation and, where appropriate, merit increases, depending on the rating obtained in the annual performance evaluation exercise conducted by the BCRD.

Computing resources assigned for CPI compilation and processing are adequate. Each technician has a computer with sufficient memory and necessary software. The database management system has been designed using ORACLE version 7.3.4 and has the capacity to process large volumes of data. The processing programs and production reports have been developed using a combination of Visual Basic and Crystal Report in a graphic environment.

The computer programs were developed by two specialists from the Systems and Technology Department and are maintained by that Department. When there is a need for reports and calculations additional to those specified, CPI technicians export the data and process them in Access or Excel. All the technical staff have been trained in the Data Capture module and 60 percent of them are sufficiently trained to use all modules of the Price Index System. In addition, the staff are trained to use computer packages (SPSS, Excel, Access, Word, and Power Point).

The space available for office staff and equipment assigned to the technicians compiling the CPI is appropriate. The collectors responsible for the National District meet with their supervisors once a week, and a specific area is set aside for this purpose. In the rural areas there are no offices, and each supervisor goes to the homes of his collectors twice a month to pick up the completed forms and give out assignments for the following period.

Collectors working in the National District receive a special allowance for moving expenses. Staff working in rural areas do not receive such allowances because no major moving expenses are required.

The 1997–1998 ENGIH required the participation of 67 persons: 17 technicians on the staff of the BCRD (12 critical coders and 5 data entry staff) and 50 other recruits (33 collectors, 12 supervisors, 5 area coordinators). Three international experts in the areas of national accounts, household accounts, sampling and expenditure and income survey methodology participated. These international experts also advised on the choice of the CPI basket (base: January 1999) and methodology for calculating the index. The CPI was updated using the work team mentioned above.

0.2.2 Measures to ensure efficient use of resources are implemented

The budget area of the BCRD has a computer program that can monitor funds allocated to the various DCNEE accounts, and continuously evaluate the movement of those accounts. The performance of the BCRD staff is continuously evaluated and staff are kept informed of the results of the evaluation. Price data are entered progressively throughout the month, in

order to ensure that all data are transcribed by the third day of the month following the base month.

Concurrently with the price survey, collectors are polled to ascertain the main price variations and to identify situations of shortage and seasonality of products. The poll is supplemented by a collection of press information.

0.3 *Relevance*

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

Concerns expressed by the media are channeled through the Communications Department and then dealt with by DCNEE technicians. Management evaluates users' requests for information on average prices and for explanations of the indices and variations posted on Internet, and authorizes the Prices Division (DP) to respond. Often requests for CPI certifications for awards in labor disputes are transmitted to the secretariat of the BCRD and handled there.

During 2001, a specially designed statistical information workshop was held for journalists who cover the source of economic information. The workshop basically consisted of explanations concerning: geographical coverage of the index, products in scope and their weight in the basket, number of establishments in scope, tabulations released to the press and interpretation of the indicators published in the press bulletin.

The management of the BCRD (Governor, advisers, directors) holds a press conference every quarter to explain the findings in the quarterly *Report on the Economy of the Dominican Republic*.

0.4 *Other quality management*

0.4.1 Processes are in place to focus on quality

The staff and technicians of the BCRD believe that quality is the mainstay of statistics and that it is crucial to concentrate on developing compilation processes to promote confidence in their results. These principles are also stated in the technical documents for the ENGIH and the CPI (base: January 1999), which emphasize the importance of compliance with methodological rules and recommendations in order to ensure the quality and credibility of the results.

The DP coordinators have documented CPI methodology and prepared instruction manuals for collectors and supervisors, as well as training technical staff in all phases of compilation and holding induction workshops for collectors.

0.4.2 Procedures are in place to monitor the quality of the statistical program

The technical staff of the DP have established procedures to monitor the quality of the CPI at various stages of its compilation: supervision of price collection and monitoring of completed forms, validation of data transcribed, analysis of average price history, comparison of average prices between municipalities, identification of outliers and verification of causes of variation, elimination of unjustified outliers, verification of month-on-month change at the product level, evaluation of aggregated price changes and comparison of price changes in the different study domains.

The supervisors organize and allocate the work of the collectors (35 collectors/supervisor) and check that visits to reporting establishments are made on the dates and following the collection rules established. The combined efforts of the supervisor and the collector make it possible to identify errors and inconsistencies in the data obtained, to clarify doubts and to correct shortcomings. In addition, special field visits are made to evaluate the collectors' performance (4 collectors/month/supervisor). Irregularities observed are notified in writing and recorded in the collector's file. In the case of serious or repeated irregularities, the contract is cancelled.

The establishments assigned to each collector and the date of visits are checked, so that the result of the field work can be verified, but the processing system does not record the establishment code in the database, so that failure to respond cannot be checked by product-establishment.

0.4.3 Processes are in place to deal with quality considerations in planning the statistical program

The BCRD is working on a project to calculate the underlying inflation index. Various calculation methods have been reviewed and several tests have been conducted with exclusion methods and limited influence estimators.

The DCNEE has commenced preparatory activities, jointly with the ONE, for a new survey of household expenditure and income in 2006, in order to reweight and rebase the CPI.

1. Assurances of integrity

1.1 Professionalism

1.1.1 Statistics are produced on an impartial basis.

Article 6 of the Staff Rules, in the Monetary and Financial Law (183-02), states:

“(b) Duties: Staff in the service of the AMF shall perform their functions with complete impartiality and in accordance with the established rules and procedures.”

“(c) Rights: Officials and employees of the AMF shall enjoy an appointment and career system based on the principles of merit and ability, which shall guarantee their impartiality and independence.”

The CPI coordinators have organized specialized courses on price indexes, statistical techniques, sampling and forecast models, taught by international agencies such as the Spanish National Statistics Institute and the Census Bureau of the United States Department of Commerce.

1.1.2 Choices of sources and statistical techniques as well as decisions about dissemination are informed solely by statistical considerations

The choice of source data and methodologies, concepts, and statistical procedures used for CPI compilation are based on international standards, which were adopted by the BCRD, and are informed solely by statistical considerations. Similarly, the dissemination of results follows the recommendations of the international agencies, and methodological documents have been prepared and made available to the public.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics

The BCRD monitors media coverage of the indicators published and provides relevant explanations in response to erroneous interpretations of them, by clarifications in press communiqués and explanatory notes on its Internet site.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public

The BCRD Internet site includes a section devoted to BCRD publications, which include the main methodological aspects related to CPI compilation, as well as the third National Household Income and Expenditure Survey (1997–1998 ENGIH), which was the basis for the selection of the basket of products and their weights.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified

Under an arrangement with the BCRD authorities, certain officials of the central government and decentralized institutions (officials in the economic area) receive the report on CPI movements a few hours before its official publication. The public is not told who has access to the CPI or how far in advance.

1.2.3 Products of statistical agencies/units are clearly identified as such

The methodological documents for the 1997–1998 ENGIH and the CPI rebasing are published in printed format, duly identified by the BCRD logo and with mention of the DCNEE. These documents are also posted on the Internet at www.bancentral.gov.do. Similarly, the monthly results and the detailed report on CPI movements are posted on that Internet site. Press announcements also specify that the source of information is the BCRD.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques

Before the new CPI (base: January 1999) was published, a press conference was held to inform journalists that a new series was being started and explaining the main methodological changes. Similarly, a special event was held at which the main technical aspects were presented to users and the printed methodological document and initial results were distributed.

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff.

The BCRD has identified the basic principles and values governing its organization and widely disseminated them to staff, by means of induction workshops when staff are recruited, circulars, and visibly located posters on BCRD premises. These values are: loyalty, probity, transparency, discretion, accountability, respect, discipline, and leadership.

Article 6 of the Monetary and Financial Law (Law 183-02) contains the staff rules, which describe the categories, duties, rights, and financial accountability of AMF staff. The regulations implementing this Law have not been published, but the BCRD authorities issue announcements and circulars specifically mentioning articles contained in the Law and in other regulations.

The collection manuals (ENGIH-CPI) emphasize the legal principles imposing the duty of discretion and confidentiality for officials, employees, auditors, and collectors appointed to conduct statistical surveys. The technicians analyzing the data are not allowed to alter the original data provided by reporters.

2. Methodological soundness

2.1 Concepts and definitions

2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices

The concepts and definitions used in the CPI generally follow accepted standards, using the definitions of the International Labour Organization (ILO) and the 2004 *Consumer Price Index Manual* of the International Monetary Fund.

Both the conceptual framework of the 1997–1998 ENGIH and the CPI basket of goods and services and weights (base: January 1999) follow the concepts and definitions of household consumption expenditure in the *1993 SNA*.

The CPI basket of goods and services is sufficiently disaggregated and allows evaluation of prices for 10 groups, 36 subgroups, 95 classes, and 245 goods and services from a total of 2,141 goods and services reported by the 4,810 households in the ENGIH. For each good, a single variety is studied (habitual consumption, permanence on market, easily observable prices). Varieties are described in terms of brand, unit of measurement, and form of presentation. Services are described according to their typology, in an attempt to give complete information so that the collector has no doubts at the time when the information is obtained. The survey relates to actual prices for sales to the public in cash, plus tax, and excluding special offers and discounts. The system provides for substitution of varieties or specifications if the existing ones are no longer offered for sale on the market.

2.2 Scope

2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices

The CPI study domains, both at the geographical level and by expenditure stratification. The basket and weights are based on the ENGIH conducted by the BCRD in the period October 1997–September 1998, with national coverage of all resident households located in the National District (urban and rural: 32 percent), other urban areas (35 percent) and other rural areas (32 percent).

The ENGIH covered a representative sample of households (4,810) and collected information on consumption expenditure and nonconsumption expenditure, both monetary and nonmonetary, in accordance with the *1993 SNA* conceptual framework.

Consumption expenditure includes goods (durable and nondurable) and services acquired by the household or received from other agents that do not increase the assets of the household and are not intended for a productive activity. They also include goods and services produced by the household and destined for its own consumption such as: primary goods (products of

farming, hunting, fishing) and processing of such goods; in-kind withdrawals or self-supply; remunerations and donations received in kind and social benefits.

Insurance and gambling are part of the CPI basket. The weights of these concepts refer only to their cost and not to the amount disbursed by households.

The CPI weights do not take into account imputed rent for owner-occupied dwellings or dwellings used by third parties without payment, unlike the previous CPI series (base: 1984), which did include this concept. However, the ENGIH can determine the weights for the household final consumption basket by including this concept, as recommended in the *1993 SNA*.

Similarly, in accordance with the recommendations of the *1993 SNA*, the CPI does not include nonconsumption expenditure such as: interest, taxes, land rent, taxes and transfers. Nor does it include social transfers from the government to households (health and education), or remodeling or construction of housing.

In order to estimate household income, the ENGIH used the income of household members over 10 years of age and assigned to the head of household transfers received by children under ten years of age. The concepts included are: remuneration of wage earners, income of self-employed persons or persons with mixed income, income from property, current transfers in cash and in kind.

For the purpose of constructing the CPI baskets, households were classified in five groups of the same size (quintiles) depending on per capita expenditure. For each expenditure quintile, a separate basket of goods and services was selected and the corresponding weighting scheme was determined.

2.3 Classification/sectorization

2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices

Both the ENGIH and the CPI basket classify household consumption expenditure on the basis of the COICOP, which matches the product nomenclature used in the National Accounts, based on the United Nations CPC. The CPI basket (base: January 1999) is broken down into ten groups (food, beverages and tobacco; clothing and footwear; furniture, accessories and domestic equipment; housing; health; transport; leisure, entertainment and culture; education; hotels, bars and restaurants; miscellaneous goods and services). These groups are broken down into 36 subgroups, 95 classes, and 245 products.

2.4 Basis for recording

2.4.1 Market prices are used to value flows and stocks

The consumption values used to determine CPI weights (1997–1998 ENGIH) were valued at purchaser's price, which includes trade and transportation margins, and taxes less subsidies applicable to the products.

The prices used in the CPI are actual prices for sale to the public for payment in cash, including the tax on the transfer of industrialized goods and services. Prices of goods in close-out sales, or with special discounts and subsidies are excluded.

2.4.2 Recording is done on an accrual basis

Household final consumption expenditure is measured on an acquisition or accrual basis. In other words, it includes goods and services received in the ENGIH base period, regardless of whether payment has been made or of whether they were used in that same period or subsequently.

2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices

Both the ENGIH and the CPI weights for vehicle purchases record net value after deducting acquisitions less disposals of this type of good by households on the secondary market.

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data are obtained from comprehensive data collection programs that take into account country-specific conditions.

The basket and weights for the current CPI (base: January 1999) were taken from the 1997–1998 ENGIH. The framework for the selection of the 1997–1998 ENGIH sample is taken from the enumeration areas in the Population and Housing Census conducted by the ONE in 1993, and consists of all households living in noncommunal housing or communal housing such as boarding houses.

The design of the 1997–1998 ENGIH household sample was a stratified (by geographical region) using a two-stage cluster design with selection proportional to size in the first stage and systematic random selection in the second stage. Two replicas of five were used conforming to the master sample (368 of 920 Primary Sampling Units each with approximately 60 dwellings). The final sample size was 5,100 dwellings out of 1,381,607

counted in the census. Actual interviews were conducted in 4,773 dwellings (94 percent) out of a total of 4,810 households in scope.

The CPI basket was selected for each study domain (regions and expenditure quintiles). The following procedure was used: (1) classification of the 2,141 products reported by households in the 1997–1998 ENGIH, using the COICOP into 10 groups, 36 subgroups and 95 classes; (2) determination of the relative importance of expenditure on the product compared to total expenditure in the study domain; (3) selection of subgroups (32 of 36) representing at least 0.03 percent of total consumption expenditure; (4) selection of goods and services representing at least the upper 75 percent of the total expenditure of the subgroup (245 of 2,141) and 85 percent of total expenditure.

The price survey is conducted by monthly visits to approximately 8,521 establishments all over the country in 79 municipalities, following the ENGIH geographical distribution (124 urban areas and 43 rural areas).

Establishments were classified in 36 types, depending on the places where households regularly acquire goods and services. The sample of establishments by type was selected on the basis of the following criteria: owner's willingness to report, size of clientele, representativity of the area, guarantee of continuity. Mobile sales points and subsidized prices are not included.

For the selection of product varieties, a pilot study was conducted in commercial establishments in order to identify varieties meeting the following conditions: habitual consumption by the population, reasonable expectations of permanence on the market, easily observable prices. The price of a single variety of good or service is surveyed within each type of establishment. The CPI methodology provides for substitution of similar establishments in the same area, if the establishment closes, ceases to be representative, or is reluctant to report.

Prices of gasoline, electricity, water, and telephone services are observed in official publications and in firms providing these items. In addition, press reports are monitored for purposes of comparison with data collected in the field.

The questionnaires used to collect prices can record up to eight products of the same variety for a particular type of establishment within a municipality.

Prices are collected over time. The sample is spread over the survey month and care is taken to ensure that approximately one month elapses between one visit and the next. For CPI consistency analysis, data on average prices from other official sources such as the General Directorate of Price Control in the Secretariat of Industry and Trade and the ONE are used. These prices have a limited coverage of retail establishments for the food products group.

3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required

The 1997–1998 ENGIH was planned within a broad program designed to achieve the following general objectives: to estimate household final consumption, to calculate weights for the CPI rebasing, to support estimates in the account for the household institutional sector, and to measure the living standards of the population. From this viewpoint, the ENGIH provided sufficient information to enable the CPI basket to be selected and its weight scheme determined, using the classification and valuation systems established by the 1993 SNA and representative households for all the study domains. It also made it possible to identify the main types of establishments where households acquire goods and services and the frequency of such purchases, which facilitated selection of the units to be surveyed for monitoring CPI prices. Prices are collected daily throughout the survey month, so that the index can be estimated with the required regularity.

3.1.3 Source data are timely

The processes of collection, revision, entry, validation, processing and presentation of CPI results follow a monthly timetable with the following deadlines: collection completed in the last week of the survey month, transcription completed by the third day of the following month, national internal circulation index estimated on the fifth day of the following month, indices estimated for all domains and detailed report on index behavior on the eighth or ninth day of the following month, publication in the press and on the Internet site on the tenth day of the following month.

3.2 Assessment of source data

3.2.1 Source data-including censuses, sample surveys and administrative records are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide statistical processes

The 1997–1998 ENGIH had a response rate of about 95 percent. When the CPI is compiled, no coverage records are kept quantifying failure to respond. The technicians believe that there are few failures; however, no systematic record is kept of the response rate by establishment or of the number of prices obtained for each product, so that the monitoring of coverage is inadequate.

The design of the CPI price sample was not based on analysis of standard errors or of variation coefficients. The processing programs do not allow calculations of relative errors.

The CPI processing programs do not generate reports with outliers. The analyst evaluates average prices by municipality and sets a range of minimum and maximum prices. For calculation purposes, prices which fall outside this range and which are not duly justified are

eliminated and kept in the original database. Outliers and atypical situations are checked by supervisor visits.

The DP has established procedures for monitoring CPI quality. These involve weekly review of prices collected, telephone checking of atypical data or price variations not explained by the collector in a poll to be completed at the same time as the price collection form, special visits to establishments which have data problems or are reluctant to report, and on-site verification of prices 15 days after collection (sample of four or five collectors/supervisor).

The basket of products selected for the CPI takes into consideration whether the covered share of final consumption expenditure is over 75 percent of each subgroup within the total of COICOP groups. Thus the product sample represents 85 percent of the total value of consumption estimated by the 1997–1998 ENGIH. The share of each subgroup not covered is divided proportionately between the various products in the subgroup. Similarly, the share of subgroups not selected is divided among the other subgroups in the group.

3.3 *Statistical techniques*

3.3.1 Data compilation employs sound statistical techniques to deal with data sources

The price collection forms show the preassigned code for each product used; only the municipality and the price zone still have to be coded. This coding is done by the collector and is checked by the supervisor when the batches of completed forms are received. Similarly, the data downloading module displays a screen with a picture of the standard form on which the codes for each product are preassigned, so that only the prices and the codes for the municipality and collection area have to be entered. This considerably reduces the time spent and the number of coding and entry errors.

In the process of analysis of average prices by municipality, a range of average minimum and maximum prices is set and for calculation purposes unjustified outliers are eliminated. The eliminated prices are kept in the original database and a report is printed of those actually used in the calculation, to keep a record of the decisions taken.

The establishment code is not recorded in the database, which means that no price history by establishment can be constructed and that it is not possible to check whether establishments sampled in period t-1 are reporting in period t, which affects the comparability of the elementary prices.

Average prices are calculated for establishments reporting the product in each municipality. Average prices can be compared between two consecutive periods at the municipal level. When the municipal price is lacking (temporary or permanent omission, nonresponse, seasonality), no entry is made. This does not happen often, but it could affect comparability between average prices aggregated by municipality.

Product varieties permanently off the market are replaced annually, and a consultation form is used for this purpose in which collectors identify product varieties that are no longer representative and identify possible substitute varieties. In general, there have been no major changes in the original basket (only clothing and footwear); however, varieties are not updated sufficiently frequently to keep pace with the market, especially for the groups food, beverages and tobacco; and clothing and footwear.

3.3.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques

Both the conceptual framework for the ENGIH (1997–1998) and the CPI basket of goods and services and weights (base: January 1999) follow the conceptual and methodological model of the 1993 SNA. Weights include household purchases on all markets (including the informal market) of goods and services that are part of consumption expenditure.

The CPI weights exclude imputed rent for owner-occupied dwellings or dwellings used by third parties without payment; similarly, remodeling or construction of housing are not included in the CPI.

The recorded value of goods and services represents the economic cost to the consumer at the time of acquisition, regardless of whether payment has been made and whether they were used in the same period or subsequently.

Goods and services produced by the household and destined for its own consumption are included, such as: primary goods (products from farming, hunting, fishing) and processing of such goods, in-kind withdrawals or self-supply, donations in kind received and social benefits. These were valued at market prices at the time when they were produced.

The formula used to calculate indices at the elementary level (articles) is the ratio of average prices to long-term relative prices, which measures variations in average prices for the current month compared to the base month.

The method used to calculate elementary indices and arrive at aggregated levels of classes, subgroups, groups, and overall, is based on the Laspeyres universally accepted formula.

The index was reweighted over the last seven years and is valued at prices for the ENGIH base period (October 1997–September 1998), which do not correspond to base index prices (January 1999). In other words, the weights were not aligned with prices for the index base period and remain constant with respect to the ENGIH base period

When the new CPI series was introduced, coefficients for linkages with earlier series were determined, at the general level for the 1982–1998 monthly series (base: November 1984, and base: January 1999). In addition, the series were spliced at the level of coinciding groups for the 1991–1998 monthly series.

3.4 *Assessment and validation of intermediate data and statistical productions*

3.4.1 *Intermediate results are validated against other information where applicable*

There is no validation against other indices because this is the only available price index.

