

**Colombia: Report on the Observance of Standards and Codes—Data Module;  
Response by the Authorities; and Detailed Assessments  
Using the Data Quality Assessment Framework**

This Report on the Observance of Standards and Codes on Data Module for Colombia 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 October 3, 2006. The views expressed in this document are those of the staff team and do not necessarily reflect the views of the government of Colombia or the Executive Board of the IMF.

The Response by the Authorities on this report, and the Detailed Assessments Using the Data Quality Assessment Framework (DQAF) are also included.

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COLOMBIA

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

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October 3, 2006

The data module of the Report on the Observance of Standards and Codes (ROSC) provides an assessment of Colombia's macroeconomic statistics against the Special Data Dissemination Standard (SDDS) 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 in data producing agencies to practices specific to datasets.

The datasets assessed in this report are the national accounts, government finance, monetary, and balance of payments statistics. The agencies that compile the datasets assessed in this report are the Bank of the Republic (BR), the Ministry of Finance and Public Credit (MFPC), and the National Administrative Department of Statistics (NADS).

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

Bank of the Republic (<http://www.banrep.org>)

Ministry of Finance and Public Credit(<http://www.minhacienda.gov.co>)

National Administrative Department of Statistic (<http://www.dane.gov.co>)

This report is based on information provided before and during the mission that took place during September 5–16, 2005 as well as publicly available information. The team comprised Mr. Rosales (Head), Ms. Cardillo, Mr. Martínez (both STA), Messrs. Ortiz and Aceituno (Experts), and Ms. Díaz-Zelaya (Senior Administrative Assistant).

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ACRONYMS

<i>1995 ESA</i>	<i>European System of Accounts 1995</i>
<i>1968 SNA</i>	<i>System of National Accounts 1968</i>
<i>1993 SNA</i>	<i>System of National Accounts 1993</i>
AFPC	Office of the Advisors to the Fiscal Policy Council
<i>BPM4</i>	<i>Balance of Payments Manual</i> , fourth edition
<i>BPM5</i>	<i>Balance of Payments Manual</i> , fifth edition
BR	Bank of the Republic
CDIS	Coordinated Direct Investment Survey
CO	Office of the Comptroller General of the Republic
COFOG	Classification of Government Consumption by Purpose
COICOP	Classification of Individual Consumption by Purpose
CPI	Consumer Price Index
CPIS	Coordinated Portfolio Investment Survey
DQAF	Data Quality Assessment Framework
DSBB	Dissemination Standards Bulletin Board
FDI	Foreign Direct Investment
GAO	General Accounting Office of the Nation
GDP	Gross Domestic Production
GDPC	General Directorate of Public Credit
GFS	Government Finance Statistics
<i>GFSM 1986</i>	<i>A Manual of Government Finance Statistics 1986</i>
<i>GFSM 2001</i>	<i>Government Finance Statistics Manual 2001</i>
<i>GFSY</i>	<i>Government Finance Statistics Yearbook</i>
HBS	Household Budget Survey
HICES	Household Income and Consumption Expenditure Survey
IMF	International Monetary Fund
INSEE	Institut National de la Statistique et des Etudes Economiques
<i>ISIC</i>	<i>International Standard Industrial Classification of all Economic Activities</i>
ITRS	International Transactions Reporting System
MFPC	Ministry of Finance and Public Credit
MFS	Monetary and Financial Statistics
<i>MFSM</i>	<i>Monetary and Financial Statistics Manual</i>
NAD	National Accounts Directorate
NADS	National Administrative Department of Statistics
NFPS	Nonfinancial Public Sector
NPD	National Planning Department
NTCD	National Tax and Customs Directorate
SB	Superintendency of Banks
ODCs	Other Depository Corporations
PPI	Producer Price Index
ROSC	Report on the Observance of Standards and Codes
SDDS	Special Data Dissemination Standard
SNA	System of National Accounts
<i>SITC</i>	<i>Standard International Trade Classification</i>
STA	IMF Statistics Department
TEID	Technical and Economic Information Department
UN	United Nations

## I. OVERALL ASSESSMENT

1. The quality of the macroeconomic statistics is generally high, broadly conforming to international standards for compilation and dissemination, although coverage of illicit activities is poor. Despite a few gaps in the extensive legal framework for statistical activity, in practice, the division of labor among compiling agencies is adequate and inter-agency collaboration is reasonably good. In a decentralized environment with multiple compilers for key macroeconomic indicators, however, there is a need to further strengthen collaboration to facilitate a better understanding of differences, including by the public. Untimely responses by some decentralized units slow dissemination of the national accounts. There is some scope to further improve the methodological basis and source data underpinning most datasets, as well as resources devoted to the national accounts and fiscal statistics. High-exposure illicit activities are covered only partially in the national accounts and related exports excluded from the balance of payments (BOP). However, statistical agencies are well placed to make further statistical progress on the basis of present plans and ongoing initiatives. In most cases, attention to user needs and good dissemination practices are supported by observance of the Special Data Dissemination Standard (SDDS).

2. Colombia subscribed to the SDDS on May 31, 1996 and started posting its metadata on the IMF's Dissemination Standards Bulletin Board (DSBB) on April 25, 1997. Colombia is in observance of the SDDS, meeting specifications for coverage, periodicity, timeliness, and dissemination of advance release calendars. Colombia uses flexibility options on the timeliness of the production index and the analytical accounts of the banking system. For most datasets, summary methodological statements have yet to be posted on the DSBB. Appendix I provides an overview of dissemination practices compared to the SDDS.

3. In applying the IMF's Data Quality Assessment Framework (DQAF), the mission arrived at the following conclusions:

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

- The activities of the **National Administrative Department of Statistics (NADS)** are supported by a myriad of decrees and laws. While this ample legal framework nominally empowers the NADS to play a leading role in the statistical system, several of the key legal provisions are not implemented. In particular, the coordinating role of the NADS is effectively absent, even as the decentralization of statistical activity that began in 1993 increased the need for oversight. A deficiency is the lack of provisions mandating dissemination across the statistical system. The professional independence of the NADS could be seen as vulnerable, as its head is appointed by the President for a period coinciding with that of the government. A paucity of resources and comparatively low compensation for its staff slows NADS's efforts to improve the national accounts and other statistics. Despite these shortcomings, there is a tradition of professionalism and high technical standards at the NADS that have facilitated its work and earned high credibility for its output, particularly the CPI.

- The institutional environment under which the Office of **Advisors to the Fiscal Policy Council (AFPC)** at the **Ministry of Finance and Public Credit (MFPC)** compiles statistics is complex. While the AFPC compiles fiscal statistics for policymaking, other agencies compile fiscal statistics for auditing and control purposes. Financing data are prepared by the Bank of the Republic (BR). Despite the lack of a legal mandate, the AFPC releases data to the public directly and through the SDDS. As a result of insufficient coordination and legal constraints, there is considerable duplication of collection efforts and reconciliation across data prepared by various agencies is difficult. User needs are not monitored and there is no system to monitor the quality of statistical programs, except that specified under the program supported by the Stand-by Arrangement with the IMF. Pre-release access to data by officials involved in policymaking and IMF staff is not made known to the public. Staff and computing resources are insufficient to make needed improvements. AFPC officials follow ethical guidelines contained in several laws and regulations.
  - The Law of the **Bank of the Republic** along with relevant decrees and internal resolutions provide a good basis for data collection, although there is no legal mandate to disseminate statistics. Nevertheless, the BR has a longstanding tradition of compiling and disseminating statistics for the benefit of policymakers and to inform the public. The Governor of the BR is elected by a board of directors, most of whom are appointed for staggered terms, thereby providing assurances of technical independence. The BR maintains close relations with relevant agencies, most notably the superintendents of banks, securities, and companies. This facilitates timely transmittal of source data and the levying of penalties for nonreporting/misreporting, if needed. Resources devoted to statistical production are adequate, with highly qualified professional staff. Emphasis on quality is high, as reflected by promotion of training and research. While relevance of the BOP is assisted by extensive contacts with key users, a policy of consultations with users of the monetary and financial statistics (MFS) is lacking. The BR recruits qualified staff and promotes professionalism and observance of ethical standards.
5. The **methodological foundations** of the macroeconomic statistics are generally sound. The national accounts have been compiled in line with best practice for over three decades, and work is underway to update the base year. However, coverage of illicit output is limited to value added in agricultural production. Commendably, the government finance statistics (GFS) cover the entire nonfinancial public sector (NFPS), although using a representative sample of local governments and enterprises for “above-the-line” estimates. Classification is in line with international standards, except that functional classification of NFPS expenditure is not prepared and BOP misclassification of certain foreign direct investment (FDI) transactions. The MFS generally follow the recommendations of the *MFSM*, and improvements in classification, sectorization, and basis for recording are underway. There is a need to publish monetary aggregates consistent with international standards, excluding central government deposits. While BOP statistics generally follow international standards, unrecorded trade and related counter flows are excluded.

6. **Accuracy and reliability** of the national accounts and the GFS are hindered by data gaps. A major shortcoming in the case of the national accounts is the lack of an up-to-date business register to support sample surveys with adequate coverage, especially of enterprises in the service sector. Source data for compiling statistics on the operations of local governments (departments and municipalities) are poor, but a project to improve these data and reduce the reporting burden is in place at the MFPC and the General Accounting Office of the Nation (GAO). The project envisages providing technical assistance to local governments, which will require more resources. Statistical techniques used to validate BOP data from surveys, ITRS, and administrative records promote accuracy and minimize errors.

7. **Serviceability** of published macroeconomic statistics is very good in most cases. A recent slippage will be addressed shortly, as the final estimate of annual GDP for 2003 is to be published by end-2005<sup>1</sup>, following a long delay in the publication of the preliminary estimate. While data dissemination generally observes SDDS prescriptions, users have expressed a desire for higher frequency and better timeliness for certain variables (see below). BOP and monetary statistics are consistent within the dataset, over time, and with data from other sources. A weakness of the GFS is the lack of systematic reconciliation of certain data (including on public investment) with other datasets. The AFPC has not implemented a regular and transparent revision schedule. Revision studies are seldom published.

8. Significant efforts to improve the **accessibility** of macroeconomic data have yielded good results. For most datasets, detailed data and metadata are readily available in various formats, and statistics are disseminated according to a pre-announced calendar. Unpublished nonconfidential data are generally made available to users upon request. Publications and web pages provide contact information and a list of publications and other services. The AFPC disseminates GFS data in accordance with the advance release calendar included in the DSBB of the IMF. However, methodological notes on GFS are not disseminated. Users noted that detailed data are scarce and that published GFS are excessively concise.

9. Section II of this report provides a summary assessment of data quality by agency and dataset. This is followed by staff recommendations in Section III. The authorities' response to this report and a volume of detailed assessments are presented in separate documents.

## II. ASSESSMENT BY AGENCY AND DATASET

10. Assessments of the quality of four macroeconomic datasets—national accounts, government finance, monetary, and balance of payments statistics—were conducted using the Data Quality Assessment Framework (DQAF July 2003). In this section, the results are presented at the level of the DQAF elements and using a four-point rating scale (Table 1).

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<sup>1</sup> As noted in the companion document "Response by the Authorities" (p. 2), the estimates were published in February 2006.

Assessments of the prerequisites of data quality and the assurances of integrity (Dimensions “0” and “1” of the DQAF) are presented in Tables 2a–c. 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–d.

11. To inform its assessment, the mission conducted a user survey and held a meeting with users in order to elicit their views on the macroeconomic statistics. The user survey revealed that the price and the monetary statistics are rated highly. Users viewed the methodological basis and the reliability of the macroeconomic data as appropriate, most notably in the case of the monetary and BOP statistics. Users pointed to insufficient detail and dissaggregation in the presentation of the fiscal statistics. A large majority of users indicated dissatisfaction with the timeliness of the national accounts, the fiscal statistics, and the BOP; they were unaware of publication of release calendars for these data. The majority of users were satisfied with accessibility to data, most notably monetary, price, and balance of payments statistics. However, users saw scope for improved access to fiscal metadata.