3.4.2 *Statistical discrepancies in intermediate data are assessed and investigated*

The DP has divided the CPI basket among four price analysts, specializing in the specific products in the assigned group; (1) Food, Beverages and Tobacco; (2) Clothing and Footwear; Furniture, Accessories and Domestic Equipment; (3) Housing; Health; Transport; Leisure, Entertainment and Culture; Education; Hotels, Bars and Restaurants; and (4) Miscellaneous Goods and Services.

The analysts review average prices for each product in the historical price report, compare average prices between municipalities, evaluate outliers, check the explanations given by the collector in the monthly poll on price changes and fix the range of minimum and maximum prices accepted, and recalculate average prices and verify the effect of the adjustment. They supplement the analysis with information from press announcements concerning prices.

3.4.3 *Statistical discrepancies and other potential indicators of problems in statistical productions are investigated*

In order to evaluate statistical discrepancies between the various CPI study domains, the technicians compare index changes at the level of groups, subgroups and classes within each domain and analyze the effect of the variations on the corresponding aggregated total. They compare results between different baskets and determine the reasons for the discrepancy.

3.5 *Revision studies*

3.5.1 *Studies and analyses of revisions are carried out routinely and used internally to inform statistical processes (see also 4.3.3)*

The CPI figures are final at the time of their first publication. When the results of the 1997–1998 ENGIH were analyzed, the new consumption pattern and the changes found in the main coinciding groups were evaluated. The most striking changes were verified and the reason for the changes was determined. All these analyses were made in the preparatory phase of the CPI rebasing.

There are no periodic reviews to evaluate the possible effects of reweighting on the CPI; nor are there special studies to investigate sources of price collection errors.

4. Serviceability

4.1 *Periodicity and timeliness*

4.1.1 Periodicity follows dissemination standards

Prices for the CPI are collected daily and compiled weekly so as to ensure that the index is produced monthly, in accordance with the Special Data Dissemination Standard (SDDS) and the GDDS.

4.1.2 Timeliness follows dissemination standards

Work on CPI compilation starts in the first week of the month and concludes on the ninth day of the month after the base month. This follows a timetable that specifies that the press release giving the results for the previous month must be issued on the tenth of the month following the reference month and must be posted a few hours later on the BCRD Internet site. This is in accordance with SDDS and GDDS.

4.2 *Consistency*

4.2.1 Statistics are consistent within the dataset

The CPI estimates are made for two types of study domain: geographical (national district, other urban and other rural) and expenditure quintiles. Each has its own basket and weights. The national figure is not the result of aggregation of these baskets but, like each domain, has its own basket and weight scheme. This calculation methodology does not guarantee that the aggregated index is the same regardless of the type of aggregation. An example is the month of January 2003 for the Health group, in which the level of the national index (144.89) is lower than the level for the three geographical study domains: national district (146.99), other urban (148.53), and other rural (150.89).

4.2.2 Statistics are consistent o reconcilable over a reasonable period of time

The current CPI series was initiated in January 1999 and has been published on a regular monthly basis since then. In addition, this new series of the index was spliced with earlier series, both at the general level (1982–2003 monthly series) and at the level of coinciding groups (1991–2003 monthly series). The series comparisons are published on the BCRD Internet site and in the 2003 *Yearbook of Consumer Prices*. This publication also contains a historical annual series of the general CPI for the period 1947–2003 (bases: November 1984 and January 1999).

4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks

The CPI results are not reconciled with other price indices, because the CPI is the only available price index. However, the CPI is used to reconcile the result of the implicit deflator of private final consumption expenditure in the national accounts.

4.3 Revision policy and practice

4.3.1 Revisions follow a regular and transparent schedule

The CPI figures are not revised after publication. The household income and expenditure survey, which is the basis of the CPI basket, is conducted approximately every ten years. The rebasing methodology compares the baskets for 1984 and 1998 and analyzes the main changes made at the group level.

4.3.2 Preliminary and/or revised data are clearly identified

As indicated in the preceding paragraph, the CPI figures are not revised. However, if an error is found (none were found in the most recent series), the necessary explanations would be given and the corrected data would be clearly identified.

4.3.3 Studies and analyses of revisions are made public (see also 3.5.1)

The rebasing methodology, published by the BCRD when the new CPI series was issued, compares the baskets for 1984 and 1998, and analyzes the main changes made at the group level. This document, like the 1997–1998 ENGIH, is posted on the BCRD Internet site and printed copies were distributed to the main users and are available in the BCRD library.

5. Accessibility

5.1 Data accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)

The BCRD publishes the monthly CPI in tables and charts reflecting internationally accepted forms of presentation, which facilitates analysis from the domestic viewpoint and with regard to other countries. The monthly publications include monthly CPI series and changes compared with: the month prior to the reference month, December of the previous year, the same month of the previous year and the average for the last 12 months. These indicators are disaggregated by groups and subgroups of goods and services (COICOP) for the different study domains and for a basket disaggregated into tradable and nontradable products. A press summary is published monthly giving the CPI results, accompanied by tables and charts and an explanation of the main variations and effects on the behavior of the general

index. This summary is also posted on the Internet site. The statistical yearbook published by the BCRD includes, in addition to the monthly tables, average monthly prices nation-wide for all products in the basket, as well as the CPI historical series mentioned in paragraph 4.2.2.

5.1.2 Dissemination media and format are adequate

Results are disseminated by a communiqué in the written media and the Monthly Report on the Performance of the CPI on the BCRD's Internet site in "pdf" format. In addition, the quarterly *Report on the Economy of the Dominican Republic* and the *Quarterly Bulletin* are published quarterly, and the *Consumer Price Index* is published annually. Recent data and more detailed time series can be obtained in Excel files posted by the institution on the Internet.

5.1.3 Statistics are released on a preannounced schedule

The CPI publication schedule is not announced in advance. Statistics are released ten days after the end of the base month.

5.1.4 Statistics are made available to all users at the same time

By arrangement with the authorities, some officials of the central government and decentralized institutions receive the report on the performance of the consumer price index before the official publication.

5.1.5 Statistics not routinely disseminated are made available on request

Requests from interested parties are centralized in the DCNEE and dealt with by CPI technicians, following authorization from the BCRD authorities. In this connection, general and disaggregated statistics are provided and technical assistance is given for the correct interpretation and application of price indices in various areas, as well as CPI certifications for use in labor disputes, etc. Certain specialized data tabulations are provided without charge for specific purposes. The BCRD uses the following means to process special requests for statistics or additional explanations: fax, e-mail, and written communications.

5.2 Metadata accessibility

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated

The methodological documentation for the 1997–1998 ENGIH and the CPI rebasing are published in printed format by the BCRD and on the Internet page www.bancentral.gov.do. These documents cover the main methodological questions relating to CPI compilation, the calculation formula, the basket and its weights, and in the case of the 1997–1998 ENGIH

describe the methodological framework (*1993 SNA*), the discrepancies compared with the standards of that framework, the instruments for data collection, the design of the household sample, study domains, response rates, results, and comparative analysis of results with respect to the previous income and expenditure survey.

5.2.2 Levels of detail are adapted to the needs of the intended audience

Publications on the CPI, such as methodological documents, monthly bulletins, and press notes are available to users both on the BCRD Internet site and in the Juan Pablo Duarte library. The base documents used to compile the index, such as the *ILO CPI Manual*, the *1993 SNA* and the various classification systems (COICOP, CPC) may be found in the DP.

5.3 Assistance to users

5.3.1 Contact points for each subject field are publicized

Users have a single, general, contact point (e-mail, fax, or mail) with BCRD, but not with the persons directly responsible for each statistical program. Requests submitted by any of these means are then distributed among the DCNEE technicians assigned by the authorities to deal with them. There is no regular monitoring to measure time spent responding to requests.

5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available

The publications *Rebasing Methodology*, the quarterly *Report on the Economy of the Dominican Republic*, *Quarterly Bulletin*, *Consumer Price Index* for 1999–2002, 2003, and 2004 are available to users in the Juan Pablo Duarte library. These documents are also posted in the publications section on the BCRD Internet site.

Table 2. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for Consumer Price Index
(Compiling Agency: Central Bank of the Dominican Republic)

Element	NA	Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO	NO		
0. Prerequisites of quality							
0.1 Legal and institutional environment			X			Although, the Monetary and Financial Law (183-02) does not assign the CPI to the BCDR, it mentions that the BCDR may compile other statistics needed to carry out its functions.	
0.2 Resources		X				The BCDR is both producer and user of the CPI, which could give the impression that there are conflicts of interest.	
0.3 Relevance		X				The processing system does not record the establishment code in the database to calculate the response rate of establishments.	
0.4 Other quality management			X				
1. Assurances of integrity							
1.1 Professionalism		X					
1.2 Transparency			X			Internal government access to consumer prices prior to their release is not made public.	
1.3 Ethical standards		X					
2. Methodological soundness							
2.1 Concepts and definitions		X					
2.2 Scope		X					
2.3 Classification/sectorization		X					
2.4 Basis for recording		X					

Table 2. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for Consumer Price Index
(Compiling Agency: Central Bank of the Dominican Republic)

Element	NA	Assessment			Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	NO		
3. Accuracy and reliability						
3.1 Source data		X			Response rates to price surveys and editing rates are not calculated.	
3.2 Assessment of source data			X		The share of consumption expenditure not covered by the index is more than 10 percent (15 percent). Sampling and nonsampling errors are not calculated.	
3.3 Statistical techniques			X		Missing prices are not imputed. Information by establishment is not recorded, affecting comparability of elementary prices. Changes in product specifications and new products are introduced only when a major revision is carried out. The current weight reference period (monthly average expenditures for the period Oct. 1997 to Sep. 1998) and price reference period (Jan. 1999=100) for the index are not the same. Imputed rentals of owner-occupied dwellings is missing from the CPI.	Will formulate a general plan for compiling in 2006 updated weights and a new base price reference period for the CPI. Short term: Calculate a core inflation index.
3.4 Assessment and validation of intermediate data and statistical outputs		X			Periodic weight revisions are not undertaken to determine the bias of the CPI. No studies on price collection errors are conducted.	
3.5 Revision studies			X			

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria

Table 2. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for Consumer Price Index
(Compiling Agency: Central Bank of the Dominican Republic)

Element	NA	Assessment			Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	NO		
4. Serviceability						
4.1 Periodicity and timeliness		X	X		For the CPI, the all-items index tabulations are consistent with the aggregations made by category of expenditure, but not by geographical area.	
4.2 Consistency						
4.3 Revision policy and practice		X				
5. Accessibility						
5.1 Data accessibility			X		An advance release calendar is not available. CPI is available to some users prior to public release. Only a general contact point is provided. Support service is not prompt. Users are not always satisfied with the responses to queries.	
5.2 Metadata accessibility		X				
5.3 Assistance to users			X			

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria

III. GOVERNMENT FINANCE STATISTICS

0. Prerequisites of quality

0.1 *Legal and institutional environment*

0.1.1 *The responsibility for collecting, processing, and disseminating the statistics is clearly specified*

The legislation does not clearly establish which institution fulfils the principal role in the collection, compilation and dissemination of government finance statistics (GFS). The State Secretariat of Finance (SEF) has the mandate to compile monthly “revenue” and “expenditure” statistics of the “central government” and to compile annually a financial management balance of the “central government.”¹ The BCRD compiles and disseminates GFS without having the explicit legal mandate for it. With respect to public debt, the Public Credit Department (DCP) has the legal mandate to compile and disseminate public domestic and external debt statistics.

Decree 1489 of February 18, 1956 about the functions of the various State Secretariats, states that the SEF is responsible for everything related to the management of public finances. The Internal Regulations of the SEF, Decree No.328/80 of July 8, 1980, in its Article 4, creates the Economic Studies Department (DEE). The DEE is responsible, among other matters, for (1) keeping up to date “revenue” and “expenditure” statistics of the central government (budgetary central government); (2) establishing links with the government revenue collection offices, the National Budget Office (ONAPRES), the General Comptroller of the Republic (CGR) and the BCRD to collect statistics and documents corresponding to public “revenue” and “expenditure,” as well as to unify compilation methodologies, recording procedures, presentation of statistics, etc.; (3) preparing annually a financial management balance of the budgetary central government, with respect both to “revenue” as to “expenditure,” emphasizing the fulfillment of the objectives and goals targeted and its importance in the framework of the economic policy of the government; and (4) coordinating the activities and functions performed by the units under its control, the Revenue Unit and the Outlays Unit, in order to provide in a unified and integral manner the statistics and other requests made by the Departmental Directorate and other superior levels in the Secretariat.²

¹ “Revenue” comprises all inflows of resources to the public institution and “expenditure” comprises all outflows of resources from the public institution. “Central government” refers to the budgetary central government.

² Fiscal data on budget execution are disseminated by the DEE on the SEF internet site. It presents monthly *Fiscal “Revenue” of the Central Government (budgetary) According to Main Items* and *“Expenditure” of the “Central Government” (budgetary) According to Economic Classification*. The DEE also disseminates a table on Main Fiscal Indicators, which includes the fiscal deficit/surplus measured as total “revenue” and grant minus total “expenditure” (total inflows minus total outlays).

The Monetary and Financial Law (Law No. 183 of 2002), replaced the Organic Law of the BCRD. Its article 15 of Section IV establishes, among others, that it is a function of the BCRD to compile and elaborate balance of payments statistics and monetary and financial sector statistics, and others that are necessary for the fulfillment of its functions. Even though the law does not mention explicitly the function of compiling and disseminating GFS and external public debt, currently, the Fiscal Policy Division (DPF) of the Monetary Programming and Economic Research Department (PROMIECO) compiles and disseminates GFS. This function is stated in the General Organic and Functional Manual of the BCRD that includes among the main functions of PROMIECO: “to follow-up on fiscal policy and on its incidence in public finances, as well as to compile and tabulate fiscal statistics of the budgetary central government and of all institutions of the decentralized public sector.”

With respect to public investment, the National Planning Office (ONAPLAN) that is part of the Technical Secretariat of the Presidency (STP) has as one of its functions (Law 55 of November 22, 1965) the monitoring of investment projects financed from abroad. The executing agencies of the investment projects³ should inform ONAPLAN, the Department of Public Credit (DPC) and ONAPRES when a foreign disbursement is made. However, the executing agencies do not provide timely data to ONAPLAN or the other agencies, and new regulations are being established to strengthen this reporting.⁴ (See 0.1.4)

The Law No. 531, Organic Budget Law for the Public Sector, of December 11, 1969, determines that the National Treasury (TN) and the CGR should send to ONAPRES a monthly statement of fiscal “revenue” and of payments made under the budget, respectively. Also, the various government institutions should provide ONAPRES with a statement record of the “revenue” and “expenditure” of the month and, at the end of the fiscal year, they should send a Balance of Budgeted “Revenue” and “Expenditure” with a copy to the CGR and to the Accounts Chamber (*Cámara de Cuentas*). ONAPRES publishes an annual report with the budget executions of most units in the financial public sector, with a lag of around eight months.

With respect to Public Debt, Decree No 618/93 of the SEF of August 9, 1993 replaced the General Directorate of Public Credit with the DCP in the SEF. Among its functions are: (1) to register all financial contractual obligations, direct or contingent, both of the “Central Government” as well as of all public entities, with the exception of the Reserves Bank and the BCRD; (2) maintain communication and timely information about the accrual of the debt contracted; and (3) maintain up to date all information and documentation related to public debt. Decree 1093-04 establishes that beginning on October 1, 2004, the SEF will assume its

³ The executing agencies of the investment projects are the State Secretariats and the central government units with own budgets.

⁴ Among them is a request of a monthly statement of programmed foreign financing.

responsibility for recording and servicing debt of the nonfinancial public sector. Decree 1523-04 of December 2004 on the registration, control, and management of public debt, states in article 36 that at the end of each quarter, the SEF will publish and disseminate in its internet site, a statement of the flows and stocks of domestic and external debt, as well as the Administrative Debt⁵ and the Guaranteed Debt. Consequently from April 2005, the DCP was restructured to undertake these tasks. With respect to external debt, the database was transferred to the DCP from the International Department (DI) and it is being revised by the DCP prior to starting data dissemination to the public in general. With respect to public domestic debt, the DCP is only monitoring contractual debt but it is not disseminating it yet to the public.

With respect to the ONE, the Law No. 55 of November 23, 1965 that creates the National Council for Development, transformed the General Directorate of Statistics (DGE) into the ONE. Therefore, the ONE inherited from the DGE, among others, the functions of the Section on fiscal and financial statistics that include the compilation of the finances of the State and municipal finances (Law No. 5096 of March 5, 1959, article 5 that creates the DGE). However, the ONE is not currently compiling GFS data.

0.1.2 Data sharing and coordination among data-producing agencies are adequate

The SEF does not centralize the control over the operations of the central government, local governments and nonfinancial public enterprises. The existence of various agencies that authorize public debt contracts and regulate the public sector units complicates the collection of consistent and comprehensive GFS and debt data.

Although there are no formal agreements to ensure that monthly information is provided to the DPF on a regular, timely and complete manner; there is direct communication with the various agencies responsible for providing the information via electronic mail, telephone and in meetings of the technical staff (DPF of the BCRD, DEE of the SEF, STP, ONAPRES, ONAPLAN and others) which have helped to get more timely data for the budgetary central government units. The main shortcomings in budgetary central government data result from the need to combine information from various sources with partial data and the delays in receiving external debt data from the DCP during this transition of the database from the DI of the BCRD to the DCP. The Integrated Financial Management System (SIGEF) has contributed to improve the flow of revenue and current expenditure data for the budgetary central government. However, the SIGEF has not yet integrated successfully the data of public investment financed from abroad nor the extrabudgetary operations of the budgetary

⁵ Article 21 defines administrative debt as liabilities acquired by institutions of the “central government” with suppliers and contractors for the accrual of current and capital expenditures (provision of goods and services); that have the corresponding budget appropriation balance; and that do not have a previous fund allocation by the ONAPRES. Debt generated each month that is covered by the revolving fund on the following month is not considered administrative debt.

central government because government institutions do not follow the procedures and do not report as required. It also has not yet integrated all financing data. SIGEF data are available with a lag of eight days.

The DPF has problems in obtaining information from the central government (decentralized and autonomous institutional units) with their own budgets, from the local governments, and from nonfinancial public enterprises for the compilation of GFS for the nonfinancial public sector. In some cases, the BCRD has to resort to communications at the highest level in order to receive data.

The DCP has problems in obtaining timely information on external debt from all executing agencies of investment projects and has had to establish closer links with the ONAPLAN and creditors to obtain these data.

0.1.3 Individual reporters' data are to be kept confidential and used for statistical purposes only

GFS data for the central government and local governments do not require a confidentiality provision. Nevertheless, individual data from nonfinancial public enterprises must be kept confidential. Article 8 of the Monetary and Financial Law indicates that the staff in the service of the Monetary and Financial Administration, that by virtue of their functions have access to information of a confidential and privileged character, will be obliged to observe total discretion. The lack of compliance would cause immediate dismissal.

In the request that the DPF makes to nonfinancial public enterprises to provide their budget executions statements, it is specified that the information provided will be used solely for statistical purposes.

The DPF and DCP only give access to individual data of the nonfinancial public enterprises to the staff that need that information to fulfill their responsibilities with respect to compiling statistics.

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response

The BCRD does not have an explicit legal mandate to ensure statistical reporting for the compilation of GFS. Therefore, in a joint effort to improve the reception of data provided by the central government units with own budgets, the BCRD recently sent letters requesting the provision of regular and timely budget executions. The letters stated that if information was not received in a timely manner, the SEF would freeze the budgetary allocations of the institutions at fault.

ONAPLAN is adopting measures to solve the problem of lack of timeliness in the submission of investments data by the project executing agencies. Some executing agencies report with lags of a few months and ONAPLAN does not currently apply sanctions.

ONAPRES is entitled to receive monthly data on the budget execution of central government units with own budgets (decentralized and autonomous institutions), nonfinancial public enterprises and local governments. The law stipulates the deadlines and type of information to be provided but does not establish sanctions for non reporting. In practice, ONAPRES receives this information with several months lag.

With respect to local governments, these should also report their budget executions to the CGR, the Accounts Chamber and the *Liga Municipal Dominicana*, on a monthly basis. This information must be provided with a delay of no more than three months, but there is no mechanism to enforce reporting and the *Liga Municipal Dominicana* lacks adequate software to consolidate the data.

With respect to public debt, the Decree No 1523-04 of December 2004 provides a legal framework to ensure the recording, control and administration of public debt. Chapter I establishes the procedures for contracting domestic and external public debt of the nation. Chapter II establishes the procedures for the recording of disbursements of domestic and external public debt of the nation. Article 15 states that executing agencies must inform the SEF and the STP within three days of the date the disbursement took place, for recording and control purposes. Article 16 states that all institutions should fulfill the requests of information in the terms established by the SEF and STP for budget execution and debt recording and its integration into the government accounting. Chapter IV establishes a procedure for treating administrative debt of the central government. Article 24 states that DCP will maintain the register of the SEF authorizations for contracting administrative debt and, in coordination with the General Directorate of Government Accounting (DIGECOG), will establish the methodology for recording the operation in the accounts. Chapter V establishes the procedures for subscribing loans with the Reserves Bank and the rest of the financial system in the Dominican Republic. Article 30 states that the DCP will record the authorizations and the corresponding loans. Chapter VI regulates the operations of the TN. Chapter VII has general instructions and its Article 38 states that in case of a violation of what is established in Decree 1523-04, based on the recurrence of the practice, the staff responsible for a violation could be: (1) reprimanded in writing; (2) suspended without salary; or (3) removed from his/her job.