12. In a follow-up meeting with the mission, users noted that efficient operation of the domestic financial markets requires timely dissemination of key data, with advanced release calendars strictly observed. They noted that long delays in the publication of GDP data created uncertainty in financial markets. Despite observing SDDS prescriptions, the timeliness of quarterly GDP and BOP data was seen as insufficient to meet user needs. Some expressed a desire for advance calendars to include the specific time of the day of release. On the trade-off between timeliness and robustness, users indicated a strong preference for earlier release of preliminary data. Also, more methodological information on the national accounts was needed, particularly on indicators of industrial activity and financial services. This could help better understand differences among a number of indicators of industrial activity. There was demand for a monthly index of economic activity. Users of fiscal statistics were unaware of advance release calendars, and noted that time series for key fiscal aggregates were unavailable, detail was insufficient, and there was a dearth of methodological information. This was problematic as various GFS compilers release different data for the same variable.

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

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

Dimensions/Elements	Datasets	National Accounts	Government Finance Statistics	Monetary Statistics	Balance of Payments Statistics
<b>0. Prerequisites of quality</b>					
0.1 Legal and institutional environment		LO	LO	O	O
0.2 Resources		LNO	LO	O	O
0.3 Relevance		LO	LO	LO	O
0.4 Other quality management		O	LO	O	O
<b>1. Assurances of integrity</b>					
1.1 Professionalism		O	O	O	O
1.2 Transparency		O	LO	O	O
1.3 Ethical standards		O	O	O	O
<b>2. Methodological soundness</b>					
2.1 Concepts and definitions		O	O	LO	O
2.2 Scope		LO	O	O	LO
2.3 Classification/sectorization		O	LO	LO	LO
2.4 Basis for recording		O	O	LO	LO
<b>3. Accuracy and reliability</b>					
3.1 Source data		LO	LO	O	O
3.2 Assessment of source data		O	O	O	O
3.3 Statistical techniques		LO	O	O	O
3.4 Assessment and validation of intermediate data and statistical outputs		LO	O	O	O
3.5 Revision studies		NO	NO	O	LO
<b>4. Serviceability</b>					
4.1 Periodicity and timeliness		LO	O	O	O
4.2 Consistency		O	LO	O	O
4.3 Revision policy and practice		LO	LNO	O	LO
<b>5. Accessibility</b>					
5.1 Data accessibility		O	O	O	O
5.2 Metadata accessibility		O	LNO	O	O
5.3 Assistance to users		O	O	O	O

**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. Colombia: Assessment of Data Quality—Bank of the Republic (BR)

<p><b>0. Prerequisites of quality</b></p> <p><b>Legal and institutional environment.</b> While there is no law assigning responsibility to the BR for the compilation and dissemination of the BOP and the MFS, the BR has a long-standing tradition of discharging these tasks for the benefit of policymakers and to inform the public. Formal collaborative arrangements with the superintendents of banks (SB), securities (SS), and companies (SC) have been established since 1992 through Law 31 and several decrees and resolutions. Within this framework, the BR has acquired the authority to request data from agents operating in the financial and exchange markets and from public sector entities. These powers were enhanced by Decree 2080 of 2000, which designated the BR as responsible for registering capital flows. While the BR lacks authority to request from nonfinancial private agents data on international trade transactions, it generally relies on the NADS and the National Tax and Customs Department for the collection of such data. Its credibility and reputation have enabled the BR to enter into agreements with certain private sector associations (hotels, communications) for procuring data. Other collaborative arrangements have also been set up for gathering data on external public assets and liabilities, tourism-related flows, and services. Supported by provisions in the Constitution and Financial System legislation, the BR has a tradition of protecting the confidentiality of individual reporter's data, with restricted access and adequate safeguards for repositories. Adequate penalties are in place for nonreporting and misreporting.</p> <p><b>Resources.</b> Resources for producing the BOP and the MFS are adequate, with surveys conducted periodically to ensure that salaries and benefits are competitive. Efficiencies are sought through periodic evaluation of staff performance and work processes, including for data selection.</p> <p><b>Relevance.</b> The BR has a policy of periodic consultation with BOP users to obtain feedback. BOP compilers undertake studies to help identify emerging data needs, and participate in technical committees to ensure cooperation among data providers and users in the areas of external trade, services, and debt. A proactive policy of consultations with users of the MFS is lacking.</p> <p><b>Other quality management.</b> Excellence is pursued through quality control programs and promotion of staff development. The BR encourages training through participation in courses and seminars.</p>	<p><b>1. Assurances of integrity</b></p> <p><b>Professionalism.</b> The Constitution (Article 371) and the Law of the BR provide for autonomy of this institution, with the general manager appointed by its Board for a four-year term renewable up to three times. Hiring and promotion are based on academic training, technical ability, and experience. The choice of data sources is based on statistical criteria and surveys are designed according to international methodological standards. Decisions on dissemination are based solely on statistical considerations and follow SDDS prescriptions. The BR seeks to ensure adequate interpretation of published data, by providing explanatory notes and maintaining an informal policy of contacts with the press, including to correct misinterpretations when necessary.</p> <p><b>Transparency.</b> As a subscriber of the IMF's SDDS, the BR disseminates the terms and conditions under which data are disseminated. Also, summaries of laws and resolutions are available on the BR's website. Access to the BOP and the MFS prior to official release is limited to relevant BR staff, with no government agency or BR board directors having access to such aggregates. Under a data sharing arrangement with the NADS, selected data on services are provided ahead of release to staff compiling the national accounts. The BR announces changes in methodology, source data, and statistical techniques on its website and in its monthly publication. When MFS series are modified, old and revised data are published for a reasonable period of time to allow users to compare and splice the series.</p> <p><b>Ethical standards.</b> The guidelines for staff behavior are contained in Law 734 of 2002, with a code of conduct explicitly included in the BR's Internal Work Regulations that can be found on the Intranet. In September 2003 the BR created the Value Strengthening Group and issued the Ethics and Behavior Guide to strengthen its value system. Employees are expected to adhere to such standards, including on conflict of interest and the handling of confidential data. Regulations include penalties for noncompliance. New recruits are made aware of these norms and staff are periodically reminded about the importance of observance.</p>
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Table 2b. Colombia: Assessment of Data Quality—Ministry of Finance and Public Credit (MFPC)