The DPF of the BCRD has a contact point to help the data reporters present their data.

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs

In the case of the DPF of the BCRD the staff of six is enough to do the GFS compilation and dissemination. Only one of six staff has been trained in *A Manual on Government Finance Statistics, 1986 (GFSM 1986)* and in the *Government Finance Statistics Manual 2001 (GFSM 2001)*.

In the case of the DCP of the SEF, they have seven staff assigned to public external debt and 30 staff assigned to public domestic debt. Most staff have adequate training for the compilation of public debt data provided by the United Nations Conference for Trade and Development, World Bank and the International Monetary Fund.

In general, the computing resources of the DPF are enough and well applied; the same situation occurs with the DCP. The DCP uses the Debt Management and Financial Analysis System (SIGADE).

The physical structures of the DPF and of the DCP are good and adequate for the task of compiling fiscal statistics.

The financial resources allocated to the DPF are enough to perform the activities required for compiling GFS statistics. However, if the coverage of the GFS data compiled by the DPF is to improve significantly, more resources may be needed.⁶ The financial resources in the DCP for debt statistics are sufficient.

0.2.2 Measures to ensure efficient use of resources are implemented

Periodically, the performance of the staff of the DPF and the DCP is evaluated.

The budget of the DPF takes into account the need to guarantee adequate resources for compiling GFS.

⁶ There is a project to restructure PROMIECO so as to create a new area in charge of the dissemination of GFS data for the central government units with own budgets, for the local governments and for the nonfinancial public enterprises.

0.3 Relevance

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

The user's survey conducted as part of the Report on Observance of Standards and Codes mission indicated that users consider that GFS are excellent (8 percent), very good (8 percent), good (46 percent), unsatisfactory (30 percent) or poor (8 percent).

There are no formal mechanisms for consulting non governmental users' needs and identifying new and emerging data requirements.

0.4 Other quality management

0.4.1 Processes are in place to focus on quality

Most BCRD and SEF executives are aware of the importance of the quality of data and make efforts to disseminate this perception at all levels of the institution. For example, the BCRD and the SEF encourage training of their staff through the participation in courses and seminars in the country and abroad.

0.4.2 Processes are in place to monitor the quality of the statistical program

The DPF staff follow internal procedures to monitor the quality of GFS quarterly data compiled for the budgetary central government. Also, in response to specific significant problems, the DPF reviews and changes procedures to improve certain aspects of the quality of data such as the coverage, accuracy and timeliness. The DCP has procedures to monitor the quality of the public debt.

0.4.3 Processes are in place to deal with quality considerations in planning the statistical program

The DPF and DCP have in consideration the need to improve the quality of GFS and public debt data when planning their statistical work program. At the same time, the DPF and DCP make an implicit calculation of the trade-offs between the timeliness and accuracy of the data when preliminary GFS data are compiled and disseminated.

1. Assurances of integrity

1.1 Professionalism

1.1.1 Statistics are produced on an impartial basis

The Monetary and Financial Law (article 6) requires the staff of the BCRD to execute their functions with complete impartiality and independence. In the case of the SEF, although it does not have a specific law that ensures professional independence in the fulfillment of its statistical tasks, the Civil Servant's Ethics Code (article 4) encourages practices consistent with compiling statistics on an impartial basis.

The DPF does not hire statisticians. However, the staff are composed of qualified economists, who, as part of their training, have learned about statistical principles. This gives them a proper knowledge for compiling and using GFS. Additionally, DPF staff receive practical and in some cases theoretical training in the methodology and in compilation methods.

The DCP hires mainly professionals trained as economists or from commercial and business fields who are familiar with statistical principles. These staff have been trained in debt statistics methodology and applies the international methodology in the International Monetary Fund's External Debt Guide. The information on debt comes from SIGADE.

1.1.2 Choices of sources and statistical techniques as well as decisions about dissemination are informed solely by statistical considerations

The choices of sources and statistical techniques are informed solely by statistical considerations. The administrative records used by the DPF in GFS quarterly compilation for the budgetary central government are adequate and the content and format of the statistics approximate the *GFSM 1986*. In the case of the compilation of GFS for the nonfinancial public sector, the sources for the central government units with own budgets, nonfinancial public enterprises, and local governments are the budget executions statements, which are a standard source of information.

The DCP uses information from debt contracts and notifications of the disbursements and repayments, all of which are adequate standard sources for recording public external debt data.

The decision to disseminate data is based on statistical considerations and the decision to use web sites is based on the need to increase the timeliness of the data. The dissemination of GFS quarterly data for the budgetary central government on an "accrual" basis is done by the DPF in the *Informe de la Economía Dominicana*, which is also posted on the BCRD Internet site. External debt data until December 2004 were disseminated bi-annually by the DI in the

BCRD *Boletín Trimestral*, which is also posted on the BCRD Internet site. The DCP is now responsible for disseminating external public debt data on the SEF Internet site.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics

The DPF and the DCP follow the press coverage of fiscal data and public debt, respectively, and when necessary, can disseminate clarifying notes. However, they have not yet done so.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public

The terms and conditions under which GFS data are compiled and disseminated by the DPF are not disseminated to the public.

The regulations of the SEF, Decree 1523-04, and Decree 1524-04 include the terms and conditions under which debt statistics are compiled and disseminated. These decrees are disseminated to the public on the SEF Internet site.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified

In principle, only the authorities of the BCRD have internal access to GFS quarterly data for the budgetary central government before their dissemination to the public. Nevertheless, according to the Monetary and Financial Law, the BCRD as advisor to the government can provide information in advance to the Monetary Board and public ministries, when they require it for the fulfillment of their functions. This access is mentioned in the Monetary and Financial Law disseminated to the public. In practice, the SEF has access to GFS statistics prior to their release. However, the BCRD does not disseminate to the public how far in advance GFS statistics are pre-released.

External public debt data has traditionally been disseminated simultaneously to the public.

1.2.3 Products of statistical agencies/units are clearly identified as such

Quarterly GFS data for the budgetary central government on a noncash basis and disseminated to the public on the BCRD Internet site and in its publications, indicate clearly in the heading that they have been compiled by the DPF of the BCRD. The same thing occurs with public external debt data.

1.2.4 Advanced notice is given of major changes in methodology, source data, and statistical techniques

The DPF and DCP do not have the practice of giving advance notice to users of major changes in methodology, sources or statistical techniques. For example, when in 2003, GFS data was disseminated for the first time on a noncash basis, no advance notice was given to users.

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff

The BCRD has a formal code of conduct for its staff included in the Regulation for the Administration of Human Resources. These norms are made known to the staff when they join. The BCRD also issues circulars and letters to inform or remind the staff on ethical standards that should be followed, such as, a circular regulating information included in their electronic files or a letter about the sanctions for disseminating confidential information.

The SEF has a Code of Conduct of the Public Servant (Law 120-01 of June 2001) that is informed to the staff when they join.

2. Methodological soundness

2.1 Concepts and definitions

2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices

The DPF compiles and disseminates in the *Informe de la Economía Dominicana* quarterly cumulative GFS data for the budgetary central government on a noncash basis. This compilation is guided, in general terms, by the recommendations of the International Monetary Fund, previously stated in *GFSM 1986*. These data are used for policy decisions. However, the definitions, coverage and classifications are not totally aligned to the recommendations of that Manual. The basis of recording of GFS for the budgetary central government is called “accrual” but in practice it is noncash (that is a mixture of cash, due for payment, and accrual).⁷

⁷ The DPF also compiles and disseminates monthly GFS data for the budgetary central government on a noncash basis but with less coverage. The DPF also compiles but does not disseminate cumulative quarterly GFS data for the nonfinancial public sector following the same methodology as the quarterly data compiled for the budgetary central government.

The DCP compiles bi-annually data for public external debt. These data used to be compiled and disseminated by the DI and from 2005 onwards will be disseminated by the DCP on the SEF Internet site. These data are compiled by creditor according to internationally accepted standards.

The *GFSM 2001* prescribes a complete recording of flows and stock data of the general government, on an accrual as well as on a purely cash basis, but the authorities (BCRD and SEF) do not have yet a “migration plan” from the *GFSM 1986* to the *GFSM 2001*.

2.2 Scope

2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices

The general government in the Dominican Republic covers the budgetary central government (central administration), the social security (4 institutes), more than thirty central government units with their own budgets (public decentralized and autonomous institutions) and the local governments. GFS quarterly data disseminated by the DPF do not cover all operations of the general government but only cover operations of the budgetary central government institutions.

In terms of the coverage of transactions, GFS quarterly data disseminated by the DPF on a noncash basis do not have complete data for the budgetary central government units. In particular there is lack of coverage of: (1) disbursements from abroad in the form of payments of goods and services for fixed capital formation, and the corresponding expenditures which are reported with long delays and some of which do not have budget coverage; (2) expenditures of revolving funds (advances to spending units or *fondos reponibles*) which are reported only when the detailed information is available to allow its classification; this happens several months after the end of the fiscal year and are recorded in the month of December; (3) expenditures that exceed budgeted amounts to spending units without budget coverage; (4) lending minus repayments operations which the DPF mistakenly excludes; and (5) domestic financing from the non banking sector, in particular administrative debt which are only partially known at the end of the year. Furthermore, data do not cover all revenue from the exchange commission (it only includes the share that goes to the TN). The incomplete coverage of operations is part of the reason for a considerable discrepancy between the deficit/surplus and the financing items. The discrepancy calculated as a residual is added to the deficit/surplus as an adjustment item.

The coverage of the external debt data disseminated includes not only the central government sector, but it also comprises the stock of external debt of all public sector units: central government, local governments and public financial and nonfinancial enterprises. It also covers private debt guaranteed by the government. In terms of coverage of operations, there is a delay in reporting the debt corresponding to disbursements in the form of payments for goods and services abroad for fixed capital formation. Therefore, the coverage of debt is not

complete. Currently, the DCP is reviewing the coverage of operations before disseminating it by type of creditor and for the first time by debtor.

Data compiled by the DCP on domestic debt are not being disseminated yet to the public. These data cover mainly contractual debt in bank loans, securities and with suppliers. The coverage of debt with suppliers is also being reviewed. The database for administrative debt (debt generated by unpaid obligations) is not yet well covered.

2.3 Classification/sectorization

2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices

The sectorization used by the DPF was revised in 2003, when a new manual in budget classifications by institutional sector was adopted for the SIGEF. Sectorization (the institutions allocate to each sub-sector) of the public sector is consistent with the *System of National Accounts 1993* groupings but the names of the sub-sectors could cause confusion to outside users of data. The sectorization is as follows:

111 General Government

1111 General Administration (corresponds to central government)

11111 Central government (corresponds to budgetary central government)

11112 Decentralized or autonomous public institutions (corresponds to central government units with own budgets)

11113 Social Security Institutions

1112 Local government

Quarterly GFS data compiled by the DPF are grouped in revenue, expenditure by type of budget objective (*clasificación por objeto* e.g., wages), and financing transactions according to the SIGEF manual of budget classifications (applied from the 2003 budget), which is not completely aligned with the *GFSM 1986*. The main aggregates are as follows:

Total revenue

Current revenue

Capital revenue

Total expenditure

Current expenditure

Capital expenditure

Grants

Current balance

General balance without residual

Residual

General balance after grants and residual (deficit (-)/surplus (+))

Financing (deficit (+)/surplus (-))

Foreign Financing
Domestic Financing

Revenue classification is largely aligned to the *GFSM 1986*. Because the DPF uses the SIGEF classification of expenditure by type of budget objective and not the SIGEF classification of expenditures by economic type (as recommended in the *GFSM 1986*), some expenditure on goods and services associated with fixed capital formation are misclassified as current expenditure. The classification of expenditures in goods and services directly financed from abroad are classified based on estimated percentages because there is no data available from the agencies in charge of the projects.

Financing data are not fully classified according to the *GFSM 1986* by type of debt holder and by type of debt instrument. Foreign financing is classified into: (1) disbursements of which bilateral; (2) bonds issued; (3) amortization; (4) refinancing and debt forgiveness; and (4) net arrears. Domestic financing is classified into: (1) banking system; (2) amortization of bonds; (3) discount on bonds; (4) arrears on bonds; (5) amortization of arrears; and (6) increase in arrears.

2.4 Basis for recording

2.4.1 Prices used to value flows and stocks reflect actual or expected cash payments. (GFSM 1986 guidelines)

GFS quarterly data for the budgetary central government compiled by the DPF on a noncash basis values flows at market prices according to actual payments made or anticipated.

The DCP values the stocks of external debt at the amount that the government is obliged to pay when the debt matures. This is in agreement with the *GFSM 1986*.⁸

The DPF receives data on external debt flows from the DCP in US dollars. The DPF converts disbursements and repayments denominated in US dollars into national currency using the average buyer exchange rate (not the mid-point of buyer-seller) for the period of the extra-banking market which is similar to the market buyer exchange rate. The stock of external debt is disseminated in US dollars and not yet also in domestic currency.

2.4.2 Recording is done on a cash basis (GFSM 1986 guidelines)

DPF compiles and disseminates quarterly GFS data for the budgetary central government on a “noncash” or mixed basis (denominated “accrual” basis by the DPF). Revenue data are recorded on a cash basis: the TN revenues are recorded when the deposits are made to its

⁸ Section IV.D of the *GFSM 1986* page 217 states “Outstanding debt should be valued at the amount the government is obligated to pay when the debt matures, that is, at its nominal, par or face value.(...)”

account; the road toll when it is collected by the Public Works and Communications Secretariat. Data on grants are recorded on a noncash basis because they include grants in kind. Expenditure data are recorded on a noncash basis; interest on debt is recorded on a due-for-payment basis. Expenditure data excluding interest is not always recorded on accrual basis. There may be some amounts that have been recorded in the budget execution as being accrued, but the spending units may have not yet received the goods and services. Financing data are recorded on a due-for-payment basis for amortization and the disbursement is recorded when the cash or goods or services that they finance are received.

DPF also compiles and disseminates monthly GFS data for the budgetary central government. These data were disseminated on a cash basis through 2002 but since 2003 they are disseminated on a noncash basis but with a different coverage.⁹

2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices

In general, the DPF records all transactions on a gross basis, except in the case of domestic financing and corrective transactions, which are recorded net. This is in agreement with the *GFSM 1986*. Some financing items are disseminated gross, showing disbursements as well as repayments.

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data are obtained from comprehensive data collection programs that take into account country-specific conditions

Because the SIGEF is not yet able to be the sole source of integrated data for the budgetary central government and the government accounting system is not yet available as a closed system, the DPF has had to resort to a wide range of partial sources of data for the central government units. The sources for the compilation of GFS quarterly data for the budgetary central government units on a noncash basis are: (1) the TN for revenues; (2) the DIGECOG for expenditures including detailed data on transfers; (3) the ONAPLAN for external disbursements that finance goods and services from abroad (the so called “in kind” disbursements); (4) the BCRD data from the monetary accounts for domestic financing from the banking sector; (5) the DCP for domestic and external financing; and (6) the DI for foreign grants in cash and in kind. These sources do not cover operations that do not follow the budgetary process and there is no complete data on domestic financing. The DPF does

⁹ The differences with the quarterly data are: (1) Grants are only on a cash basis; (2) debt interest and amortization are recorded when paid; and (3) monthly data are not adjusted to include ONAPLAN data on disbursements from external debt that finance expenditure on goods and services.

not yet apply bridge tables to compile GFS data according to the *GFSM 1986* or *GFSM 2001*.¹⁰

For the nonfinancial public sector data compiled by the DPF, the budget execution statements used as source data corresponds to the data requested by ONAPRES to central government units with own budgets, local governments and nonfinancial public enterprises. These data are not timely or complete.

The DCP compiles public external debt data based on SIGADE where it records all public sector external loans documents and the majority of debt transactions reported by the public sector units. However, because of the delay in obtaining disbursements data from the executing agencies, the DCP also receives data from ONAPLAN and from creditors to try to improve the coverage of the external debt database.

As part of the SIGEF project there is a complete list of the public sector units and adequate procedures for maintaining and updating the list.

The DPF adapts the sources of data when there are organizational changes so as not to lose coverage of the information. The DPF also checks with the SEF and other institutions to verify any changes in the sources of data that could affect the compilation of GFS statistics. For example, the DPF has started to use data from the DIGECOG for expenditure that before could only be obtained from the CGR and uses external financing data from the DCP that was previously provided by the DI.

3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required

Revenue data are mainly compiled from the TN Statement that records all “revenues” or inflows into the budget. From this statement it is easy to approximate the definitions, scope, time or recording, and classification recommended in the *GFSM 1986*.

“Expenditure” data recorded by DIGECOG and provided to DPF is classified according to the SIGEF new budgetary classification for “expenditure.” The DPF has chosen the classification by budgetary objective to compile GFS data for the budgetary central government. This classification is not fully aligned with the *GFSM 1986* economic classification because it does not classify correctly expenditure on fixed capital formation. The SIGEF also has an economic classification of “expenditure” but it is not used by the DPF. Sometimes, the transactions are misclassified in the “expenditure” data recorded by DIGECOG and for example, a financial transaction may be mistakenly recorded as a transfer.

¹⁰ However, data are reported to the International Monetary Fund-Statistics Department for publication in the *Government Finance Statistics Yearbook*, where data on the mixed basis for revenues and expenditures are approximated to the *GFSM 2001* classification.

Another major discrepancy of the source data (both the TN statement on “revenue” and the DIGECOG statement on “expenditure”) with the *GFSM 1986* is the lack of detail on domestic financing data. This is explained in part, because the data are coming mainly from budget execution statements that do not record transactions with double entry accounting, where all the financing contra-entries should be clearly identified.

With respect to the time of recording, DIGECOG final “expenditure” data used by the DPF for the closing fiscal year records in the month of December “expenditure” that accrued in previous months that had not been recorded because the spending units only reported them at the end of the year. This is the case of the revolving funds and the expenditure without budget coverage.

The DPF source data on foreign finance is the DCP and is adjusted with ONAPLAN data to improve the coverage of disbursements that finance direct purchase of goods and services from abroad for fixed capital formation. DPF does not have the details of these disbursements to classify them in expenditure categories.

The sources of data show inconsistencies in the transfers reported as given by the budgetary central government and the transfers reported as received by the rest of the units of the nonfinancial public sector.

For the nonfinancial public sector data compiled by the DPF, the classifications in the budget execution statements of the central government units with own budgets, local governments and nonfinancial public enterprises are similar to the budgetary classification in the SIGEF and have the same problems.

3.1.3 Source data are timely

Source data used by the DPF for the compilation of GFS quarterly data are provided by the reporting agencies on a monthly basis with a lag of two weeks and allows a timely dissemination of the quarterly statistics. However, data on budgetary central government investment financed from abroad arrives with long and uncertain delays.

For the nonfinancial public sector data compiled by the DPF, the central government units with own budgets and nonfinancial public enterprises inform monthly to the DPF with considerable lags. After a special letter was sent by DPF, these data are received with fewer delays (around three to four months after the end of the reference period) but there is still incomplete coverage. In the case of local governments, only three or four major governments respond.

3.2 *Assessment of source data*

3.2.1 Source data—including censuses, sample surveys and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide statistical processes

The DPF makes visual spot checks to find possible inconsistencies in the source data and values out of trend. The DPF evaluates source data used for compiling GFS quarterly data for the budgetary central government by: (1) cross-checking data of two sources of transfers as recorded by DIGECO. One source is the “expenditure” statement classified by budgetary objective and the other source is a list of detailed transfers by institution; (2) cross-checking “revenue” and “expenditure” disseminated by the DEE with the one compiled by the DPF; (3) cross-checking data on domestic financing from the TN and DIGECO with data on bank credit to the government of the monetary accounts and with the DCP register on securitized debt of the budgetary central government; and (4) from end 2004, cross-checking external financing for investment projects with ONAPLAN data provided to DCP. The DPF also compares trends, and forecasted and actual amounts.

The DCP evaluates source data for public debt by cross-checking flows and stocks of foreign debt with creditor data. A comparison is also made between forecasted and actual amounts.

3.3 *Statistical techniques*

3.3.1 Data compilation employs sound statistical techniques to deal with data sources

GFS quarterly data compiled by the DPF for the budgetary central government on an “accrual” basis are corrected once more reliable source information becomes available and if it has significant differences. Usually these revisions are triggered by revisions in financing data. GFS data are also corrected once preliminary source data are replaced by final DIGECO “expenditure” statement including adjustments, usually five to seven months after the end of the year. The DPF attempts to strike a balance between accuracy and timeliness for compilation of GFS data. However, because cumulative quarterly data disseminated are in a table format that shows the current period and the previous period, revised GFS data are disseminated to the public in general only when the new preliminary GFS data are released. GFS quarterly data series are not yet disseminated. Because data are compiled on a cumulative basis there is no discrepancy between quarterly and annual data.

There are no procedures to estimate missing data, for example, for estimating expenditure without budget coverage or expenditure from revolving funds.

There are internal notes used by the DPF for GFS compilation which are updated when significant changes occur.

For data compiled by the DPF but not disseminated for the nonfinancial public sector, DPF makes an adjustment when consolidating the data, to eliminate the discrepancies between transfers received and made. The DPF takes as certain the budgetary central government data on transfers.

DCP public external debt database (SIGADE) is updated on a permanent basis, every time a new source document becomes available. Usually, data on debt service paid do not change but disbursements are revised. SIGADE is also updated as a result of data provided by creditors or as a result of reconciliation of data made with creditors. Revised public external debt data are disseminated to the public in general. The DCP does not consolidate public external debt data. The DCP does not have written procedures for the compilation of the public external debt table.

3.3.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques

GFS quarterly data compiled by the DPF for the budgetary central government on an “accrual” basis are adjusted by: (1) including the statistical discrepancy (between revenue minus expenditure data and financing data) as an “above-the-line” component of the deficit/surplus; (2) replacing financing data provided in the statements of the TN and DIGECOG with financing data from DCP and the monetary accounts; and (3) making reclassifications of data initially misclassified. The DPF does not use bridge tables to further adjust the budget classification to align it more closely to international standards. The DPF is not adjusting data in the quarters that transactions took place and all the adjustments in “expenditure” in the final data are entered in the fourth quarter, although they correspond to transactions made throughout the year.¹¹

Public external debt data compiled by the DCP are adjusted to enter ONAPLAN data on disbursements in the form of direct payments of goods and services from abroad for fixed capital formation.

3.4 Assessment and validation of intermediate data and statistical outputs

3.4.1 Intermediate results are validated against other information where applicable

The DPF validates some intermediate results, for example, monthly data on revenue are cross-checked with daily revenue data provided by the three collection offices.

¹¹ Currently, DIGECOG does not provide the DPF with an expenditure statement recording the adjustment transactions in the month they took place.

3.4.2 Statistical discrepancies in intermediate data are assessed and investigated

The DPF and the SEF analyze the behavior of the data series. The DPF and the SEF also make comparisons with the data initially projected for those periods.

3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated

The DPF in coordination with SEF does research and follow-up to try to solve GFS discrepancies between “above-the-line” (deficit or surplus) and “below-the-line” (financing) in the quarterly GFS data for the budgetary central government on an “accrual” basis. The DPF also researches and follows-up to try to solve the discrepancies between fiscal data on domestic financing and data on financing in monetary accounts and other sources. However, problems are still recurrent. (See 4.2.1)

Currently, the DCP is making monthly comparisons of external debt flows and stocks data with creditors abroad.

3.5 Revision studies

3.5.1 Studies and analyses of revisions are carried out routinely and used internally to inform statistical processes (see also 4.3.3)

The DPF does not prepare detailed studies or analyses of GFS revisions. The DPF only prepares the revised GFS accumulated quarterly data for the budgetary central government on an “accrual” basis with a few explanatory notes for the items that show significant changes. This table is circulated to the SEF, the Technical Secretariat of the Presidency, the ONAPRES, the ONAPLAN and the BCRD.

Although there are no studies on the causes of the revisions, in cases of substantial revisions, such as the one for lack of coverage of disbursements of foreign financing made directly abroad to pay for goods and services for fixed capital formation, measures are underway to try to avoid the same problems and improve the compilation procedures.

4. Serviceability

4.1 Periodicity and timeliness

4.1.1 Periodicity follows dissemination standards

Budgetary central government aggregates on a noncash basis are disseminated by the DPF for the quarter and meet the GDDS recommendations for periodicity. However, data are disseminated in a cumulative rather than a discrete form.

4.1.2 Timeliness follows dissemination standards

The timeliness of GFS quarterly data disseminated by the DPF for the budgetary central government is two months and therefore exceeds GDDS recommendations (the GDDS indicates one quarter).

4.2 Consistency

4.2.1 Statistics are consistent within the dataset

The concepts, definitions, and classifications used to prepare quarterly GFS data for the budgetary central government on an “accrual” basis are the same ones used to compile annual data for the budgetary central government because data are compiled on a cumulative basis. However, when final data on expenditure are provided, the revisions are made on the annual figure but are not made in the respective quarter to which they correspond.

GFS quarterly data disseminated by the DPF for the budgetary central government on an “accrual” basis, as well as GFS data for the nonfinancial public sector not disseminated, show unexplained discrepancies between the deficit/surplus and financing.¹²

The other aggregates shown in the quarterly GFS table disseminated are consistent with the sum of their components. However, there is no way for the public to verify the consistency with more detailed components because they are not disseminated. Only a summary table is disseminated. Furthermore, because a table of government debt is compiled but not disseminated, there is no way for the public to verify the consistency between the financing flows and the change in stocks for domestic and external debt. However, to ensure consistency, the DPF cross-checks GFS data with the source data where this information is available. (See 3.2.1)

4.2.2 Statistics are consistent or reconcilable over a reasonable period of time

The DPF started disseminating GFS quarterly data for the budgetary central government on a noncash basis in 2003, when the budget classification also changed. The DPF reconstructed a series of data with similar methodology going back to 1996. However, these data series prior to 2003 are not disseminated to the public and it shows some discontinuities that are explained in notes.

¹² The unexplained discrepancies also called “residual” fluctuate in magnitude and in sign (negative sign means it contributes to the deficit and positive sign means it reduces the deficit). For revised GFS annual data, the residual was 1.5 percent of GDP in 2003 and -0.5 percent of GFD in 2004. However, the residual is higher for preliminary quarterly data.

The DPF provides an explanation of the developments of the main GFS aggregates. The comparison is made with respect to a similar period of the previous year. This explanation is disseminated in the BCRD *Informe de la Economía Dominicana* together with the GFS summary table shown in the annex section of that report.

4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks

The data provided by the DPF to compile quarterly and annual national accounts are: (1) monthly GFS current revenue and current expenditure (classified by type of budgetary objective) for the budgetary central government on a cash basis. These data are used to calculate government consumption; and (2) quarterly GFS data for the consolidated nonfinancial public sector on a noncash basis used to calculate supply and demand. The data show separately current and capital revenue and expenditure of the general government and the nonfinancial public enterprises, data on grants, public saving, overall balance, and financing.

Although the DPF provides the data for the compilation of the national accounts, the quarterly GFS data for the nonfinancial public sector are not disseminated to the public. Therefore, national accounts data published and GFS data published do not allow the public to make the reconciliation.

Because the budget execution data do not allow the DPF to identify the transactions with the banking sector, the DPF uses as a source to calculate the flow of bank financing the stock of net credit to the budgetary central government compiled by the Financial Programming Division of PROMIECO. It includes credit from the BCRD, the Reserves Bank and the private commercial banks. However, these data do not allow the public to make the reconciliation because these data on credit to the government are not disseminated by the Financial Programming Division.

Because the fiscal sources do not allow for a clear identification and good coverage of external financing to the government, the DPF uses as a source the external debt database that from 2005 is in the DCP and that is shared with the DI. Therefore, transactions and stocks of external debt of the budgetary central government are largely consistent with balance of payments data and external debt data. Both sources use a due-for-payment basis. However, disseminated balance of payments data identifies the public sector while GFS data disseminated refers only to the budgetary central government. Thus, disseminated data do not allow reconciliation.

4.3 Revision policy and practice

4.3.1 Revisions follow a regular and transparent schedule

The revisions to GFS quarterly data for the budgetary central government on an “accrual” basis are not disseminated to the public in general by the DPF, except if they happen to appear in the same table when the new quarterly data are disseminated. The revisions are compiled when there is new information available; when errors are discovered for previous periods; or when the final data for expenditure become available from DIGECO (usually five to seven months after the end of the year). However, there is no established procedure for revisions.

The DCP does not have a revision policy or a predetermined revisions cycle that is disseminated to the public.

4.3.2 Preliminary and/or revised data are clearly identified

When data are disseminated by the DPF or DCP, users are informed if the published data are preliminary or not. However, users are not informed when data are revised.

4.3.3 Studies and analyses of revisions are made public (see also 3.5.1)

Analyses of revisions made are not disseminated to the public.

5. Accessibility

5.1 Data accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)

Quarterly GFS data for the budgetary central government on a noncash basis compiled by the DPF are not disseminated according to the tables prescribed in the *GFSM 1986*. Only one table is disseminated showing the analytical presentation where the grouping of “revenue” show the main sources of revenue and “expenditure” is classified by budgetary objective. Grants are shown as a separate category from revenue. The table groups operations that determine the deficit/surplus and those that pertain to financing. The deficit/surplus is calculated before and after a “residual” which corresponds to the statistical discrepancy. Lending minus repayments data are not separately identified and are not covered. Domestic and external financing are classified by type of instrument. No additional table is disseminated with expenditure classified by function or by economic type. Quarterly GFS data for the budgetary central government on an “accrual” basis compiled by the DPF are not yet disseminated in time series, but only in a table that shows the current cumulated quarterly amount for the current year and for the previous year. The data are shown in an annex of the

Informe de la Economía Dominicana and the commentaries, charts, and graphics are shown in the main text. The publication refers to the budgetary central government as central government, a name that is misleading.

Public external debt data disseminated previously by the DI bi-annually, and from 2005 to be disseminated by the DCP, classifies external debt according to the type of creditor in line with the recommendations of the *GFSM 1986* but not by type of debtor, so no data are disseminated to identify separately the debt of the central government or of the general government. Public external debt data are disseminated in time series in the BCRD Internet site from 1960 through June 2004. The table disseminated in the *Boletín Trimestral* shows the stock at the end of the previous period (June 2004), the flows during the period, and the stock at the end of the period (December 2004). The commentary is disseminated in the *Informe de la Economía Dominicana*, and eventually on the SEF Internet site.

The DPF also disseminates monthly data for the budgetary central government with a different coverage of operations, in the BCRD *Boletín Trimestral* that is more detailed because they comprise a summary table and detailed tables: (1) revenue by major source; (2) tax revenue on goods and services in detail; (3) taxes according to major collecting agency; (4) current expenditure in detail; (5) capital expenditure in detail; (6) expenditure by institution according to economic classification; and (7) “disbursements” (comprises all budget outlays: expenditure, lending, and other financing outlays) by institution. The SEF also disseminates monthly data series of “revenue” (all receipts) and “expenditure” (all outlays) of the budgetary central government in the SEF Internet site.

5.1.2 Dissemination media and format are adequate

Quarterly GFS data compiled by the DPF for the budgetary central government on an “accrual” basis are disseminated in the *Informe de la Economía Dominicana* and on the BCRD Internet site. Public external debt data was disseminated by the DI in the *Boletín Trimestral* with commentaries in the *Informe de la Economía Dominicana* both available also in the BCRD Internet site. The DCP will be disseminating these data and commentaries on the SEF Internet site.

5.1.3 Statistics are released on a preannounced schedule

Quarterly GFS data disseminated by the DPF for the budgetary central government on a noncash basis and public external debt data disseminated bi-annually by the DI, and from now on by the DCP, are published regularly. However, there is no preannounced schedule for their release.

5.1.4 Statistics are made available to all users at the same time

Quarterly GFS data for the budgetary central government on a noncash basis disseminated by the DPF are not made available to all users at the same time. Data are made available to the

SEF before they are made public. Besides, the BCRD as advisor to the Government and fulfilling its functions may provide anticipated information to the Monetary Board and the public ministries, when they require it.

5.1.5 Statistics not routinely disseminated are made available upon request

Besides the usual statistics routinely disseminated by the DPF and DCP, other statistics are made available upon request. However, the availability of unpublished data is not made public.

5.2 Metadata accessibility

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated

Documentation on the sources and methods used by the DPF to compile the quarterly GFS data for the budgetary central government on a noncash basis is not made available to the public. In the case of external public debt compiled, the BCRD published in the June 2000 issue of the *Boletín Anual de Balanza de Pagos* (No. 1), a section with a brief description on the conceptual framework, recording process and methodology used. This description can be accessed in the BCRD Internet site.

5.2.2 Levels of detail are adapted to the needs of the intended audience

There is no practice of compiling and providing more detailed metadata information to the public. Detailed methodological notes are not available.

5.3 Assistance to users

5.3.1 Contact points for each subject field are publicized

Only general contact points are provided for the BCRD and SEF. Support service is not prompt and users are not always satisfied with the responses to their queries.

5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available

The BCRD and SEF Internet sites list the publications, documents and other services available to the users, and these are updated periodically.

Table 3. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for Government Finance Statistics
(*Compiling Agencies: Central Bank of the Dominican Republic and State Secretariat of Finance*)

Element	NA	Assessment				Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO	NO		
0. Prerequisites of quality							
0.1 Legal and institutional environment				X		The legislation does not clearly establish which institution fulfills the principal role in the collection, compilation, and dissemination of GFS. The SEF has the mandate to compile monthly "revenue" and "expenditure" statistics of the central government and to compile annually a financial management balance of the central government. The BCRD compiles and disseminates GFS without having the explicit legal mandate for it. The existence of various agencies that authorize public debt contracts and regulate the public sector complicates the collection of consistent and comprehensive GFS and debt data. The BCRD does not have an explicit legal mandate to ensure statistical reporting for the compilation of GFS. If the coverage of the GFS data compiled by the DPF is to improve significantly, more resources may be needed. Formal mechanisms for consulting nongovernmental users' needs and identifying new and emerging data requirements have not been established.	
0.2 Resources			X				
0.3 Relevance				X			
0.4 Other quality management		X					

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria

Table 3. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for Government Finance Statistics
(Compiling Agencies: Central Bank of the Dominican Republic and State Secretariat of Finance)

Element	NA	Assessment			Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	NO		
1. Assurances of integrity						
1.1 Professionalism			X		The SEF does not have a specific law or regulation that ensures professional independence in the fulfillment of its statistical tasks. However, the Civil Servant's Ethics Code (Article 4) encourages practices consistent with compiling statistics on an impartial basis.	
1.2 Transparency				X	The terms and conditions under which GFS data are compiled and disseminated by the DPF are not disseminated to the public. The BCRD does not disseminate to the public how far in advance GFS statistics are pre-released to the SEF. The DPF and DCP do not give advance notice of major changes in methodology, source data, or statistical techniques.	
1.3 Ethical standards				X		
2. Methodological soundness						
2.1 Concepts and definitions			X		The definitions, coverage, and classification are not totally aligned to the recommendations of the <i>GFSM 1986</i> . There is no migration plan to the <i>GFSM 2001</i> .	GDDS medium term plan states: the DPF will align the methodology of compilation of GFS data for the rest of the nonfinancial public sector (central government units with own budgets, local governments and nonfinancial public enterprises) to the <i>GFSM 2001</i> . The DCP has a plan to align the compilation of external public debt to the International Monetary Fund's External Debt Guide and to align the compilation of domestic public debt to the manual for the preparation of a statistical bulletin of the UNCTAD.

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria

Table 3. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for Government Finance Statistics
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Element	NA	Assessment			Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO		
2.2 Scope				X	GFS do not cover the general government, but only budgetary central government units. For these institutions the coverage of transactions is incomplete, in particular, with respect to expenditures financed with foreign loans and extra-budgetary operations. Public external debt includes private guaranteed debt and has incomplete coverage of disbursements for investment projects. Domestic debt data compiled are not disseminated.	GDDS medium-term plan states: DPF will improve the coverage of GFS data for the nonfinancial public sector.
2.3 Classification/sectorization			X		The classification of GFS is not fully aligned with international accepted standards. Expenditure is classified by budgetary objective and not by economic criteria, such that own-account capital formation is not distinguished.	
2.4 Basis for recording			X		Foreign financing flows are converted from US dollars into national currency using the average buyer exchange rate instead of the mid-point buyer-seller exchange rate. GFS basis of recording is aligned with the <i>GFSM 1986</i> , except that expenditure is on a noncash basis and financing is recorded on a due-for-payment basis. There is no additional statement on a cash basis.	

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria

Table 3. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for Government Finance Statistics
(*Compiling Agencies: Central Bank of the Dominican Republic and State Secretariat of Finance*)

Element	NA	Assessment			Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	NO		
3. Accuracy and reliability						
3.1 Source data			X		<p>The SIGEF and the accounting are not yet comprehensive therefore the compilation system comprises partial sources of data for the budgetary central government.</p> <p>There is no complete data for central government units with own budgets, local governments, and nonfinancial public enterprises.</p> <p>Debt data have incomplete coverage of disbursements.</p> <p>Budgetary execution does not provide complete and detailed financing data.</p> <p>DIGECOG "expenditure" data and DCP public external debt data have incomplete coverage. Expenditures without budget coverage and of revolving funds are not recorded in the period they accrued.</p> <p>Data on budgetary central government investment arrives with long and uncertain lags.</p> <p>Data for the central government units with own budgets, local governments and nonfinancial public enterprises have considerable lags.</p> <p>There are no procedures for estimating missing data.</p> <p>The DPF does not use bridge tables to align GFS classification to international standards. GFS data are not adjusted in the period the transactions took place.</p>	<p>GDSS short-term plan states: SIGEF will extend its coverage to decentralized institutions, so that they can directly input their expenditure data in the system.</p> <p>GDSS short-term plan states: DCP will continue cleaning and verifying the coverage of the debt database.</p>
3.2 Assessment of source data		X				
3.3 Statistical techniques			X			
3.4 Assessment and validation of intermediate data and statistical outputs		X				
3.5 Revision studies				X	DPF does not prepare detailed studies or analysis of revised GFS data.	

Table 3. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for Government Finance Statistics
(*Compiling Agencies: Central Bank of the Dominican Republic and State Secretariat of Finance*)

Element	NA	Assessment			Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	NO		
4. Serviceability						
4.1 Periodicity and timeliness			X		Budgetary central government GFS are disseminated on a cumulative, rather than discrete, quarterly basis.	GDDS short-term plan states: DCP will disseminate on a quarterly basis data on external public debt flows and positions.
4.2 Consistency				X	Discrepancies between deficit/surplus and financing items are recurrent and significant, especially in quarterly data. Data series of GFS for the budgetary central government on an "accrued" basis are not disseminated to the public to assess consistency over time. Although data compiled are broadly consistent across sectors, disseminated data do not allow reconciliation by users.	
4.3 Revision policy and practice				X	There is no predetermined revisions cycle available to the public. Users are not informed when data are revised. Analyses of revisions are not made public.	

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria

Table 3. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for Government Finance Statistics
(Compiling Agencies: Central Bank of the Dominican Republic and State Secretariat of Finance)

Element	NA	Assessment			Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	NO		
5. Accessibility						
5.1 Data accessibility			X		GFS data are not disseminated according to the tables prescribed in the <i>GFSM 1986</i> . Public external debt data are not disseminated by type of debtor. An advance release calendar is not available. GFS data are not made available to all users at the same time. Usually the SEF has pre-access to the data. Unpublished data are provided on request; however, this possibility is not made known to the public. Documentation on GFS metadata is not made available to the public. Only a brief metadata description has been made available for external public credit. Detailed methodological notes are not available. Only general contact points are provided for the BCRD and for the SEF. Support service is not prompt. Users are not always satisfied with the responses to queries.	GDDS medium-term plans states: DCP will prepare and publish debt statistics as recommended by the GDDS. The DPF plans to disseminate quarterly GFS time series for the budgetary central government on a noncash basis (for data beginning in 2000).
5.2 Metadata accessibility				X		
5.3 Assistance to users			X			

IV. MONETARY STATISTICS

0. Prerequisites of quality

0.1 *Legal and institutional environment*

0.1.1 *The responsibility for collecting, compiling and disseminating statistics is clearly assigned*

The BCRD is the sole official agency responsible for collecting, compiling, and disseminating monetary statistics. The legal basis for the compilation of monetary and financial statistics in the Dominican Republic primarily comprises: (1) the Constitution of the Republic; and (2) the Monetary and Financial Law (LMF) of November 2002.

The BCRD belongs to the Monetary and Financial Authority as defined by the LMF, which also include the Superintendency of Banks (SIB) and the Monetary Council. The SIB is a public entity with its own legal personality and is in charge of supervising the financial institutions. The Monetary Council oversees the functions entrusted to the BCRD and the SIB. PROMIECO has the responsibility for the collection, compilation, and dissemination of monetary and financial statistics.

Article 14 of the LMF states that the BCRD is an autonomous public entity, according to the Constitution of the Republic, in charge of the compilation and dissemination of balance of payments and monetary and financial statistics, as well as other statistics needed to perform its functions.

Article 5 requires timely release, on the part of the institutions supervised by the SIB, to the BCRD and the SIB, of all information that these agencies require to fulfill their mandates. There is continuous communication between the BCRD and reporting entities to solve reporting problems and the BCRD provides adequate support for the preparation of information returns.