<p><b>0. Prerequisites of quality</b></p> <p><b>Legal and institutional environment.</b> There is no single law or formal arrangement defining the specific responsibilities of the various public sector units working on the compilation of fiscal statistics. Compilers have been guided by their own institutional objectives and/or program monitoring agreements under IMF arrangements, rather than a system-wide objective of publishing statistics for public use. Decree 111 of 1996 gives the MFPC's AFPC responsibility for monitoring fiscal conditions and preparing projections, but does not require compilation/dissemination of statistics on the operations of the nonfinancial public sector (NFPS). The Comptroller's Office (CO), the National Planning Department (NPD), the BR, and two other units within the MFPC also prepare fiscal statistics. Despite lacking legal authority to collect information directly from public entities, the AFPC receives data from a sample of public entities on a voluntary basis. As the AFPC does not compile data on the financing of the NFPS, it relies on the BR for preparing such data on a quarterly basis. Each compiling unit circulates its own data gathering request, thus multiplying the reporting burden. As the credibility of the penalties that each unit wields varies, success in obtaining responses with the desired timeliness differs. As a result, AFPC has been compelled to limit its (above-the-line) work to a sample of local governments and enterprises. Collaboration and data sharing between the AFPC and the BR are excellent, but scope exist for greater consultations involving other compilers. It is unclear whether compilers share work programs and medium-term plans (including legal reforms to unify data gathering) to ensure effort optimization across compiling units.</p> <p><b>Resources.</b> The AFPC appears to have sufficient staff to perform its duties but needs more computing resources. Though the AFPC authorities make sure that resources are used efficiently, there is no system in place to measure the cost of the statistical work.</p> <p><b>Relevance.</b> The AFPC publishes information through diskettes and the Internet. However, users' needs are not monitored.</p> <p><b>Other quality management.</b> Processes are in place to monitor quality of reports received. However, there is no system to monitor the quality of statistical programs, except through staff meetings to follow-up progress of the work program and to identify emerging issues associated with quality of the statistics compiled.</p>	<p><b>1. Assurances of integrity</b></p> <p><b>Professionalism.</b> There is a tradition of professionalism in the AFPC, with staff compiling quarterly data in line with methodological agreements under successive economic programs supported by the IMF. The compilation methodology adheres to internationally accepted standards. To avoid erroneous interpretation of published statistics, the AFPC issues press releases and special studies are released through the Internet.</p> <p><b>Transparency.</b> Only key officials of the MFPC, BR, and IMF have access to the data before release to the general public through Internet. This is not made known to the public. Authorship of AFPC publications is clearly identified. Changes in methodology associated with IMF agreements are announced on the Internet and through publication of the Technical Memorandum of Understanding.</p> <p><b>Ethical standards.</b> Ethical standards are well known by the staff members of the AFPC. Staff members are subject to the Civil Service and the Administrative Career Law, and to the civil service-wide Code of Discipline. Copies of relevant regulations and other materials are available to staff on the Internet.</p>
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Table 2c. Colombia: Assessment of Data Quality—National Administrative Department of Statistics (NADS)

<p><b>0. Prerequisites of quality</b></p> <p><b>Legal and institutional environment.</b> The NADS is responsible for compiling the national accounts, the CPI, and other statistics. Its activities are supported by a number of laws and executive decrees, but key legal provisions covering the statistical system are inoperative. For instance, Decree 1820 of 1990 established a national statistical system to be governed by the NADS in concert with a National Commission of Statistical Information (comprising representatives of various ministries) and Intersectoral Committees. The commission has not met and only one of the committees is active. This has eroded the credibility of the legal basis of the statistical system, with its various components having to rely on a proliferation of decrees to support their individual activities. In this context, the 1993 transfer of responsibilities for producing certain basic data from NADS to other public entities weakened NADS capacity to ensure provision of high-quality source data, including for the national accounts.</p> <p>In spite of these shortcomings, inter-institutional coordination for statistical production is broadly adequate, with the responsibilities for producing macroeconomic statistics clearly defined in practice. As regards the national accounts, intra-NADS coordination is robust, but scope exist to improve data sharing and coordination with the MFPC and to a lesser extent with the BR.</p> <p><b>Resources.</b> As permanent staff is insufficient for the compilation of the national accounts, the NADS regularly hires contractual personnel. Low salaries relative to the BR and the MFPS complicate hiring and retention of staff contracted on an annual basis. This is also addressed through the hiring of experts on a contractual basis. Computer resources and the physical infrastructure are not adequate.</p> <p><b>Relevance.</b> User surveys are occasionally conducted on the adequacy of the frequency, timeliness, and other aspects of quality. However, there is no periodic consultation with users to ascertain the usefulness and relevance of statistical output.</p> <p><b>Other quality management.</b> The NADS has obtained independent recognition of its strong emphasis on quality (ISO 9001). The quality of statistical projects is regularly assessed.</p>	<p><b>1. Assurances of integrity</b></p> <p><b>Professionalism.</b> While the internal operations of the NADS reflect the actions of highly professional staff, its professional independence is not supported by legislation. The head of the NADS is appointed directly by the President for a coterminous period. Notwithstanding this shortcoming, the culture of professionalism at the NADS is widely recognized and the credibility of its output is high, particularly in the case of the CPI.</p> <p>Personnel management fosters high professional standards. Recruitment and promotions are decided on ability and performance. The recent establishment of the Andean Center of High Studies within the NADS reflects a drive to maintain and promote high statistical standards in Colombia and the Andean region. Statistical research is released in a number of publications. The NADS monitors and adopts international methodological standards. Through press releases and seminars for the media, the NADS seeks to strengthen capacity for understanding its data. However, this appears not to have been sufficient to avoid misinterpretation of certain data.</p> <p><b>Transparency.</b> Through its website, the NADS provides users with information on its legal framework, organization, output, and staff. Data are released simultaneously to the public as well as policymakers. In advance of methodological changes, the NADS informs (selected) users of impending changes, inviting feedback and hosting debate in certain cases. Publications clearly identify the units of NADS responsible for compilation.</p> <p><b>Ethical standards.</b> Staff members are subject to the Civil Service and Administrative Career Law and the Code of Discipline that applies to all civil servants. In the context of quality management (certified under ISO 9001 in 2002); the NADS has expanded guidance on ethical behavior that buttresses its credibility among users of its statistical output. Through the document “Ethics and Values at the NADS,” the NADS informs its staff on ethical standards to be observed.</p>
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Table 3a. Colombia: Assessment of Data Quality—National Accounts