Two Divisions in PROMIECO compile sets of monetary statistics. The monetary statistics used for national publications and to submit data to the International Monetary Fund's Statistics Department (STA) are compiled by the Consolidation of Monetary Statistics Division (DCEM). In addition, the Monetary Programming Division (DPM) compiles analytical accounts for the BCRD and other depository corporations, which are used internally and to report data to the International Monetary Fund's Western Hemisphere Department. The shared responsibility by DPM and DCEM in the compilation of data of the same nature may lead to inconsistencies in the statistical products of the two divisions.

0.1.2 Data sharing and coordination among data producing agencies are adequate

Data sharing

Collection, compilation, and dissemination of monetary statistics fall under the responsibility of the BCRD. Arrangements are not always in place to ensure the efficient and timely flow of information among departments within the BCRD and between the BCRD and the SIB. For example, for the compilation of the BCRD balance sheet, PROMIECO has no electronic access to the accounting data produced by the BCRD's Accounting Department. Therefore, the data are received on paper, causing long delays and inefficiencies in the compilation process. Nonetheless, electronic access by compilers of monetary statistics is part of current short-term plans.

For the compilation of the other depository corporations (ODCs) balance sheet, most ODCs send data to the BCRD directly through an on-line banking system maintained by the BCRD, and only some smaller loan houses and finance companies send data to the SIB exclusively, which is then transmitted electronically to PROMIECO.

Coordination within the BCRD and with the SIB

Coordination between the BCRD's Accounting Department and PROMIECO is good, as demonstrated by the recent collaboration in the definition of a new plan of accounts for the BCRD, and despite the remaining data sharing problem described in the preceding section. Only occasional contacts are maintained with the SIB to ensure proper understanding of data requirements and therefore coordination between PROMIECO and the SIB could be improved.

0.1.3 Respondents' data are to be kept confidential and used for statistical purposes only

The confidentiality of data that financial corporations provide to the BCRD is established by Article 8 of the LMF. This article establishes that the staff with access to confidential information should keep it confidential. It also states that if confidentiality is broken, that is cause for immediate removal of the staff involved, notwithstanding other applicable responsibilities that may arise. However, Article 8 of the LMF also states: "... When according to the tax laws, the Tax Administration requires the release of information, the central bank is obliged to deliver the referred information in writing." This paragraph may cause concerns to data respondents. The BCRD is reviewing this topic in the context of the current revision of the LMF. There is already a proposal for removing the reference to the Tax Administration in this article.

The information sent by the SIB to the BCRD is protected by a channel of encrypted data. Access to individual financial corporation data is restricted to authorized personnel using access passwords.

0.1.4 Statistical reporting is supported by legal mandate and/or measures implemented to encourage voluntary response

The legal provisions underpinning the obligation of financial institutions to report data needed to compile monetary statistics are contained in the legislation cited above (item 0.1.1). In addition, Article 79 of the LMF states that if a financial institution does not submit the information required, or submits incomplete or inaccurate data, the BCRD would have the right to verify the quality of the data as well as enforce the submission of data. Moreover, this Article gives the BCRD authority to impose sanctions in case of noncompliance after a period is given to the institution to provide accurate information. The set of sanctions are defined in a regulation that can be found on the BCRD webpage.

The BCRD provides appropriate support with regard to the preparation and presentation of the forms used by reporting financial corporations. When financial institutions have difficulties with the preparation of these forms, they are invited to visit the DCEM to receive adequate support. The BCRD fosters the collaboration of respondents by trying to build an atmosphere of good faith and the level of compliance by financial corporations is generally acceptable.

0.2 Resources

0.2.1 Staff, financial and computing resources are commensurate with institutional programs

Human resources

The monetary statistics used for official national publications and to submit data to STA are compiled by DCEM, consisting of nine staff and a supervisor. All but one has a university education either in economics or in business administration. Most of the staff have long experience in compiling statistics. Each employee has a personal computer and access to the Internet. Most of them have attended relevant courses at the International Monetary Fund, the Center for Latin American Monetary Studies, and the Central American Monetary Council.

The number of employees involved in the compilation of daily and monthly statistics is adequate. The performance of compilers of monetary statistics is assessed annually, as the rest of the BCRD staff. However, there is no direct connection between the annual increase in salary and performance, with exception of promotions. These have occurred rarely in the past, although this situation has improved recently.

Financial and computing resources

On computing resources, compilers of monetary statistics use modern personal computers and adequate software. The technical staff uses Excel, Word, and PowerPoint in a Windows environment, as well as Oracle Discoverer. The compilation of monetary statistics is

performed using an electronic system developed internally by the BCRD called Financial Institutions Statistics.

The physical facilities (workspace, office facilities, furniture, equipment, etc.) are less than adequate to facilitate the efficient compilation of monetary statistics; however, a remodeling project that is envisaged should result in significant improvements.

Financial resources are broadly adequate to support the current programs for monetary statistics. The budget for monetary and financial statistics is monitored on a quarterly basis. Additional resources can be granted after approval by BCRD management and depend on the priorities of the Institution.

0.2.2 Measures to ensure efficient use of resources are implemented

All programs in the BCRD are subject to budget considerations and regular performance assessments. Annual work programs feeding an Annual Strategic Plan are designed by the individual departments and submitted for approval by BCRD management. In the case of monetary statistics, staff performance evaluations are conducted every year and the work program is monitored and reviewed periodically.

There is no specific process to measure the resources used to compile daily versus monthly monetary statistics or vis-à-vis those employed for other macroeconomic data, although internal work practices and procedures are reviewed regularly to improve efficiency. In addition, the BCRD seeks technical assistance from international organizations (e.g., the International Monetary Fund, the Center for Latin American Monetary Studies, the Central American Monetary Council) to evaluate and improve statistical methodologies. Statistical databases are periodically updated to guarantee the efficient use of resources.

Compilers are involved in excessive numerical work related to the production of daily statistics, which prevent them from doing other types of more conceptual tasks, such as research and developmental work in statistics. Compared to other countries in similar circumstances, daily statistics are excessive while monthly data need improvements that are not taking place promptly. Better timeliness of detailed, monthly statistics following international statistical standards, such as the *Monetary and Financial Statistics Manual (MFSM)*, are among the statistical improvements that could be achieved by streamlining the production of daily statistics.

Data procedures are managed to minimize processing errors such as coding, editing, and tabulation errors.

0.3 Relevance

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

The BCRD does not have a proactive policy of regularly consulting users to obtain feedback on the quality and relevance of monetary statistics, and therefore, input from the general public is limited. In general, feedback on the relevance of the statistics is obtained in the course of responding to specific data requests.

Nonetheless, BCRD participation in seminars and conferences on monetary statistics organized by international and regional organizations (e.g., the International Monetary Fund, the Central American Monetary Council, and the Center for Latin American Monetary Studies) provides a forum to identify new and emerging data requirements and to help in assessing the relevance of BCRD's monetary statistics. The BCRD is actively pursuing the goal of adopting internationally accepted standards for monetary statistics, as demonstrated by their efforts to adopt the *MFSM's* methodology and their decision to participate in the International Monetary Fund's GDDS.

0.4 Other quality management

0.4.1 Processes are in place to focus on quality

The BCRD recognizes that the quality of the statistics is essential for accurate analysis of the monetary situation and for formulating and implementing monetary policy. An on-going program is in place to improve the quality of these statistics, which includes the integration of statistical products in a single database with expanded coverage and enhanced sectorization and classification of accounts.

Quality awareness is embodied in the LMF, which establishes that the BCRD should produce financial statements according to international accounting standards applicable to central banks (Article 16). Moreover, Article 54 mentions that financial intermediaries are obliged to follow international accounting standards. However, the SIB has not yet applied those standards in the accounting manual for financial institutions under its supervision (see 2.4.1).

The BCRD is sensitive to the importance of data quality and its dimensions, as evidenced by the recent decision to participate in the GDDS.

0.4.2 Processes are in place to monitor the quality of the statistical program

PROMIECO has in place procedures for quality control of monetary and financial statistics, including routine checks of the raw data input into the electronic system. There are plans to use new technological improvements to update these quality control procedures.

Concerning the statistical program, PROMIECO has counted for the past years on the expert guidance provided by STA on the quality of their statistics and on strategies for improving

data production. During the missions conducted by experts in monetary statistics, periodic reviews have been undertaken to identify steps necessary to maintain quality requirements.

The SIB is in charge of monitoring the quality of the data reported by financial institutions under its supervision. Therefore, PROMIECO does not verify that data-reporting practices followed by banks are consistent with SIB prescribed guidelines.

0.4.3 Processes are in place to deal with quality considerations in planning the statistical program

The trade-offs between data accuracy, periodicity, and timeliness that result from the statistical program for improving monetary statistics do not follow recommended statistical standards. The emphasis to produce a very timely, reduced set of monetary statistics may not be balanced with the production of more complete statistics, which are disseminated with long delays (three to five months depending on the means of dissemination, i.e., electronic or hardcopy.)

Assisted by the International Monetary Fund, PROMIECO has been working since 2002 on a project to resolve data quality weaknesses related to coverage, classification and sectorization of financial instruments, and presentation of data, following the guidelines in the *MFSM*. However, delays in the automatization of the transmission of the BCRD's accounting data and other priorities, such as the focus on expanding daily statistics, have prevented compilers from finalizing the project. In addition, timeliness of monthly monetary data, as disseminated through the *Quarterly Bulletin*, is poor.

1. Integrity

1.1 Professionalism

1.1.1 Statistics are compiled on an impartial basis

The statutory provisions under which the BCRD compiles monetary statistics are adequate to support its independence in conducting these functions. In this regard, Article 6 of the LMF establishes that BCRD staff are hired on the basis of criteria that takes into account merits and capacity to perform the required task, guaranteeing impartiality and independence, and prohibiting the substitution of staff without reason. The Law also establishes that the selection of staff to perform technical functions be subject to exams according to the internal regulations of the BCRD.

The Monetary Council and the BCRD recognize that professionalism and independence in the compilation of statistics are crucial to the credibility of the statistical products disseminated by the BCRD.

1.1.2 Choices of sources and statistical methods are informed solely by statistical considerations

The sources, methods, and statistical techniques used for compiling monetary statistics are based on statistical considerations (e.g., coverage, timeliness, and reliability of the source data.) The source data used for compiling monetary statistics (i.e., balance sheets of the BCRD and ODCs) meet, to a large extent, the statistical requirements for decision-making purposes and for publication. The definitions and statistical techniques are based on methodological considerations.

Although the current methodology used to compile monetary statistics is not entirely consistent with *MFSM* recommendations, plans for improvement have been formulated within the context of the GDDS, in particular the use of a new integrated monetary database that conforms with best statistics practices.

1.1.3 The appropriate statistical entity is entitled to comment on errors of interpretation and misuse of statistics

Erroneous interpretation or misuse of monetary statistics by data users is very rare. If there are significant errors in the interpretation of disseminated data by the media, the BCRD issues an official response with the relevant clarifications. In addition, the BCRD has organized seminars with the media to discuss the appropriate interpretation and use of some economic and financial indicators prepared and disseminated by the BCRD.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, compiled, and disseminated are available to the public

The LMF, which is available on the BCRD website, contains the terms and conditions under which statistics are collected, processed, and disseminated. Article 22 of the Law deals with aspects of monetary and financial transparency, describing the types of information that the BCRD should disclose to the public. All the information produced by the BCRD is disseminated free of charge.

1.2.2 Internal governmental access to statistics prior to their release is made known to the public

No government agency outside the BCRD has access to monetary statistics prior to their release on the BCRD website. An official representative of a government agency might have prerelease access to the data, subject to the submission of a formal request to the PROMIECO's management. This practice did not occur in the recent past.

1.2.3 Products of statistical agencies/units are clearly identified as such

Publications, including the *Quarterly Bulletin*, clearly indicate that PROMIECO is the department responsible for compiling monetary statistics.

All published monetary information bears the BCRD logo. Moreover, in cases where statistics are reproduced in documents outside the BCRD or newspapers, the BCRD is generally identified as source of the data.

1.2.4 Advance notice is given of major changes in methodology, source data and statistical techniques

Methodological changes on monetary statistics are pre-announced. Currently, PROMIECO/DCEM is preparing a document explaining the methodological changes related to the revised monetary statistics, which will be released to the public before new data are disseminated.

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are made known to staff

There are clear guidelines outlining the correct behavior when the staff is confronted with potential conflict of interest situations. In addition to Articles 6, 7, and 8 of the LMF, which describe the rights and obligations of the BCRD staff, the BCRD has a formal code of conduct for its personnel (Regulation on the Administration of Human Resources of July 2000). In addition, the BCRD staff are subject to the rules contained in the Law No. 120-01 of July 20, 2001, which established the Civil Service Code of Ethics.

The regulation is made known to the staff when they join the Institution. Moreover, the regulation is occasionally expanded by circulars, such as number 27035, which severely penalizes (with sanctions of 500,000 to 2,500,000 pesos and three to ten years in prison) staff for disclosing confidential information or taking advantage of confidential information for their own profit.

2. Methodological soundness

2.1 Concepts and definitions

The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices

The concepts and definitions for monetary statistics do not always follow the recommendation of international statistical standards, such as the *MFSM*. In particular, the monetary statistics significantly deviate from best practices in terms of the structure of the

disseminated surveys and the supporting sectoral balance sheets and the definition of a broad range of monetary aggregates.

There are two sets of monetary statistics, a very summarized set compiled and disseminated on a daily basis, and monthly statistics comprising analytical accounts for the BCRD and other depository corporations separately. However, a depository corporations survey, which consolidates the data on the BCRD and the other depository corporations is not disseminated. In addition, monetary aggregates are defined very narrowly. The BCRD compiles and disseminates M1 and a narrow M2. Broad money, as recommended by the *MFSM*, or broader aggregates are not disseminated.

Owing to the lack of timeliness of the monthly data, the simplified daily statistics are the most important set of data available to users. Nonetheless, the assessment on methodological soundness in this and the following sections on methodological soundness refers to the monthly data.

2.2 Scope

2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices

The financial system of the Dominican Republic consists of: (1) the BCRD, (2) other depository corporations comprising universal banks and other credit institutions (development banks, saving and loan associations, finance companies, mortgage banks, small loan companies, and saving and credit cooperatives); and (3) other financial corporations comprising insurance companies, pension funds, and various other financial auxiliaries.

The scope of the data is broadly consistent with the guidelines of the *MFSM*. Finance companies, small loan companies, and saving and credit cooperatives are not covered in the analytical accounts of the other depository corporations. However, the relative importance of the institutions not covered by the monetary statistics is very small. In terms of total assets, finance companies represent approximately one percent of the total of depository corporations, and small loan companies only 0.13 percent.

The relative importance of saving and credit cooperatives in the context of the Dominican financial system is not accurately known because no official institution disseminates data on these financial intermediaries, although it is estimated that they represent less than ten percent of the total assets of depository corporations. Finally, offshore operations of resident banks involving Dominican residents are not reported to the banking supervision agency (SIB) and, therefore, its relative importance is not known (see 3.1.1.)

2.3 Classification/sectorization

2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices

The sectoral classification adopted in the *MFSM* is based on the *1993 SNA*, which distinguishes first between residents and nonresidents and classifies the resident units according to their functions as: (1) financial corporations; (2) nonfinancial corporations; (3) general government; (4) households; and (5) nonprofit institutions serving households.

The classification of financial instruments in the sectoral balance sheets and in the surveys (central bank survey (CBS) and other depository corporations ODC survey) is broadly consistent with international recommendations, as it is based on the liquidity of the instrument and the legal characteristics defining the basic relationship between creditors and debtors. For the BCRD and ODCs, assets and liabilities are classified according to the institutional sector of the counterparts. Thus, assets are classified by debtor sectors and liabilities by creditor sector. The sectoral balance sheets of the BCRD and the ODCs reflect the residency criterion.

The new BCRD plan of accounts available from August 1, 2005 contains the necessary instrument and sector classification to compile sound monetary statistics. A manual explaining valuation criteria, definitions, and how the accounts should be credited/debited is still not available. However, according to the authorities the new manual follows international accounting standards applicable to central bank accounts.

The accounting manual applicable to those financial institutions under the supervision of the SIB broadly contains the instrument and sector classification to compile sound monetary statistics.

The BCRD is implementing a new compilation system of monetary statistics largely based on the sectorization of institutional units and classification of financial instruments recommended in the *MFSM*. The new system, called integrated monetary database, has been developed in collaboration with the International Monetary Fund.

The SIB is responsible for maintaining the chart of accounts and other accounting practices—such as the classification of loans and provisions for bad debts—used by ODCs in the Dominican Republic. Currently, the chart of accounts is being revised to adapt it to international accounting standards (IAS). The current chart of accounts includes economic sectorization but is not fully consistent with the uniform sectorization criteria based on residence and domestic economic sectors in the statistical manuals such as the *MFSM* and the *1993 SNA*.

As for the classification of financial instruments in the ODCs sectoral balance sheet, the main deviations refer to the treatment of repurchase agreements, financial derivatives, and accrued interest receivable and payable; and to the classification and sectorization of numerous

accounts. Statistical standards such as the *MFSM* recommend: (1) classifying securities repurchase agreements as loans collateralized with securities; (2) classifying financial derivatives as a separate category of financial instruments in the chart of accounts; and (3) classifying accrued interest on deposits, loans, and securities other than shares together with the financial asset or liability to which it corresponds and not as part of other accounts receivable or other accounts payable.

2.4 Basis for recording

2.4.1 Market prices are used to value flows and stocks

The general recommendation of the *MFSM* is that the valuation of financial assets and liabilities should be based on market prices or market-price equivalents (fair values). The valuation of loans is an exception to this principle because loan values should be based on creditors' outstanding claims without adjustment for expected loan losses. This amount comprises the outstanding principal plus any accrued interest, and is referred to as the book value of the loan. The *1993 SNA* and the *MFSM* also recommend that financial instruments denominated in foreign currency should be converted to national currency values at the mid-point market exchange rate prevailing at the time they are recorded (i.e., on the balance sheet date). Holding gains and losses arising from changes in market values (or fair values) of financial assets or liabilities should be recorded separately in a revaluation account.

The BCRD accounts being compiled using the plan of accounts available from August 1, 2005 are broadly in accordance with the valuation principles recommended by the *MFSM*. Financial transactions are recorded at the time they occur (that is, the date on which ownership is registered), and at market prices. The stocks of financial assets and liabilities are valued at market prices, if possible; otherwise, at purchasing price—as in the case of BCRD securities.

Foreign currency transactions are converted to national currency at the exchange rate prevailing on the transaction date; outstanding stocks of foreign-currency-denominated assets and liabilities are adjusted for exchange rate valuation changes based on end-of-period exchange rates.

The accounting manual applicable to ODCs does not generally follow the market valuation principle and compilers of monetary statistics do not adjust the source data to approximate market valuation or fair values. This manual is being revised with the aim to adopt international accounting standards.

2.4.2 Recording is done on an accrual basis

The accrual accounting principles recommended by the *MFSM* specify that interest accruing on financial instruments be incorporated into the outstanding amount of the financial asset/liability, instead of being treated as part of other accounts receivable/payable. In other words, the interest accruing in each period prior to maturity should be recorded as a financial

transaction that represents a further acquisition of the financial asset by the creditor (i.e., bond holder) and an equal incurrence of a liability by the debtor (i.e., the BCRD). In addition, revenue and expenditure should be recorded in the period in which they fall due (accrual basis), regardless of when the corresponding cash flow actually takes place (cash basis).

The principle of accrual accounting as explained by the *MFSM* is not fully applied in the compilation of monetary statistics. Contrary to *MFSM* recommendations, accrued interest of financial assets such as securities held by financial institutions are classified under other accounts receivable/payable and not with the underlying instrument.

2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices

The general principle of the *MFSM* and *1993 SNA* that data be collected and compiled on a gross basis is broadly applied to the compilation of monetary statistics in the Dominican Republic. Assets and liabilities of the BCRD accounts are compiled on a gross basis and aggregated into a statement of assets and liabilities without consolidating interbank positions. In the case of ODCs, data are reported on a gross basis in their monthly returns, but netted out and presented in consolidated form in their surveys. In the consolidation process, stocks and flows that occur between institutional units within a subsector are eliminated.

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data are obtained from comprehensive data collection programs that take into account country-specific conditions

Source data are obtained from comprehensive data collection programs that take into account the specific conditions for Dominican Republic. However, the data collection program does not include information on saving and credit cooperatives and offshore operations of resident banks involving Dominican residents. No official institution disseminates data on saving and credit cooperatives. Offshore operations of resident banks involving Dominican residents are not yet reported to the banking supervision agency, although the Law envisaged the reporting of data on these type of operations beginning in October 2004.

The main sources of information for compiling the *central bank survey* are the BCRD's daily and monthly balance sheet prepared by the BCRD's Accounting Department and complementary information on the sectorization of securities other than shares received from

the BCRD's Financial Department (DF).¹³ There is on-going work to obtain daily electronic access to the accounts of the BCRD.

The source data for the *other depository corporations survey* are their daily and monthly accounting balance sheets and monthly complementary information of loans. These data are captured by the on-line banking system (Sistema Bancario en Línea) from the great majority of financial institutions, with some smaller institutions reporting through the SIB only. In addition, some public financial institutions send data to the BCRD on paper.