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p><b>Concepts and definitions.</b> Compilation has conformed to the recommendations of the 1993 <i>SNA</i> since 1995.</p> <p><b>Scope.</b> The scope is broadly in accordance with the recommendations of the 1993 <i>SNA</i>. With minor exceptions, delimitation of constituent units as well as production and asset boundaries are in line with international standards. Coverage of illicit activities is limited to value added in agriculture.</p> <p><b>Classification/sectorization.</b> Based on the Standard International Industrial Classification of all Economic Activities, rev. 3. The Central Product Classification (CPC) is used, with product categories, and a supply/use framework is prepared for annual and quarterly GDP.</p> <p><b>Basis for recording.</b> Recording is broadly in line with accrual and valuation principles recommended by the 1993 <i>SNA</i>, except that government transactions are recorded on a cash basis. Corrections are made when transfer prices are identified. Transactions between establishments within the same enterprise are recorded, to the extent possible, on a gross basis. Agricultural work in progress is recorded in the period that it is produced.</p>	<p><b>Source data.</b> Based on censuses, surveys, and administrative records from the government and the private sector. The enterprise registry is outdated and certain activities are not well covered, including some services.</p> <p><b>Assessment of source data.</b> Accuracy of data from surveys and information derived from administrative records are routinely assessed.</p> <p><b>Statistical techniques.</b> Estimates of GDP and expenditure are based on an outdated base year (1994). However, the NADS is in the process of compiling new series with 2000 as the new base year. Estimates of illicit activities focus on agricultural output and do not include downstream value added. Such production of illicit commodities is assumed to be exported to a fictitious country. GDP volume changes are measured using annual chain indices <i>mixed</i> with a 1994-fixed base</p> <p><b>Assessment and validation of intermediate data and statistical outputs.</b> Intermediate results are assessed and the consistency of statistical output checked in a somewhat mechanical way.</p> <p><b>Revision studies.</b> Not prepared.</p>	<p><b>Periodicity and timeliness.</b> Dissemination of real sector statistics generally meets SDDS recommendations. Quarterly GDP data are published 3 months following the reference period. However, the last year for which GDP has been published is 2002, as the pre-announced release date for the annual GDP figure for 2003 was not observed.</p> <p><b>Consistency.</b> There is overall consistency between output and expenditure estimates of GDP; and data series are consistent across a reasonably long period of time (1990–2002). However, there are discrepancies between the above-the-line estimates of net lending (NADS) and those reflecting below-the-line transactions (BR) in the accounts of the institutional sectors. The national accounts are reconcilable with the balance of payments, even as the latter exclude shuttle and illegal trade. Coverage of the public sector in the national accounts is more comprehensive than in the fiscal statistics.</p> <p><b>Revision policy and practice.</b> There is a revision policy focused on preliminary data. Publications identify revised data and provide information on the revision. However, revisions are not studied. The public has been provided with a schedule for the updating of the base year.</p>	<p><b>Data accessibility.</b> The national accounts are published on the NADS's website. Longer series, more detail, and unpublished data are available upon request. The public is informed when data are disseminated, there are specialized publications and advance release calendars. The public is informed about procedures for obtaining unpublished information. Data are released simultaneously to all users.</p> <p><b>Metadata accessibility.</b> Metadata concerning the national accounts are disseminated. Also, tables, charts, and brief descriptions of trends are published, but research is not undertaken.</p> <p><b>Assistance to users.</b> Publications indicate general points of contact, but users are often unable to reach compilers directly. There is a library open to the public, and seminars are offered to students and journalists. There is a catalogue of publications.</p>