3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required

The source data reasonably approximate the definitions, scope, time of recording, and valuation required. The residency criterion, the classification of instruments, and the identification of institutional sectors are in broad compliance with *MFSM* recommendations.

The new chart of accounts for the BCRD, available since August 1, 2005, follows international accounting standards applicable to central banks and contains the necessary details for macroeconomic analysis.

The ODCs follow the same manual and chart of accounts that is maintained by the SIB. The manual is not generally consistent with international accounting standards, although it is being revised. The data sources of the ODCs provide key information on definitions, scope, and classification, but lack sufficient detail to permit more accurate classification and sectorization of accounts in line with the *MFSM*.

3.1.3 Source data are timely

Delays in the source data are unusual. The BCRD's Accounting Department prepares accounting data for the BCRD on a daily basis, and these data are available to the DCEM the following day. The daily data are preliminary. Final monthly data are received by the DCEM 20 days after the end of the reference month.

The ODCs are required by law to send their reports to the BCRD and the SIB on a daily and monthly basis. The *daily balance sheet* is sent by universal banks and saving and loan associations with 13 hours delay. All other depository corporations supervised by the SIB—including universal banks and saving and loan associations—send their *monthly balance sheet* five days after the end of the reference month.

¹³ The plan of accounts of the BCRD changed in August 1, 2005, incorporating the sectorization of securities other than shares, which is no longer requested to DF.

3.2 Assessment of source data

3.2.1 Source data—including censuses, sample surveys and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide statistical processes

Source data are assessed and kept updated through qualitative information received from the DF. The DF informs the DCEM about the authorization of new entities, creation of new instruments, new operations, etc.

BCRD accounts are validated visually to ensure accuracy. There is also communication between the BCRD's Accounting Department and DCEM regarding proper classification of new accounts and other changes in the chart of accounts.

The accuracy of the data from other depository corporations is routinely reviewed for internal consistency. Inconsistencies and out-of-value trends are discussed directly with the reporting financial institutions and written records of the inconsistencies and their findings are kept. The correct sectorization of the accounts and interbank positions (assets against liabilities between institutions) are specifically verified. Finally, the consistency between preliminary and final data is also checked.

3.3 Statistical techniques

3.3.1 Data compilation employs sound statistical techniques to deal with data sources

The statistical techniques used to compile monetary statistics are automated, which reduces processing errors related to codification, tabulation, and revision of source data.

Regarding the ODCs, the DCEM filters the information from the accounting records using a computerized system that validates the information for each reporting ODC. In special cases, where a financial institution fails to report its data on time, the DCEM estimates its position by copying the latest data reported, so that the aggregates can be prepared on time. When the data are received, they replace the estimated data disseminated earlier.

In the case of banks in the process of liquidation—where data is not reported through regular procedures—the DCEM seeks information from the Liquidation Commission on a less than monthly basis, estimating the missing, more frequent data.

3.3.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques

Given the accounting basis of the source data, it is unusual to make statistical adjustments or estimates for the BCRD and other depository corporations balance sheets and the monetary aggregates. Source data are presented in national currency and include transactions based on

conversion of foreign exchange into local currency using the official end-of-month exchange rate published by the BCRD.

The monetary statistics disseminated by the BCRD, both electronically and in hardcopy publications, are not subject to seasonal adjustment.

3.4 *Assessment and validation of intermediate data and statistical outputs*

3.4.1 *Intermediate results are validated against other information where applicable*

As recommended in the *MFSM*, production of monetary statistics comprises two levels of data compilation and presentation: (1) the first level aggregates data on balances reported by individual units in sectoral balance sheets; and (2) the second level consolidates the data from the sectoral balance sheets into surveys (also called analytical accounts). In general, intermediate results (i.e., sectoral balance sheets) are not validated against other sources of information because they do not exist.

3.4.2 *Statistical discrepancies in intermediate data are assessed and investigated*

The databases used to generate intermediate data (i.e., sectoral balance sheets) have built-in checks that calculate discrepancies in the data for the relevant period. There are no automatic checks to help monitor trends in the time series. These are scrutinized visually, which is considered an adequate practice for the Dominican Republic.

3.4.3 *Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated*

Regarding statistical outputs, large discrepancies and other potential problems are routinely investigated. The DCEM checks all its statistical products and explains any unusually large fluctuations. Data from ODCs are checked to prevent any statistical discrepancy due to errors in classification or omissions. This process may involve checking the balance sheets for data entry error or cross-checking financial flows with changes in the outstanding stocks of the related variable.

3.5 *Revision studies*

3.5.1 *Studies and analyses of revisions are carried out routinely and used internally to inform statistical processes (see also 4.3.3)*

Revisions are unusual and therefore, there is no mechanism in place for conducting a routine analysis of revisions to the data; thus, no formal studies on this matter are available. However, periodic investigations are conducted on an ad-hoc basis to evaluate the sources of problems (e.g., erroneous sectorization of institutional units). Once the sources of the problems are identified, procedures are put in place to ensure that they do not reoccur. Daily data are preliminary and monthly data are considered final when first published.

4. Serviceability

4.1 Periodicity and timeliness

4.1.1 Periodicity follows dissemination standards

The periodicity of monetary statistics meets GDDS recommendations for monthly data. In addition, preliminary data for certain BCRD aggregates are published daily on the Internet.

4.1.2 Timeliness follows dissemination standards

The timeliness of monthly monetary statistics is consistent with GDDS recommendations (two to three months.) The BCRD publishes the CBS and the ODCs in its *Quarterly Bulletin*, which is released three months after the end of the reference month. Nonetheless, the monthly CBS is available internally 30 days after the end of the reference month, and the ODCs only after 20 days. Preliminary daily BCRD and ODCs aggregates are disseminated on the BCRD website with a lag of two days.

4.2 Consistency

4.2.1 Statistics are consistent within the dataset

The BCRD's and other depository corporations' records of claims on, and liabilities to, each other show discrepancies because of differences in the time of recording of financial transactions. However, these discrepancies are not significant. Sometimes there may be recording differences owing to operations in transit, but these operations are easily detected and corrected.

4.2.2 Statistics are consistent or reconcilable over a reasonable period of time

The monthly monetary data disseminated to the public begins in 1947 and are reconcilable. New series following the methodology described in the *MFSM* are internally available but not disseminated.

4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks

Monetary statistics are reconcilable with those obtained through other data sources. It is possible to reconcile monetary statistics (e.g., net foreign assets) with the corresponding items in the balance of payments statistics since the residency criterion is followed in both statistics.

The criteria used to sectorize the economy for purposes of compiling monetary and fiscal data is consistent. However, it is difficult to fully reconcile monetary statistics with fiscal

data (e.g., net credit to government) because accrual recording is largely used in monetary statistics vis-à-vis an hybrid of cash and accrual in the fiscal data. Because fiscal data do not allow for a clear identification of transactions with the banking sector, the compilers of fiscal statistics use the stock of net credit to the budgetary central government compiled by the DPM. It includes credit from the Central Bank, the Reserve Bank, and the private universal banks. However, these data are not reconcilable by the public because the aggregated data on credit to the government are not disseminated.

4.3 *Revision policy and practice*

4.3.1 Revisions follow a regular and transparent schedule

The monthly data on the central bank and universal banks balance sheets are rarely revised and is considered final when first disseminated in the *Quarterly Bulletin*. Preliminary data on the nonmonetary depository corporations balance sheets is disseminated for the latest two months.

The content of the statistics are reviewed on a continuous basis and the database is immediately updated with any changes. Users are notified of the changes by means of footnotes.

Revisions occur occasionally. However, there is no predetermined, well-established, and transparent revision policy for monetary accounts. Basic comparative analyses of preliminary and final data for individual ODCs are prepared but not suitable for publication.

4.3.2 Preliminary and/or revised data are clearly identified

Preliminary data are clearly identified by means of footnotes in the publications. Revised data are published with the same level of detail as preliminary data. Large revisions to the data are identified in the publications.

4.3.3 Studies and analyses of revisions are made public (see also 3.5.1)

Revisions are generally not important, as shown by the routine consistency analyses that are carried out between preliminary and final data. Occasional analyses on more significant revisions are not made public.

5. Accessibility

5.1 Data accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)

The presentation of monetary statistics facilitates the interpretation of the data and allows monitoring of monetary and financial developments. The *Quarterly Bulletin* contains tables presenting data in a clear and user-friendly layout. It contains data for the last five years, 12 quarters, and 13 months. On the BCRD website the data go back 20 years, which are useful for time series analysis.

However, the presentation of the daily data (monetary and banking indicators) could be improved. For example, it is difficult for an external user to clearly establish the differences between BCRD gross external assets, gross international reserves, and net international reserves. In addition, the definition of M1, M1-private sector, and M2 could be explicit by adding the corresponding equations to the series' headings.

The dissemination of monthly data in spreadsheets by a single year only could be made more user-friendly if the user would have the possibility of requesting data for a range of months/years.

5.1.2 Dissemination media and format are adequate

The media and formats used in the dissemination of data are adequate, particularly for users who have access to the Internet, as both recent and historical data can be consulted on the BCRD Internet website (<http://www.bancentral.gov.do>).

To enhance its analytical usefulness, the statistical information could be accompanied by charts.

5.1.3 Statistics are released on a preannounced schedule

There is no preannounced advance release calendar to the general public. However, PROMIECO follows an internal production and publication schedule and dissemination is done at regular intervals (daily and quarterly.)

5.1.4 Statistics are made available to all users at the same time

Daily, weekly, and monthly monetary statistics data are disseminated simultaneously to the public on the BCRD website: <http://www.bancentral.gov.do>. More detailed monthly data are also published in the *Quarterly Bulletin*, which is released electronically with a lag of three months and on paper with a lag of five months.

5.1.5 Statistics not routinely disseminated are made available upon request

Nonpublished (but nonconfidential) data are made available upon request from PROMIECO, with the approval of management. All information requested by users is free of charge. The BCRD website has a facility for users to send questions or queries to the BCRD. However, the BCRD does not inform users that nonpublished data are available and of their content, such as the degree of detail available or the length of the historical series.

5.2 Metadata accessibility

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated

The BCRD does not provide users with methodological notes on monetary statistics, except a glossary of terms included in the *Quarterly Bulletin*. Nonetheless, this glossary has not been revised or updated for many years.

The BCRD has prepared metadata for its envisaged participation in the GDDS.¹⁴

5.2.2 Levels of detail are adapted to the needs of the intended audience

Detailed methodological notes are not available.

5.3 Assistance to users

5.3.1 Contact points for each subject field are publicized

The internal users of monetary statistics at the BCRD get support from the compilers at PROMIECO. External users may send their queries through the BCRD website (e-mail address: info@bancentral.gov.do) or contact the BCRD by phone. However, according to a user survey carried out during this assessment, users are dissatisfied with the sometimes lack of reply to their queries.

The BCRD's *Quarterly Bulletin* identifies PROMIECO as the compiling department, although other departments are also involved in compiling the data published in the bulletin.

When the Dominican Republic starts participating in the GDDS, the public will be able to send their questions directly to the contact person identified in the metadata.

¹⁴ Participation on the GDDS took place in November 22, 2005.

5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available

The main vehicle for informing the public about papers and other documentation related to monetary statistics is the BCRD's website, which contains a list of publications and other documents available.

Table 4. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for Monetary Statistics
(Compiling Agency: Central Bank of the Dominican Republic)

Element	NA	Assessment			Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO		
0. Prerequisites of quality						
0.1 Legal and institutional environment			X		Compilation efforts shared by two Divisions, which may lead to data inconsistencies. No electronic transmission of bank data. Confidentiality is protected by Article 8 of the LMF, except in cases covered in the tax laws or requested by judicial authorities.	
0.2 Resources			X		Work space could be improved. No measure of resources used to compile daily versus monthly monetary statistics.	Work space is going to expand in the short-term.
0.3 Relevance			X		Formal mechanisms for consulting users' needs and identify new and emerging data requirements have not been established.	
0.4 Other quality management			X		Insufficient recognition in the BCRD of the trade-offs between data accuracy, periodicity, and timeliness of monetary statistics.	
1. Assurances of integrity						
1.1 Professionalism			X			
1.2 Transparency			X			
1.3 Ethical standards			X			
2. Methodological soundness						
2.1 Concepts and definitions				X	Depository corporations survey and broader money or broad monetary aggregates are not disseminated in national publications.	These are compiled in the new system for compiling and disseminating monetary statistics that will replace the current one in the short-term.
2.2 Scope			X		Classification of financial instruments and sectorization in the ODC survey is not fully in line with statistical standards such as the <i>MFSM</i> .	These deviations are corrected in the new system for compiling and disseminating monetary statistics that will replace the current one in the short-term.
2.3 Classification/sectorization						

Table 4. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for Monetary Statistics
(Compiling Agency: Central Bank of the Dominican Republic)

Element	NA	Assessment			Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO		
2.4 Basis for recording			X		ODC survey compiled using data based on historical prices with no estimation of fair values/market prices. Accrued interest is not allocated together with the financial instrument that generates it.	
3. Accuracy and reliability						
3.1 Source data			X		Data on offshore operations of resident banks involving Dominican residents and saving and credit cooperatives are not available. Data on other depository corporations do not follow international accounting standards, preventing more accurate valuation, classification, and sectorization in line with the <i>MFSM</i> . Monthly BCRD data available with 20 days after the end of the reference month.	
3.2 Assessment of source data		X				
3.3 Statistical techniques		X				
3.4 Assessment and validation of intermediate data and statistical outputs		X				
3.5 Revision studies			X		There are no formal revision studies because monthly data are considered final. Revisions are unusual.	
4. Serviceability						
4.1 Periodicity and timeliness		X			Although data compiled are broadly consistent across sectors, disseminated data do not allow reconciliation by users.	
4.2 Consistency			X		Although infrequent studies of revisions are prepared, they are not made public.	
4.3 Revision policy and practice						

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria

Table 4. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for Monetary Statistics
(Compiling Agency: Central Bank of the Dominican Republic)

Element	NA	Assessment			Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO		
5. Accessibility						
5.1 Data accessibility			X		Presentation of daily statistics could be improved to ensure correct interpretation among external users. An advance release calendar is not available. Unpublished data are provided on request; however, this possibility is not made known to the public.	
5.2 Metadata accessibility				X	Documentation on metadata (draft GDDS metadata and detailed methodological notes) is not made available to the public. Only a general contact point is provided. Support service is not prompt. Users are not always satisfied with the responses to queries.	More detailed methodological notes will be available after the launch of the new system for compiling monetary statistics.
5.3 Assistance to users						

V. BALANCE OF PAYMENTS STATISTICS

0. Prerequisites of quality

0.1 *Legal and institutional environment*

0.1.1 *The responsibility for collecting, processing, and disseminating the statistics is clearly specified*

Article 15 of the Monetary and Financial Law entrusts to the BCRD the task of compiling and producing balance of payments and monetary and financial sector statistics, as well as any other statistics needed for the performance of its functions. Within the BCRD, the DI is responsible for compiling, processing and disseminating statistics on the balance of payments and the international investment position.

0.1.2 *Data sharing and coordination among data-producing agencies are adequate*

For the compilation of the balance of payments, the DI receives information (monthly, quarterly, or annual, as the case may be) from public sector institutions, private institutions, international agencies and other BCRD departments. Although there are no formal agreements with other institutions, the DI has informal arrangements for contacts with the various data sources, including working groups, regular meetings, visits and seminars and workshops.

0.1.3 *Individual reporters' data are to be kept confidential and used for statistical purposes only*

The Monetary and Financial Law establishes the duty of confidentiality of the staff of the AMF. The AMF is composed of the Monetary Board, the BCRD, and the Superintendency of Banks. Article 8 of the above-mentioned Law establishes that staff of the AMF, who by virtue of their functions have access to data of a confidential and privileged nature, shall be obliged to observe total discretion. Failure to do so is grounds for immediate dismissal, without prejudice to other applicable liability. Article 80 of the Law, states on penalties that the competent courts of the Republic may impose fines ranging from 500,000 to 2,500,000 Dominican pesos and prison sentences ranging from three to ten years on AMF authorities, officials, and staff who divulge or reveal any information of a private or confidential nature on the operations of the AMF or on matters referred to it. In accordance with that provision, data included in the balance of payments are presented in aggregated form, without identifying transactions relating to any particular entity.

It should be noted, however, that this confidentiality is not absolute, because the second paragraph of the above-mentioned Article 8 states: "When, for the purposes stated in the tax legislation or if required in criminal proceedings, the Tax Authority or the competent judges require information of a confidential nature, such information shall be transmitted in writing

through the competent AMF authorities. The provisions of this Article shall be without prejudice to any special anti-money-laundering rules.”

0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response

Article 5 (d) of the Monetary and Financial Law established the obligation of individuals and legal entities, both public and private, to provide to the AMF any information it requires for the performance of its functions. Failure to provide information may be publicized in a national newspaper. Article 79 of the above-mentioned Law, states special rules in paragraph (e) on the right to verify and collect statistical information that, if an individual or legal entity fails to comply with the requirements on statistical information established therein, or provides partial or inaccurate information, the BCRD shall be entitled to verify the accuracy and quality of the statistical information and to require mandatory collection. The BCRD is allowed to impose one of the penalties applicable to very serious misconduct in accordance with the Law, whenever the BCRD does not receive the statistical information by the deadline set for the entity. The BCRD is currently working on drafting statistical regulations in order to enforce this provision of the Law.

In order to promote good relations with sources and to enlist their voluntary cooperation, the BCRD has organized contacts (workshops, seminars, visits, etc.) with the various data sources, in order to try to explain and emphasize the importance of the correct provision of the information requested by the BCRD. Sources also receive detailed instructions on completing the forms, which give the name of the person or contact responsible for clarifying any doubts or misunderstandings concerning the form. Contact is maintained by telephone, e-mail, or fax and, if necessary, there are visits to provide hands-on assistance in completing the forms.

0.2 Resources

0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs

The DI has sufficient staff effectively to do the work of compiling, producing and analyzing statistics on balance of payments and the international investment position. The Balance of Payments Subdirectorate (SBP) is responsible for performing these functions. For this purpose, it has a technical coordination unit and four divisions on statistics and analysis covering: tradable goods; services and transfers; foreign investment; and balance of payments. This last division is responsible for consolidating and presenting the balance of payments statement. Information on private external debt, as well as on the debt of the BCRD itself, is compiled by the External Debt Subdirectorate (SDE) of the DI. All the staff of the two Subdirectorates (a total of 30) are at the professional level and most have a specialized and/or Master's degree. Several have attended courses and seminars on balance of payments and external debt methodology and compilation organized by the International Monetary Fund and regional institutions.

The BCRD has technological resources suited to the needs of each areas. Software is continually updated. In addition, the Systems and Technology Department provides support for the development of specific programs to meet the needs of the various departments.

0.2.2 Measures to ensure efficient use of resources are implemented

The BCRD is working on a medium- and long-term strategic plan to ensure efficient allocation of resources. As part of this strategic planning process, each department is preparing work plans related to the BCRD's strategic plan and work plans link to the departments' functions and to special projects. The work plan includes the schedule for each quarter and each programmed task must specify the inputs and costs (financial, human and administrative) for its implementation. The Planning and Budget Department is responsible for quarterly monitoring of these plans using a form to record the progress of work.

The plans and projects implemented by the SBP of the DI have been aligned with the BCRD strategic plan, taking into account the recommendations and action plan formulated with support from various International Monetary Fund technical assistance missions, with the goal of improving and expanding the coverage of balance of payments and international investment position statistics. In this connection, periodic reviews are conducted to evaluate the state of progress in implementing the recommendations, as well as action needed to improve results.

The DI has received International Monetary Fund technical assistance in balance of payments statistics and in the compilation and preparation of the international investment position. The SBP is continuously monitoring progress regarding the International Monetary Fund recommendations and this has sometimes involved revisions of the methodologies for calculating certain variables and improvements in data sources.

0.3 Relevance

0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored

In compiling and preparing statistics, the BCRD has taken into consideration the methodologies, standards, and guidelines contained in international statistical manuals and practices. Statistical reports and data go through a process of revision by BCRD technicians before publication, which helps to identify and correct inconsistencies. Balance of payments data are published on a quarterly and annual basis. In general, statistical publications try to meet users' needs. However, additional requests for information are constantly received from external and internal sources. The publications clearly state when information is preliminary or revised, replacing information published earlier. Significant methodological changes in the compilation of any variable are also reported. Although there are no regular meetings with data sources or users, and no other formal machinery for seeking users' comments, the BCRD is attentive to any comments or questions on the statistics. It also takes into account

the comments and recommendations made by the various International Monetary Fund technical assistance missions.

0.4 Other quality management

0.4.1 Processes are in place to focus on quality

The BCRD is making efforts to maintain confidence and credibility as regards the figures that it compiles and publishes and to ensure that they meet international quality standards. For its part, the DI has in place processes for evaluation and revision of data, for example by cross-checking information available from different sources, and organizing working groups with other data-providing agencies such as the General Directorate of Customs (DGA), the Export and Investment Center (CEI), and other BCRD departments.

0.4.2 Processes are in place to monitor the quality of the statistical program

The objectives embodied in the work plans of all the BCRD departments are geared to maintaining data quality. There are projects that are monitored every month and those in charge are required to describe progress in implementing them. The DI has implemented several projects to improve the quality of figures. It is currently working on the recommendations of the most recent International Monetary Fund technical assistance missions.

0.4.3 Processes are in place to deal with quality considerations in planning the statistical program

As a process for evaluation of statistical programs, the DI organizes monthly meetings to analyze the attainment of objectives and monitor implementation of International Monetary Fund mission recommendations.

1. Assurances of integrity

1.1 Professionalism

1.1.1 Statistics are produced on an impartial basis

The draft statistical regulations state that the statistical information prepared by the BCRD is impartial and derived from censuses, surveys, and administrative records, including those needed to calculate the real sector of the economy, the financial sector, the public sector, and the external sector, as well as any information of a public nature considered necessary for the formulation and execution of economic policy and monetary programming and price stabilization.

Article 6 of the Monetary and Financial Law states that staff of the AMF shall perform their functions in total impartiality and in accordance with the established standards and

procedures. This article also states that officials and employees of the AMF enjoy a recruitment and career system based on the principles of merit and ability, guaranteeing their impartiality and independence. Staff performance is evaluated annually. The BCRD also encourages research and analysis on specific topics and facilitates technical training of staff through participation in internal and external courses and training.

1.1.2 Choices of sources and statistical techniques as well as decisions about dissemination are informed solely by statistical considerations

The information provided in surveys and on forms for the BCRD are processed in accordance with established methodological criteria and used solely for statistical purposes. This is made clear in the requests for information made regularly by the BCRD to the various sources. In addition, the choice of sources meets the criteria mentioned.

1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics

The BCRD tries to prevent erroneous interpretations or distortions of the information released. In cases of incorrect analysis or interpretations of information published by the BCRD, clarifications are given or, if the reason for the misinterpretation is insufficient disaggregation, this is immediately remedied, as long as confidentiality of sources is maintained.

1.2 Transparency

1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public

The BCRD included a chapter on the conceptual framework, recording procedures and balance of payments methodology in the *Annual Balance of Payments Bulletin No. 1*, of June 2000. However, the BCRD does not regularly include in its publications notes on the terms and conditions under which statistics are collected and processed. Users can consult on the BCRD's Internet site the text of the Monetary and Financial Law, which is the basis for the statistical framework of the BCRD. Article 22 of that Law clearly describes the obligations concerning statistical secrecy and statistical dissemination.

1.2.2 Internal governmental access to statistics prior to their release is publicly identified

No official or private entity outside the BCRD has access to data before their publication. As the adviser to the government, the BCRD may provide advance information to the Monetary Board and to the ministries, when they so require, in the performance of its functions. In practice, the DI does not give advance access to data to any government authority apart from the AMF.

1.2.3 Products of statistical agencies/units are clearly identified as such

Data disseminated by the BCRD, in either electronic or printed format, are clearly identified as having been prepared by the BCRD. There are no joint publications with other institutions.

1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques

The BCRD does not give advance notice of changes in methodology or sources, but announces them at the time of publication.

1.3 Ethical standards

1.3.1 Guidelines for staff behavior are in place and are well known to the staff

The staff of the BCRD are subject to the rules contained in Law No. 120-01 of July 20, 2001, which established the Civil Service Code of Ethics. There are also internal regulations of the Human Resources Department, specifying the standards of behavior to be met by staff. The staff of the BCRD are given training in all matters covered by the internal regulations on the presentation and dissemination of statistics, emphasizing statistical secrecy.

2. Methodological soundness

2.1 Concepts and definitions

2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices

The balance of payments and international investment position statistics are compiled by the DI following the methodological criteria of the fifth edition of the International Monetary Fund *Balance of Payments Manual (BPM5)*. The definition of resident economic units (firms, individuals, government units) is fully in accordance with the *BPM5* guidelines. The concept of balance of payments transactions is also fully consistent with the *BPM5* definitions.

2.2 Scope

2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices

In general, all transactions between residents and nonresidents are included, although for some categories no information is available. For example, there are no estimates of smuggled goods. In addition, for some components of the miscellaneous services account, no information is available, but they are considered to be of little significance. In addition, there

is no information on direct investment by residents of the Dominican Republic abroad or on portfolio investment assets of the private nonbank sector. As regards foreign direct investment and the external debt of the private nonbank sector, the list of firms from which information is requested was recently expanded in order to improve coverage of these items.

2.3 Classification/sectorization

2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices

In general, the classification/sectorization system follows the *BPM5* presentation of standard components. There are certain aspects in which the presentation of the balance of payments is not consistent with the *BPM5* classifications:

- External debt flows of the general government and public sector enterprises are presented in aggregated form as public sector debt. In accordance with the *BPM5*, the government's external debt (excluding bonds) is included under "Liabilities, other investment," in the standard component "Loans, General Government," while the external indebtedness of public enterprises is included in the standard component "Loans, other sectors," together with private firms.
- No standard balance of payments presentation is prepared. There is only an analytical presentation, in which certain transactions are excluded from the corresponding standard component and are shown within aggregated "Financing."
- Although the standard *BPM5* presentation is used for the presentation of statistics, in the data released, many components are shown only in aggregated form. For example, for the portfolio investment category, only total assets and liabilities are reported. Similarly, for assets in the "Other investment" category, only the total is given, with no breakdown by type of instrument, institutional sector, or contractual maturity. It is only in the information sent to the Fund's Statistics Department for publication in *International Financial Statistics* and in the *Balance of Payments Statistics Yearbook* that all standard components are given in detail.

2.4 Basis for recording

2.4.1 Market prices are used to value flows and stocks

The valuation norms used to record transactions follow the principle of valuation at market prices established in the *BPM5*. Transactions of the banking sector's foreign assets and liabilities, except those corresponding to long-term loan liabilities, are derived from data for stocks at the end of each period, including variations resulting from fluctuations in the parities of the currencies that make up such assets and liabilities.

2.4.2 Recording is done on an accrual basis.

In theory, recording is done on an accrual basis. For public sector external debt, this principle was applied only for data for 2003, and as part of the work of reconciling the international investment position with balance of payments transactions. However, this adjustment was not made for periods prior or subsequent to 2003, and records are based on the time at which interest is due for payment under the agreements.

2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices.

In general, the *BPM5* recommendations are followed for grossing current account and capital account transactions and netting financial transactions (except in the case of long-term loans, for which drawings and repayments are recorded separately). However, in the tables disseminated, both on the BCRD Internet site and in the BCRD publications (the quarterly *Report on the Economy of the Dominican Republic*, *Statistical Bulletin*, *Annual Statement*, and *Annual Balance of Payments Bulletin*), current transfers are netted. The quarterly presentation of the financial account does not follow the principle of presenting asset and liability movements separately.

3. Accuracy and reliability

3.1 Source data

3.1.1 Source data are obtained from comprehensive data collection programs that take into account country-specific conditions.

Generally speaking, the sources used by the DI to compile the balance of payments and the international investment position are adequate. The main data sources are described below.¹⁵

Exports of goods are classified as national (traditional and nontraditional) and free trade area exports. For traditional exports, use is made of data supplied by the relevant institutions and agencies, such as the Secretariat of Agriculture, the National Sugar Institute, the Tobacco Institute, the Dominican Coffee Council and Falconbridge Dominicana (ferronickel exports). Data on nontraditional exports (minor products) are compiled by the CEI on the basis of the Single Export Form. For goods procured in ports by carriers, the information is obtained directly from the firms supplying ports and airports and is validated against the records of the Civil Aviation Directorate on flight flows and numbers of passengers, and against the tourism

¹⁵ The ONE also compiles foreign trade statistics, using the DGA and CEI databases. The data for 2004 have been released on a CD containing information on national and free trade area exports and imports, broken down by customs item and country of origin/destination.

survey conducted by the DCNEE. The information on nonmonetary gold is obtained from the invoices which the firm Rosario Dominicana provides to the BCRD. These data are compared and matched with data from the Single Export Form. With regard to goods for processing (free trade areas), the source is the Monthly Free Trade Area Statistics form which the DI receives directly from firms.

Dominican imports are classified in two main groups. The first consists of general merchandise (national) for which the main source of information is the DGA import form No. 3480. The DI also receives direct information from several private sector firms (for fuels, wheat, and coal); because this merchandise is covered by special customs regimes, its values do not appear in the normal DGA records. The second consists of imports of goods for processing (imports by free trade area firms), for which the information is obtained from the Monthly Free Trade Area Statistics Form received by the DI directly from firms. The DI does not make estimates of unrecorded trade.

Information on the various components of services is based on surveys and forms. In the case of transport, freight data basically come from the DGA, excluding oil freight, which is obtained directly each month from importers. For passenger services and other transport, the DI obtains the information by sending surveys to airlines and shipping companies operating in the Dominican Republic. In preparing the travel section, the DI's main source is data obtained by the expenditure and motivation survey conducted by the DCNEE. Information from the Port Authority is used to calculate expenditure by travelers arriving by sea (cruises). For students' expenditure, the DI conducts an annual survey of foreign students. Information for other services (government services, communications, insurance, financial services and other business services) is obtained by the DI directly from the Secretariat for Foreign Affairs and from surveys sent to embassies, international agencies and firms. For some components of the business and personal services account, information is not obtained through surveys, but the volume is not considered to be significant.

For income, the information on employee remuneration comes from the pay slips of baseball players, reports from the sugar industry (recruits Haitian staff), and to a limited extent from embassies and consulates where resident employees work. In the case of income from direct investment (debit), the figures are obtained from the quarterly survey of foreign investment enterprises conducted by the DI, supplemented with information from the DCNEE and the Secretariat for Tourism. Information for firms in the free trade areas comes from the Monthly Free Trade Area Statistics form. For income from other investment, information on interest received from abroad includes interest received by the BCRD and by the other banks and an estimate of the interest received by the private sector for deposits abroad. Debit includes interest on the external debt. For the external debt of the BCRD and the nonfinancial private sector, information is compiled by the SDE. With regard to nonfinancial public sector debt, responsibility for compiling the information has been transferred from the SDE to the DCP in the Secretariat of State for Finance. The interest received and paid by the banking system is obtained from a survey conducted by the DI.

Data on current transfers come from several sources: family remittances are obtained from the information provided by remittance and exchange agents to the DI, supplemented by information obtained from the Labor Force Survey conducted by the DCN. Private donations are obtained from the quarterly form on donations and technical assistance sent by the BCRD to diplomatic institutions and private entities. For pension payments from abroad, information is sought from embassies accredited to the Dominican Republic.

In the financial account, information on foreign direct investment is obtained mainly from the quarterly survey on foreign investment enterprises. This is supplemented by the information on new applications for inclusion in the investment register submitted to the CEI and by information on new investments obtained from other sources, such as press announcements and information from the hotel association and the National Council of Free Trade Areas, which are validated directly with the firms making the new investment. With regard to portfolio investment, zero coupon bonds purchased when the Brady bonds were issued are included as assets. There is no information on possible direct or portfolio investment by the private sector residing abroad. For liabilities, coverage is limited for the time being to Brady bonds and government bonds. Starting in 2003, the BCRD has been issuing short-term and long-term investment certificates. It is estimated that a small number of these certificates have been purchased by nonresidents, but this is not included in the balance of payments because no disaggregated information is available showing the place of residence of certificate holders. The data source for government bonds and foreign loans received by the nonfinancial public sector has been transferred from the SDE to the DCP. For the private external debt, information comes from SDE surveys, the quarterly survey of foreign investment enterprises and the quarterly information requested from commercial banks. Information on other assets and liabilities comes from the BCRD Monetary Programming and Economic Research Department and from other sources such as the Bank for International Settlements. For reserve assets, information is provided by the BCRD Accounting Department. Exceptional financing is for the time being obtained from the SDE, but in future should be provided by the DCP.

3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required

The data obtained from surveys are generally satisfactory: first, the surveys and the accompanying instructions have been designed to reflect the definitions, scope, valuation, time of recording, and classification of the *BPM5*; second, there is adequate monitoring of the surveys, so that support is given at all times to the firms surveyed to clarify any doubts they may have about how to provide the requested information. There is also monitoring of the information obtained from administrative records, and of the export and import data provided by the CEI and the DGA, in order to check that there are no deviations from balance of payments methodology requirements.

3.1.3. Source data are timely

Although the DI is continually following up to ensure that the requested information is provided and although the deadline is clearly specified, information is provided late or is not provided at all by some sources. The main problems are with information from private firms on flows of direct investment and of foreign loans. The Statistical Regulations for the Monetary and Financial Law are currently being drafted, and will specify the penalties that the BCRD may apply in the event of failure to meet deadlines.

3.2 Assessment of source data.

3.2.1 Source data—including censuses, sample surveys and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide statistical processes

The data obtained from sample surveys, and those for travel, are prepared by the DCNEE, which is responsible for monitoring possible sample errors. The surveys conducted by the DI are not sample surveys. There are directories of firms which are updated frequently to add new firms identified and drop firms that have closed. In addition, the DI regularly revises the forms used in the surveys and the corresponding instructions. When atypical data or data showing considerable differences from those for earlier periods are found, the reasons for these deviations are discussed with respondents to confirm that the information is correct.

3.3 Statistical techniques

3.3.1 Data compilation employs sound statistical techniques to deal with data sources

In general, sound statistical tools are used for compilation that meet international standards for balance of payments statistics. The experience of the technician responsible for each variable enables him to detect abnormal or atypical transactions; in such cases, the information is confirmed with the sources before being incorporated in the database.

No imputations or adjustments are made in cases where no responses are received.

3.3.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques

In general, there are no data adjustments and transformations. There is no need, for example, to determine an f.o.b./c.i.f. factor for imports, because the customs information directly records f.o.b. value and freight and insurance.

No estimates are made to incorporate unrecorded activities, such as unrecorded border trade.

3.4 *Assessment and validation of intermediate data and statistical productions*

3.4.1 *Intermediate results are validated against other information where applicable*

On occasion, the DI supplements information using secondary sources and does some validations of data: for example, information on exports of free trade area firms is validated against import data from the United States Department of Commerce.

3.4.2 *Statistical discrepancies in intermediate data are assessed and investigated.*

Flows and stocks are cross-checked with long-term loans received by the banking system. For other components of the financial account, no such checks are performed because the information on flows and stocks comes from the same sources.

3.4.3 *Statistical discrepancies and other potential indicators of problems in statistical productions are investigated.*

The DI continually monitors errors and net omissions, paying special attention to the irregular pattern noted in recent years. In order to improve this situation, and with the help of the International Monetary Fund technical assistance missions, an attempt was made to identify and analyze possible reasons for the large number of errors and omissions. With the incorporation of the Bank for International Settlements data on deposits by Dominican residents in the banks reporting to the Bank for International Settlements, errors and net omissions for 2002 were reduced. Information from the Bank for International Settlements was also used to make comparisons of private debt data, but the results have been unsatisfactory. It was found that some credit items do not identify the corresponding counterpart payments. This is the case for workers' remittances in kind, recorded in the survey conducted by the DCN. Thus, there are no contra-entries to the estimates of workers' remittances in kind (under the goods item).

Comparisons are made with data for other countries in the case of exports from free trade areas.

3.5 *Revision studies*

3.5.1 *Studies and analyses of revisions are carried out routinely and used internally to inform statistical processes (see also 4.3.3)*

No formal studies are made to evaluate revisions of balance of payments statistics; revision studies and analyses are not done. However, the BCRD is trying to improve statistical processes, taking into account the recommendations made by the International Monetary Fund technical assistance missions.

4. Serviceability

4.1 Periodicity and timeliness

4.1.1 Periodicity follows dissemination standards

Periodicity follows the recommendations in the International Monetary Fund GDDS. Balance of payments data are published quarterly and annually. Quarterly data are presented cumulatively rather than for discrete quarters. Information on external public debt and publicly collateralized private debt are published twice yearly.

4.1.2 Timeliness follows dissemination standards

Both quarterly and annual balance of payments data are published within three months of the end of the reference period, which exceeds the GDDS recommendations. With regard to the international investment position, this statement is disseminated annually, between six and nine months after the year end. So far, preliminary estimates of the international investment position have been compiled for 2002 and 2003, which were completed towards the end of 2004 but have not yet been disseminated. It is planned to publish this statement, in an aggregated version, with explanatory notes, in the quarterly *Report on the Economy of the Dominican Republic, January–June 2005* and to post it on the BCRD Internet site.

4.2 Consistency

4.2.1 Statistics are consistent within the dataset

For the quarterly calculation of balance of payments statistics, the DI uses the same concepts, classifications and sectorization as for the annual data. Consequently, there is consistency between them. There are, however, certain inconsistencies between the quarterly data and the annual aggregates with respect to external public debt. This is because the recording of debt servicing arrears does not follow the criterion of conversion at the parity existing between the currency of denomination and the unit of account of the report at the time when the transaction takes place, but applies the parity existing at the end of the period.

4.2.2 Statistics are consistent or reconcilable over a reasonable period of time

Statistics are consistent over time. Balance of payments statistics have been available since 1947. The information on the BCRD Internet site starts with 1993. For earlier years, the information is available in BCRD publications. When there have been changes of methodology, an attempt has been made to reconstruct the series, as was done in 1996, when the BCRD converted the balance of payments series to the *BPM5* format, starting with 1993. In addition, when there have been unusual changes in trends or a transaction of major importance has occurred (for example, bond issue, debt renegotiation), users have been given an explanation and/or detailed analysis in the quarterly *Report on the Economy of the Dominican Republic* (quarterly) and in the *Annual Balance of Payments Bulletin*.

4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks

The source for data in the goods account is foreign trade statistics. The DI is in permanent contact with the DCNEE, so that there is no inconsistency with the national accounts statistics. There are also no inconsistencies with the external debt data or with the monetary and financial statistics, since the SBP is a user of the information and any difference identified is reconciled before the data are incorporated in the balance of payments. However, although there is consistency within the BCRD, users do not have the necessary details to reconcile differences between the balance of payments estimates released and other macroeconomic statistics (monetary, government finance, and national accounts).

4.3 Revision policy and practice

4.3.1 Revisions follow a regular and transparent schedule

There is no formal schedule for revisions and thus, there is no predetermined revision cycle available to the public.

4.3.2 Preliminary and/or revised data are clearly identified

All the statistical tables published by the DI include footnotes specifying whether the data are preliminary or revised. Any changes that have occurred in source data incorporated in the database are reflected in revisions to the balance of payments statement. At present, these revisions are incorporated on a quarterly basis. However, they are not transparent to users, because the quarterly figures are disseminated cumulatively.

4.3.3 Studies and analyses of revisions are made public (see also 3.5.1.)

The DI does not analyze differences between preliminary and revised data. Revision studies are not done, and are therefore, not made public.

5. Accessibility

5.1 Data accessibility

5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)

Balance of payments statistics are published in the *Quarterly Bulletin*, in the quarterly *Report on the Economy of the Dominican Republic* (quarterly), in the *Annual Balance of Payments Bulletin* and in the *Annual Report*. The information is also transmitted to the International Monetary Fund Statistics Department, for publication. The information is also available on the BCRD Internet site <http://www.bancentral.gov.do>. The quarterly publications do not give

the full details of the *BPM5* standard components. An aggregated format is presented, but it is not possible to distinguish within the financial account the movements of assets and liabilities, and the resident institutional sector (government, monetary authorities, banks, and other sectors). The *Annual Balance of Payments Bulletin* gives more detailed information than the quarterly reports, but with a greater time lag and only for annual data. This information is available on the BCRD's Internet site with a time lag of about nine months, but there is a much longer delay before the printed version is published. The latest annual bulletin published is for 2002. The publications contain comments on recent events, as well as tables and charts to facilitate analysis.

5.1.2 Dissemination media and format are adequate

Users can access balance of payments information through the various forms of dissemination mentioned in paragraph 5.1.1. The time series released electronically go back to 1993. For earlier years, starting with 1947, the information may be consulted in BCRD publications, including a CD-ROM available in the BCRD library.

5.1.3 Statistics are released on a preannounced schedule

The BCRD does not have a preannounced schedule for releasing statistics.

5.1.4 Statistics are made available to all users at the same time

Statistics are made available to all users at the same time.

5.1.5 Statistics not routinely disseminated are made available upon request

The DI frequently receives requests for information not routinely published. The BCRD does not charge for supplying additional information, but simply requires requests to be made in writing. However, the public is not informed that such data can be requested.

5.2 Metadata accessibility

5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, an statistical techniques is available, and differences from internationally accepted standards, guideline, or good practices are annotated

Metadata are not released to the public. The authorities are working with the International Monetary Fund's Statistics Department to revise metadata for subsequent release.

5.2.2 Levels of detail are adapted to the needs of the intended audience

Brochures have not been prepared for the public giving general information on the availability of balance of payments data and other external sector indicators. Working

documents on more specialized topics are also not released. Detailed methodological notes are not available.

5.3 *Assistance to users*

5.3.1 Contact points for each subject field are publicized

There is only one general contact point for the BCRD. The service offered is not prompt or convenient. Users are not always satisfied with the replies they receive. The public is not given a contact point to provide users with assistance on specific external sector questions.