Table 3b. Colombia: Assessment of Data Quality—Government Finance Statistics

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p><b>Concepts and definitions.</b> The GFS used for macroeconomic policymaking are compiled by the Office of the Advisors to the Fiscal Policy Council (AFPC) at the MFPC, in collaboration with the BR. Compilation follows the <i>GFSM 1986</i>. In addition, pursuing accounting and auditing objectives, the General Accounting Office (GAO) of the MFPC and the Comptrollers Office (CO) compile GFS on an accrual basis broadly in line with <i>GFSM 2001</i>, which are reported in the <i>GFSY</i>.</p> <p><b>Scope.</b> Data compiled by the AFPC cover the nonfinancial public sector (NFPS), but coverage of “above-the-line” operations of units outside the national administration is not exhaustive due to capacity constraints. Representative samples are used for local governments (departments and municipalities) and enterprises. However, financing data cover the NFPS exhaustively. The data compiled by BR, GAO and CO cover all units of the NFPS.</p> <p><b>Classification/sectorization.</b> These are in line with internationally accepted standards. Data compiled by the AFPC, GAO, and CO are not adequate for presenting the functional classification of expenditure.</p> <p><b>Basis for recording.</b> Data on flows and stocks are valued and recorded according to internationally accepted practices. The principles applied for grossing and netting of flows and stocks are in line with international recommendations.</p>	<p><b>Source data.</b> The AFPC collects data from a limited sample of 70 entities to ensure adequate timeliness and acceptable reliability of the data. Data from the remaining entities (out of the sample) are not adequate, in part because of weaknesses in the training of local government officials. Reporting from the entities in the sample is generally timely.</p> <p><b>Assessment of source data.</b> The AFPC, the GAO, and the CO routinely assess data reported by NFPS units.</p> <p><b>Statistical techniques.</b> The AFPC and the BR compilation methodologies and practices are in line with <i>GFSM 1986</i>.</p> <p><b>Assessment and validation of intermediate data and statistical outputs.</b> The AFPC reconciles the balance of revenue and expenditure with financing data reported by the central government. For the rest of NFPS, the checks are made with aggregate financing data compiled by the BR, as data on net bank credit to the public sector are not disaggregated by entity. The GAO and the CO use accounting records that all public sector units are required to maintain.</p> <p><b>Revision studies.</b> The AFPC reviews the compilation methodology periodically, including to accommodate monitoring needs for the IMF-supported program. This is included in the Technical Memorandum of Understanding.</p>	<p><b>Periodicity and timeliness.</b> The AFPC compiles and disseminates monthly, quarterly, and annual data for the NFPS and the central government according to the SDDS prescriptions. Quarterly data dissemination exceed SDDS prescriptions.</p> <p><b>Consistency.</b> The AFPC staff follows a tradition of reviewing the internal consistency of data (vertical checks), and temporal consistency (monthly data add up to the quarters, and the sum of quarterly data equal annual data). Data are also compared with equivalent period for earlier years. However, there is no routine reconciliation of GFS with other macroeconomic statistics.</p> <p><b>Revision policy and practice.</b> The AFPC does not have a regular and transparent schedule of revision. However, data are labeled as preliminary when published for the first time. Studies and analysis of data revisions are not made public</p>	<p><b>Data accessibility.</b> Monthly, quarterly, and annual statistics along with reports prepared by the AFPC are disseminated through the webpage of the MFPC. Data are compared with earlier periods and presented in percent of GDP. Detailed data, however, are published only for the central government. Data are disseminated according to the advance release calendar included in the DSBB of the IMF.</p> <p><b>Metadata accessibility.</b> Data on the operations of the NFPS prepared by the AFPC do not include explanatory methodological notes. However, SDDS metadata posted in the DSBB notes that the compilation methodology is aligned with <i>GFSM 1986</i>. Data are structured and summarized as presented to the authorities for fiscal policymaking. Users are not consulted on their needs. However, users may request available detail that has not been published. This can be done through the website of the MFPC.</p> <p><b>Assistance to users.</b> The AFPC provides assistance to users through the website of the MFPC. Users may submit questions and send suggestions.</p>

Table 3c. Colombia: Assessment of Data Quality—Monetary Statistics

2. Methodological soundness	3. Accuracy and reliability	4. Serviceability	5. Accessibility
<p><b>Concepts and definitions</b> are broadly consistent with those in the <i>Monetary and Financial Statistics Manual (MFSM)</i>. However, the monetary aggregates include the deposits of the central government, which is a departure from the <i>MFSM</i>.</p> <p><b>Scope.</b> The monetary statistics cover all depository corporations except mutual funds and capitalization societies. At end-July 2005, the mutual funds represented about 2 percent of M3 and bank credit.</p> <p><b>Classification/sectorization</b> of the BR accounts follow the <i>MFSM</i>. However, the sectorization in the accounts of the other depository corporations (ODCs) excludes some positions with residents and nonresidents. This is available in the newly introduced report form 338, but is not being used yet. Financial derivatives are recorded on a net basis and included in credit to other nonfinancial corporations. The presentational format of the various surveys is not fully in line with the <i>MFSM</i>.</p> <p><b>Basis for recording.</b> Financial assets in the BR and ODCs accounts are valued at market prices. However, accrued interest is not incorporated into all underlying instruments and sectors. Partial netting is applied to several aggregates in the depository corporations survey.</p>	<p><b>Source data</b> provide sufficient detail to identify financial instruments and counterpart sectors, and to approximate the definitions recommended in the <i>MFSM</i>. The source data are timely. While the Chart of Accounts does allow adequate sectorization of transactions, the BR routinely obtains (with cooperation from the SB) supplementary information from financial agents that allow compilers to adequately identify transactors.</p> <p><b>Assessment of source data</b> is sound. Balance sheets are routinely reviewed and financial corporations consulted for clarification when unusual movements in the data are detected.</p> <p><b>Statistical techniques</b> are generally sound. The compilation process is highly automated and electronic compilation procedures minimize the likelihood of compilation errors.</p> <p><b>Assessment and validation of intermediate data and statistical outputs.</b> Balance sheet data and additional sectorized information are routinely validated against data from other sources. Statistical discrepancies and other potential problems are investigated and taken into account in future work programs.</p> <p><b>Revision studies</b> are carried out routinely to ensure the reliability of data. The findings are documented and taken into account in the compilation of data for subsequent periods.</p>	<p><b>Periodicity and timeliness.</b> SDDS prescriptions on periodicity are exceeded and those on timeliness are met. Colombia takes the flexibility option on the timeliness of the analytical accounts of the banking sector. It should be noted, however, that the BR disseminates a substantial amount of data well in advance of the release of the consolidated accounts of the banking system.</p> <p><b>Consistency.</b> Monetary statistics are consistent within the dataset, over time, and with balance of payments and fiscal statistics.</p> <p><b>Revision policy and practice.</b> The BR revises monetary statistics when there have been changes in methodology, institutional and financial instrument coverage, and source; or data errors. Preliminary data are clearly identified. Significant revisions are documented in methodological notes that are disseminated to the public.</p>	<p><b>Data accessibility.</b> The presentation of monetary statistics is clear and useful for meaningful purposes, and the statistics are released on a pre-announced schedule. Monetary statistics can be reconciled across published tables and the dissemination formats are user-friendly.</p> <p><b>Metadata accessibility.</b> Documentation on the definitions, concepts, sources of data, periodicity, institutional coverage, and compilation procedures are posted on the BR's web page, which has a section on the SDDS. Posted SDDS metadata and other related descriptions are reviewed quarterly and updated regularly. Summary methodologies and departures from internationally accepted standards are not disseminated.</p> <p><b>Assistance to users</b> is provided on request. The BR's publications and web page provide detailed contact information. A catalog of publications and prices is available in the BR's publications and web page.</p>

Table 3d. Colombia: Assessment of Data Quality—Balance of Payments

<p><b>2. Methodological soundness</b></p> <p><b>Concepts and definitions.</b> The BR compiles the balance of payments statistics in broad conformity with the guidelines of the <i>BPM5</i>.</p> <p><b>Scope.</b> Contraband and illegal trade are not covered. As recommended by <i>BPM5</i>, resident-resident transactions, including transactions between the free trade zones and residents, are excluded from the balance of payments. However, contrary to the residency principle underpinning the <i>BPM5</i>, some government bonds issued abroad and purchased by residents are included in the financial account.</p> <p><b>Classification/sectorization.</b> Classification/sectorization systems are broadly in line with <i>BPM5</i> guidelines. Some foreign direct investment transactions in equity and debt are misclassified in terms of functional category. Consequently, related investment income series are also misclassified.</p> <p><b>Basis for recording.</b> The principle of market valuation is generally used. However, flows derived from stocks for debt securities (assets) of banks are not adjusted for valuation changes. Recording is mostly done on an accrual basis. However, interest on external public debt and some dividend payments are recorded when paid.</p>	<p><b>3. Accuracy and reliability</b></p> <p><b>Source data.</b> The composition of data sources (surveys, ITRS, and administrative records) is broadly sufficient to compile balance of payments data.</p> <p><b>Assessment of source data.</b> Accuracy of data from surveys is routinely assessed to ensure the frame is current, and to monitor sampling and nonsampling errors. ITRS misreported transactions are kept to a minimum and nonsampling errors are monitored. External debt data are reviewed with the Statistical Committee on Public Finance.</p> <p><b>Statistical techniques.</b> Automated systems minimize errors. Nonresponse is kept to a minimum by rigorous follow-up. Estimates for travel data are verified through several sources. Reliable estimation techniques to produce timely quarterly estimates of unrecorded trade have yet to be developed (see Scope).</p> <p><b>Assessment and validation of intermediate data and statistical outputs.</b> Intermediate results are validated against other information.</p> <p><b>Revision studies.</b> Internal studies are conducted and documented but no formal analysis are undertaken of patterns and trends</p>	<p><b>4. Serviceability</b></p> <p><b>Periodicity and timeliness.</b> Data meet SDDS periodicity and timeliness prescriptions.</p> <p><b>Consistency.</b> Statistics are broadly consistent and/or reconcilable with those obtained from other frameworks. Errors and omissions have been stable over time and they have not been large. Financial transactions are reconciled with changes in the international investment position.</p> <p><b>Revision policy and practice.</b> The quarterly revision cycle is predetermined and stable, but it is not formally made known to the public. Annual and historical revisions are carried out as needed. Users are informed when data are preliminary or revised. Studies of revisions are made available internally but not published.</p>	<p><b>5. Accessibility</b></p> <p><b>Data accessibility.</b> Statistics are released on a pre-announced schedule through a press release. A range of balance of payments data is readily available in press releases in different formats and presentations. The statistics are made available to all users at the same time.</p> <p><b>Metadata accessibility.</b> A document describing sources and methods is available through the <i>Revista del Banco de la Republica</i>. It is also available to users in Word format on request. Different levels of metadata are available to meet users' needs.</p> <p><b>Assistance to users.</b> Prompt and knowledgeable service and support are available to users. The Client Services page on the website includes the e-mail address and phone numbers of the Department of Economic Studies. Direct contact points for balance of payments statistics are included in some studies and papers but not posted on the website.</p>
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### III. STAFF'S RECOMMENDATIONS

13. Staff's recommendations are aimed at redressing shortcomings identified in the assessments, which are based on the review of statistical practices, discussions with the data producing agencies, and input from users. Recommendations propose ways to further increase observance of international standards. Their implementation would help enhance the analytical usefulness of Colombia's statistics. Apart from the high priority recommendations presented below, the companion Detailed Assessments volume presents additional recommendation for most datasets in the final section of the respective chapter.

#### **Cross-cutting Recommendations**

- Review the legal framework for statistical activity, including to strengthen the institutional and financial independence of the NADS. This will require (i) appointing its head for a period overlapping that of the government; (ii) making its budget subject of direct approval by Congress in the context of a multi-year plan for statistical improvement; (iii) enabling it to apply sanctions on non-reporting government entities; and, (iv) increasing its budget.
- Strengthen inter-agency collaboration, including through activation of the National Commission of Statistical Information envisaged by decree 1820 of 1990. Raising the effectiveness of this commission would require limiting its membership to the entities that effectively carry the heavier responsibilities in the production of macroeconomic statistics: the NADS, the BR, the MFPC, and the CO.
- Within the national information policy and the government's connectivity agenda, launch a robust effort to strengthen statistical culture in central government ministries, local governments and enterprises with support from the highest political level. This could be done through a decree requiring statistical compilers within the public sector to adhere to compilation and reporting standards to be set by the National Commission of Statistical Information.
- Adhere to a policy whereby only the responsible institution (that is a member of the National Commission of Statistical Information) may release official data.
- Expand revision studies to include more analysis on the direction and magnitude of revisions as well as long-term revision patterns. Make these studies available to the public and inform the public of the revision cycle.
- Specify the time of the day of publication in the advance release calendars.
- Summary methodologies should be posted on the DSBB and periodically updated.

#### **National Accounts**

- Publish preliminary estimates of the national accounts for 2003 without further delay.
- In collaboration with the NTCD, prepare a directory of establishments to provide an adequate basis for sample surveys.

- Elaborate a *data model* to guide the building of a data warehouse aimed at improving the consistency of source data at the micro level that supports compilation of the national accounts as well as the balance of payments and fiscal statistics.
- Press ahead with work to change the base year to 2000, preferably by end-2005. Looking ahead, consider a one-off shortening of the cycle for changing the base year in order to take advantage of the wealth of data stemming from the results of the ongoing comprehensive censuses that will become available in the first half of 2006.
- Improve the treatment of the economic activity generated by the large illicit sector, moving beyond agricultural output.
- Measure GDP volume changes using annual chain indices; the measuring of government transactions should be made on an accrual basis.
- Reduce the publication lag of the preliminary estimate of quarterly GDP from 90 to 45 days, which would need to be reflected in the advance release calendar.
- Maintain an external relations policy aimed at promptly dispelling doubts, misinterpretation, and questions about the compilation of the national accounts (including the GDP of the manufacturing sector).
- Observe the (advanced) release calendar for annual GDP.