5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available

There is a list of publications on the BCRD Internet site.

Table 5. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for Balance of Payments Statistics
(Compiling Agency: Central Bank of the Dominican Republic)

Element	NA	Assessment			Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO		
0. Prerequisites of quality						
0.1 Legal and institutional environment			X		Confidentiality is protected by Art.8 of the Monetary and Financial Law, except in cases covered in the tax laws or when requested by judicial authorities.	
0.2 Resources		X			Formal mechanisms for consulting users' needs and identify new and emerging data requirements have not been established.	
0.3 Relevance			X			
0.4 Other quality management		X				
1. Assurances of integrity						
1.1 Professionalism		X				
1.2 Transparency			X		Notes on data collection and processing are not disseminated on a regular basis. Advance notice of major changes in methodology, source data, and statistical techniques is not given.	
1.3 Ethical standards		X				
2. Methodological soundness						
2.1 Concepts and definitions		X			No estimates are made for smuggling. Certain categories of services are not captured.	
2.2 Scope			X		Interest on debt and financial transactions of public sector enterprises are lumped together with transactions of the general government. A standard presentation of the balance of payments is not disseminated, and the analytical presentation lacks certain details.	
2.3 Classification/sectorization			X			

Table 5. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for Balance of Payments Statistics
(Compiling Agency: Central Bank of the Dominican Republic)

Element	NA	Assessment			Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO		
2.4 Basis for recording			X		Financial flows of the banking sector—excluding long-term loans—are derived from stock data and no adjustments are made to exclude changes resulting from currency realignments. For interest on the external public debt, recording is made according to the “due for payment” principle. Interest on external public debt is on an accrual basis only for 2003. Some components of current transfers are shown on a net basis. For the financial account, in the quarterly publications, the principle of showing separately assets and liabilities is not followed.	Short-term plans: Apply the accrual principle to the recording of interest on public external debt consistently for all periods. Disseminate data on current transfers on a gross basis. In the financial account, show separately transactions in assets and liabilities.
3. Accuracy and reliability						
3.1 Source data			X		Surveys’ coverage for certain categories of services, direct investment, and private external debt is incomplete. Some responses to surveys are received with delay.	Short-term plans: Improve the coverage of the private nonguaranteed external debt through electronic surveys.
3.2 Assessment of source data					There are no procedures in place for imputation and adjustment in cases of nonresponse. No estimates are made for unrecorded border trade.	
3.3 Statistical techniques			X		No contra-entries to the estimates of workers’ remittances in kind are recorded. There are no formal procedures to assess revisions. Revision studies are not done.	Short-term plans: Record contra-entries under the goods item.
3.4 Assessment and validation of intermediate data and statistical outputs						
3.5 Revision studies				X		

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria

Table 5. Dominican Republic: Data Quality Assessment Framework (July 2003): Summary of Results for Balance of Payments Statistics
(Compiling Agency: Central Bank of the Dominican Republic)

Element	NA	Assessment			Comments on Assessment	Plans for Improvement and Target Dates
		O	LO	LNO		
4. Serviceability						
4.1 Periodicity and timeliness			X		Public and publicly guaranteed debt is disseminated on a half-yearly basis, rather than quarterly.	Short-term plans: Disseminate discrete quarterly balance of payments data. Disseminate external debt data on a quarterly basis. Medium and long-term plans: Compile and publish the external debt statistics in accordance with the recommendations of the GDDS.
4.2 Consistency			X		For external public debt payments arrears, quarterly data are not consistent with the annual data, due to the exchange rate that is applied in each case. Although data compiled are broadly consistent across sectors, disseminated data do not allow reconciliation.	Short-term plans: Apply appropriate conversion rates to ensure consistency between quarterly and annual data on external debt arrears.
4.3 Revision policy and practice			X		There is no predetermined revision cycle available to the public.	
5. Accessibility						
5.1 Data accessibility			X		Presentations are less detailed than the <i>BPM5</i> guidelines. An advanced release calendar is not available. Unpublished data are provided on request; however, this possibility is not made known to the public.	
5.2 Metadata accessibility				X	Balance of payments metadata are not made available to the public. Detailed methodological notes are not available.	
5.3 Assistance to users			X		Only a general contact point is provided. Support service is not prompt. Users are not always satisfied with the responses to queries.	

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria

Summary of the General Data Dissemination System (GDDS)

Data coverage, periodicity, and timeliness

Dissemination of reliable, comprehensive, and timely economic, financial, and socio-demographic data is essential to the transparency of macroeconomic performance and policy. The GDDS contains specific recommendations concerning coverage, periodicity, and timeliness for comprehensive frameworks as well as for data categories and indicators.

Quality

Data quality must have a high priority. Data users must be provided with information to assess quality and quality improvements. The GDDS recommends:

- dissemination of documentation on methodology and sources used in preparing statistics; and
- dissemination of component detail, reconciliations with related data, and statistical frameworks that support statistical cross-checks and provide assurance of reasonableness.

Integrity

To fulfill the purpose of providing the public with information, official statistics must have the confidence of their users. In turn, confidence in the statistics ultimately becomes a matter of confidence in the objectivity and professionalism of the agency producing the statistics. Transparency of practices and procedures is a key factor in creating this confidence. The GDDS, therefore, recommends:

- dissemination of the terms and conditions under which official statistics are produced, including those relating to the confidentiality of individually identifiable information;
- identification of internal government access to data before release;
- identification of ministerial commentary on the occasion of statistical releases; and
- provision of information about revision and advance notice of major changes in methodology.

Access to the public

Dissemination of official statistics is an essential feature of statistics as a public good. Ready and equal access by the public are principal requirements. The GDDS recommends:

- dissemination of advance release calendars; and
- simultaneous release to all interested parties.

Plans for improvement

The GDDS recommends that plans for improvement be developed for all areas in which shortcomings exist and that these plans be disseminated.

The GDDS also recommends that any needs for assistance be identified in the metadata. This may also be helpful for donors and technical assistance providers to prioritize their activities.

For each participating member country, the GDDS metadata provide descriptions of the dimensions listed above, together with plans for improvement and needs for assistance. This information is posted on the DSBB; participating countries are encouraged to also post the metadata on their national websites.

Source: Guide to the GDDS, March 2002: <http://dsbb.imf.org>.

**DATA QUALITY ASSESSMENT FRAMEWORK—GENERIC FRAMEWORK
(JULY 2003 FRAMEWORK)**

Quality Dimensions	Elements	Indicators
<p>0. Prerequisites of quality</p>	<p>0.1 Legal and institutional environment—<i>The environment is supportive of statistics</i></p> <p>0.2 Resources—<i>Resources are commensurate with needs of statistical programs.</i></p> <p>0.3 Relevance—<i>Statistics cover relevant information on the subject field.</i></p> <p>0.4 Other quality management—<i>Quality is a cornerstone of statistical work.</i></p>	<p>0.1.1 The responsibility for collecting, processing, and disseminating the statistics is clearly specified.</p> <p>0.1.2 Data sharing and coordination among data-producing agencies are adequate.</p> <p>0.1.3 Individual reporters' data are to be kept confidential and used for statistical purposes only.</p> <p>0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response.</p> <p>0.2.1 Staff, facilities, computing resources, and financing are commensurate with statistical programs.</p> <p>0.2.2 Measures to ensure efficient use of resources are implemented.</p> <p>0.3.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored.</p> <p>0.4.1 Processes are in place to focus on quality.</p> <p>0.4.2 Processes are in place to monitor the quality of the statistical program.</p> <p>0.4.3 Processes are in place to deal with quality considerations in planning the statistical program.</p>
<p>1. Assurances of integrity</p> <p><i>The principle of objectivity in the collection, processing, and dissemination of statistics is firmly adhered to.</i></p>	<p>1.1 Professionalism—<i>Statistical policies and practices are guided by professional principles.</i></p> <p>1.2 Transparency—<i>Statistical policies and practices are transparent.</i></p> <p>1.3 Ethical standards—<i>Policies and practices are guided by ethical standards.</i></p>	<p>1.1.1 Statistics are produced on an impartial basis.</p> <p>1.1.2 Choices of sources and statistical techniques as well as decisions about dissemination are informed solely by statistical considerations.</p> <p>1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics.</p> <p>1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public.</p> <p>1.2.2 Internal governmental access to statistics prior to their release is publicly identified.</p> <p>1.2.3 Products of statistical agencies/units are clearly identified as such.</p> <p>1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques.</p> <p>1.3.1 Guidelines for staff behavior are in place and are well known to the staff.</p>

Quality Dimensions	Elements	Indicators
<p>2. Methodological soundness</p> <p><i>The methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.</i></p>	<p>2.1 Concepts and definitions—<i>Concepts and definitions used are in accord with internationally accepted statistical frameworks.</i></p> <p>2.2 Scope—<i>The scope is in accord with internationally accepted standards, guidelines, or good practices.</i></p> <p>2.3 Classification/sectorization—<i>Classification and sectorization systems are in accord with internationally accepted standards, guidelines, or good practices.</i></p> <p>2.4 Basis for recording—<i>Flows and stocks are valued and recorded according to internationally accepted standards, guidelines, or good practices</i></p>	<p>2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices.</p> <p>2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices.</p> <p>2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices.</p> <p>2.4.1 Market prices are used to value flows and stocks.</p> <p>2.4.2 Recording is done on an accrual basis.</p> <p>2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices.</p>
<p>3. Accuracy and reliability</p> <p><i>Source data and statistical techniques are sound and statistical outputs sufficiently portray reality</i></p>	<p>3.1 Source data – <i>Source data available provide an adequate basis to compile statistics.</i></p> <p>3.2 Assessment of source data—<i>Source data are regularly assessed.</i></p> <p>3.3 Statistical techniques—<i>Statistical techniques employed conform to sound statistical procedures</i></p> <p>3.4 Assessment and validation of intermediate data and statistical outputs—<i>Intermediate results and statistical outputs are regularly assessed and validated.</i></p> <p>3.5 Revision studies—<i>Revisions, as a gauge of reliability, are tracked and mined for the information they may provide.</i></p>	<p>3.1.1 Source data are obtained from comprehensive data collection programs that take into account country-specific conditions.</p> <p>3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required.</p> <p>3.1.3 Source data are timely.</p> <p>3.2.1 Source data—including censuses, sample surveys, and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide statistical processes.</p> <p>3.3.1 Data compilation employs sound statistical techniques to deal with data sources.</p> <p>3.3.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques.</p> <p>3.4.1 Intermediate results are validated against other information where applicable.</p> <p>3.4.2 Statistical discrepancies in intermediate data are assessed and investigated.</p> <p>3.4.3 Statistical discrepancies and other potential indicators or problems in statistical outputs are investigated.</p> <p>3.5.1 Studies and analyses of revisions are carried out routinely and used internally to inform statistical processes (see also 4.3.3).</p>

Quality Dimensions	Elements	Indicators
<p>4. Serviceability <i>Statistics, with adequate periodicity and timeliness, are consistent and follow a predictable revisions policy.</i></p>	<p>4.1 Periodicity and timeliness— <i>Periodicity and timeliness follow internationally accepted dissemination standards.</i></p> <p>4.2 Consistency— <i>Statistics are consistent within the dataset, over time, and with major datasets.</i></p> <p>4.3 Revision policy and practice—<i>Data revisions follow a regular and publicized procedure.</i></p>	<p>4.1.1 Periodicity follows dissemination standards. 4.1.2 Timeliness follows dissemination standards.</p> <p>4.2.1 Statistics are consistent within the dataset. 4.2.2 Statistics are consistent or reconcilable over a reasonable period of time. 4.2.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks.</p> <p>4.3.1 Revisions follow a regular and transparent schedule. 4.3.2 Preliminary and/or revised data are clearly identified. 4.3.3 Studies and analyses of revisions are made public (see also 3.5.1).</p>
<p>5. Accessibility <i>Data and metadata are easily available and assistance to users is adequate.</i></p>	<p>5.1 Data accessibility— <i>Statistics are presented in a clear and understandable manner, forms of dissemination are adequate, and statistics are made available on an impartial basis.</i></p> <p>5.2 Metadata accessibility— <i>Up-to-date and pertinent metadata are made available.</i></p> <p>5.3 Assistance to users— <i>Prompt and knowledgeable support service is available.</i></p>	<p>5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts). 5.1.2 Dissemination media and format are adequate. 5.1.3 Statistics are released on a preannounced schedule. 5.1.4 Statistics are made available to all users at the same time. 5.1.5 Statistics not routinely disseminated are made available upon request.</p> <p>5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated. 5.2.2 Levels of detail are adapted to the needs of the intended audience.</p> <p>5.3.1 Contact points for each subject field are publicized. 5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available.</p>

Users' Survey

Summary of results of survey of data users

Surveys to users

The authorities assisted the mission conducting an informal survey of users, using a questionnaire developed by International Monetary Fund staff. The survey's objective was to ascertain the views of other institutions and organizations on selected aspects of the quality of Dominican Republic's macroeconomic statistics. The BCRD provided the survey to users of macroeconomic statistics from academia, banks, the media, government agencies, trade associations, and private sector companies. The BCRD sent questionnaires to 128 users and received 36 responses. In addition, the BCRD facilitated meeting between the mission and a subset of the respondents to elaborate on the survey and supplement the mission's assessment of macroeconomic statistics.

The survey indicated that users get their macroeconomic statistics mainly from official government sources and international organizations, and the vast majority uses the web, although many get data from hard copy publications. Conducting short-term analysis of current developments for short-term decision-making was the most common use for the data. The survey showed that users were satisfied with accessibility to the official statistics. The responses indicated that users had difficulties receiving answers to methodological questions, explanations for historical revisions, and obtaining additional data from the authorities. Overall, users seem satisfied with the quality of the macroeconomic statistics, with the strongest area being the monetary statistics and the weakest area being the national accounts. The perception is that the data are comparable in quality with the other countries in the region, although some users thought that the data quality is worse than in other countries. The majority of users felt that the underlying methodology of official statistics is sound and appropriate. However, a slightly thinner majority concurred that the statistics are unbiased and accurate (and the results indicated that improvements could be made in the national accounts, government finance statistics, and, to a certain extent, the consumer price index). Respondents were generally satisfied with the coverage and frequency of the publications (although users were not perfectly satisfied with the details for the government finance statistics). Users had mixed views with regard to timeliness: more favorably for monetary and price statistics, and less so for the national accounts. About 50 percent of the respondents felt that methodological concepts and analytical presentations had clear descriptions. Those surveyed also voiced the desire for the authorities to publish a calendar of statistical releases and to adhere to it. Except for price statistics, respondents suggested that the authorities provide better access to metadata and longer historical time series.

Respondents also took the opportunity to elaborate with comments, to indicate areas where they felt there was room for improvement. Many acknowledged that there have been recent improvements in the statistics published by the BCRD. However, most reported that the published data are too aggregated for their needs and they want more detail, especially by region and industry. Respondents were concerned about the significant time lags between the

end of the reference period and the dissemination of the statistics. (For instance, in August 2004 first quarter 2005 data was not yet available for national accounts or the balance of payments.) Respondents stated that the metadata available were insufficient, especially for prices, national accounts, and government finance statistics. Many were concerned about the lack of explanations for frequent historical revisions. This has led users to have doubts concerning the credibility of the statistics. A few respondents wanted an independent statistical agency to compile statistics on prices, employment, and national accounts; because they considered that there is a potential moral hazard to have the BCRD compile the data that they use for policy purposes. Data users were frustrated with the amount of bureaucracy they encountered when they had questions or requested additional data. A few respondents mentioned that there were significant delays in response time, that their questions passed from authority to authority, and that it was almost impossible to find a person responsible for providing the answer.

Meeting with users

To complement the users' views of official statistics in Dominican Republic, the mission met with several groups of key users of macroeconomic statistics represented by associations, chambers, and banks. Overall, users views were consistent with the findings of the survey and the main areas for improvement identified by users were in line with the findings of the International Monetary Fund staff. Users expressed a general view that statistics in the Dominican Republic had improved recently, however, a common denominator in many of the comments was the need to improve the timeliness of the data release and the availability of metadata. Users also wanted more information on revision policies, a publicly available release calendar, better coverage, and an expanded breakdown of national accounts. Users also criticized the promptness of service received from the BCRD.

Table 6. Questionnaire Results Analyzed by Type of User

Type of Respondent	Total Sent	Total Received	In % Received
Media	13	2	15
Associations, Chambers, Cooperatives, Federations, and Foundations	55	14	25
Universities (researcher and others)	13	2	15
Government	21	11	52
Banks	26	7	27
Total	128	36	28

Table 7. Results of User's Survey		
General Information about Uses of Official Macroeconomic Statistics of Dominican Republic		
	Percentage of Responses	Total Number of Responses
1. Which official statistics do you use regularly?		
a. National accounts (NA)	78	28
b. Prices	86	31
c. Government finance statistics (GFS)	58	21
d. Monetary statistics (Monetary)	89	32
e. Balance of payments (BOP)	61	22
f. Other:		
• Production indices	28	10
• Labor market	44	16
• Merchandise trade	33	12
• International reserves and foreign currency liquidity	58	21
• External debt	50	18
• International investment position	28	10
• Other	8	3
2. Where do you obtain the official statistics?		
a. Official press releases and publications on macroeconomic statistics	83	30
b. Private sector summaries and analyses	39	14
c. Official policy papers	56	20
d. Publications from international organizations about the country	69	25
e. Other sources	33	12
3. Do you refer to official descriptions of the sources and methods that were used to compile the official statistics?		
• Yes	65	20
• No	35	11
4. For what purposes do you use the official statistics?		
a. Analysis of current developments for short-term decision making	83	30
b. Analysis of trends for longer-term policy formulation	72	26
c. Econometric model building and forecasting	31	11
d. Economic research	56	20
e. Comparison with economic developments in other countries	50	18
f. General economic background	56	20
g. Other	14	5

General Information about Uses of Official Macroeconomic Statistics of Dominican Republic						
	NA	Prices	GFS	Monetary	BOP	Other
5. Coverage and detail						
5.1 In general, are you satisfied with the coverage of official statistics?						
• Yes	70	85	63	91	76	100
• No	30	15	37	9	24	0
5.2 In general, are you satisfied with the official statistics in terms of their level of detail?						
• Yes	50	67	48	81	62	67
• No	50	33	52	19	38	33
6. Periodicity and timeliness						
6.1 Are you satisfied with the frequency of compilation of the official statistics (e.g., weekly, monthly, quarterly, annual)?						
• Yes	61	84	69	84	67	50
• No	39	16	31	16	33	50
6.2. In general, do you consider that the official statistics are disseminated with the appropriate timeliness (the time lag after the period to which they pertain, e.g., 60 days after the reference period)?						
• Yes	39	77	54	77	54	50
• No	61	23	46	23	46	50
7. Other dissemination practices						
7.1 Do you know if there is a publicly disseminated calendar that announces in advance the dates on which the various official statistics will be disseminated?						
• Yes	14	15	15	15	17	33
• No	86	85	85	85	83	67
7.2 If there is a calendar of release dates, in your experience, are the official statistics released on the dates announced?						
• Yes	20	35	29	35	31	100
• No	80	65	71	65	69	0
7.3 Is there enough information about revisions to official statistics?						
• Yes	25	47	31	52	46	50
• No	75	53	69	48	54	50

General Information about Uses of Official Macroeconomic Statistics of Dominican Republic						
	NA	Prices	GFS	Monetary	BOP	Other
8. Accessibility						
8.1 Can you easily access the official statistics?						
• Yes	76	88	70	88	79	100
• No	24	12	30	13	21	0
8.2 Can you easily access information pertaining to official statistics you use (explanatory notes, methodological descriptions, reference concerning concepts, classification, statistical practice)?						
• Yes	48	58	44	47	48	100
• No	52	42	56	53	52	0
8.3 Is the above information on methodology sufficiently clear and at an adequate level of detail to be useful to you?					Yes	No
					50	50
8.4 How do you get access to official statistics?						
· Official releases	53					
· Hard copy publications	72					
· Data specifically requested	25					
· Official website	94					
· Other	11					
· E-mail requests	22					
9. Overall assessment						
9.1 In your opinion, is the underlying methodology of official statistics sound and appropriate?						
• Yes	64	71	62	87	84	100
• No	36	29	38	13	16	0
9.2 In general, do you consider the official statistics to be unbiased and accurate?						
• Yes	52	58	52	77	72	100
• No	48	42	48	23	28	0
9.3 How would you compare the quality of official statistics of the country with those of other countries in the region?						
• Better	8	15	9	12	17	0
• Same	54	54	55	64	54	0
• Worse	38	31	36	24	29	100
9.4 How do you assess the overall quality of the official statistics?						
(1 rated as poor and 5 as excellent)	2.93	3.29	3.23	3.84	3.44	

NA = National Accounts; Prices refers to: CPI (Consumer Price Index); GFS = Government Finance Statistics; Monetary = Monetary Statistics; and BOP = Balance of Payments Statistics; Other refer to labor market and exchange market statistics.