#### **Government Finance Statistics**

- Strengthen the authority of the MFPC/AFPC to collect information from any public sector institution. In addition, all proposals for legal action with a possible impact on the reporting, storing, or dissemination of fiscal data must be reviewed by the AFPC, with its opinion to be taken into account at the highest ministerial level.
- Make the MFPC/AFPC responsible for undertaking systematic reconciliation of fiscal aggregates (including public investment) produced by the different institutions involved (GAO, CO, BR, NADS, NPD, NTCD, GDPC, as well as other internal units of the MFPC). This will require a greater resource endowment.
- The AFPC should compile data on the financing of each of the NFPS entities, which will require requesting from reporting agencies data on below-the-line operations. The BR should disaggregate net credit to the public sector by individual entity. These actions by the AFPC and the BR will permit better validation of data on the fiscal outturn.
- The MFPC should develop the functional classification of the nonfinancial public sector expenditure.
- Monitor user needs, with efforts directed at ensuring that published data meet demands for more detail, longer time series, and methodologies information.
- Increase efforts to make users aware of data dissemination practices. In particular, explain that differences between the datasets used for policymaking (AFPC) and auditing and control (GAO, CO). Also, inform the public that selected officials in

charge of formulating macroeconomic policy, policymakers, and the IMF receive fiscal data in advance of public release. Intensify efforts at publicizing the advance release calendar, including by hyper linking the MFPC's website to the SDDS.

- Provide more computing resources to improve the compilation of data in AFPC, which should support efforts undertaken by the MFPC's Fiscal Support Directorate, FOSIT, and GAO.

### **Monetary Statistics**

- Publish monetary aggregates excluding the deposits of the central government, as recommended by the *MFSM*.
- Press ahead with work underway to improve sectorization, including positions with nonresidents, now available in the call report form 338. Looking to the medium-term, consider revising the chart of accounts to ensure that reporting from banks meets statistical needs in a comprehensive manner, thereby reducing the need for supplementary information.
- Incorporate accrued interest into all underlying financial instruments and sectors.
- Introduce formal procedures for consultations with users, such as user surveys and periodic meetings.

### **Balance of Payments**

- In consultation with the NADS, develop, without delay, a methodology to include unrecorded trade in the balance of payments on a timely basis. A statistical technique would need to be designed to estimate illegal exports and counterpart transactions.
- Reclassify FDI intercompany debt transactions from other investment to FDI. Based on the 10 percent ownership criteria of FDI, reclassify some FDI equity transactions to portfolio equity. Adjust the related investment income series accordingly.
- Continue efforts to identify government bonds issued abroad and purchased by residents as well as those purchased by residents on the secondary market.

Table 1. Colombia: Dissemination Practices Compared to the SDDS Coverage, Periodicity, and Timeliness of Data

SDDS Data Category	Coverage (meets SDDS requirement)	Periodicity		Timeliness		Comments
		SDDS	Colombia	SDDS	Colombia	
<b>Real Sector</b>						
National accounts	Yes	Q	Q	Q	Q	
Production index/indices	Yes	M	M	6W ( <i>1M encouraged</i> )	9W	Taking flexibility option on the timeliness of the data.
Employment	Yes	Q	M	Q	M	Periodicity and timeliness exceed SDDS requirements.
Unemployment	Yes	Q	M	Q	M	Periodicity and timeliness exceed SDDS requirements.
Wages/earnings	Yes	Q	M	Q	9W	Periodicity and timeliness exceed SDDS requirements.
Consumer price index	Yes	M	M	M	NLT 5 WD	Timeliness exceeds SDDS requirements.
Producer price index	Yes	M	M	M	5 WD	Timeliness exceeds SDDS requirements.
<b>Fiscal Sector</b>						
Nonfinancial public sector	Yes	A	Q	2Q	Q	Coverage, periodicity and timeliness exceed SDDS requirements.
Central govt. operations	Yes	M	M	M	M	
Central govt. debt	Yes	Q	Q	Q	Q	
<b>Financial Sector</b>						
Analytical accounts of the banking sector	Yes	M	W (data on monetary and credit aggregates) M (data on the external position and the split of monetary and credit aggregates between the public and private sectors)	M	8 D (for weekly data)  6W (for monthly data)	Weekly data exceed periodicity and timeliness requirements, but do not include certain prescribed components. Taking flexibility option on the timeliness of certain data.
Analytical accounts of the central bank	Yes	M ( <i>1W recommended</i> )	W	2W ( <i>1W encouraged</i> )	8 D (for weekly data) 2 W (for monthly data)	Periodicity exceeds SDDS requirements.
Interest rates	Yes	D	D	...	D	
Stock market: share price index	Yes	D	D, M	...	2-8 D	
<b>External Sector</b>						
Balance of payments	Yes	Q	Q	Q	1Q	
Official reserve assets	Yes	M (W recommended)	D (for official reserves)	W	NLT 1W	Timeliness exceeds SDDS requirements.
Reserves template	Yes	M	M (for reserves template)	M	7D	
Merchandise trade	Yes	M	M	8W ( <i>4-6W encouraged</i> )	8W	
International investment position	Yes	A (Q recommended)	Semi-annual	3Q ( <i>1Q encouraged</i> )	6M	Periodicity and timeliness exceed SDDS requirements.
External debt	Yes	Q	Q	Q	1Q	
Exchange rates	Yes	D	D	...	D	
<b>Addendum: Population</b>		A	A	...	3M	

**Note:** Periodicity and timeliness: (D) daily; (W) weekly or with a lag of no more than one week from the reference data or the closing of the reference week; (M) monthly or with a lag of no more than one month; (Q) quarterly or with a lag of no more than one quarter; (A) annually; and (...) not applicable. *Italics indicate encouraged categories.*

INTERNATIONAL MONETARY FUND

COLOMBIA

**Report on the Observance of Standards and Codes (ROSC)—Response by the  
Authorities**

October 3, 2006

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The National Administrative Department of Statistics (NADS), the Office of Advisors to the Fiscal Policy Council (AFPC) of the Ministry of Finance and the Bank of the Republic (BR) are in broad agreement with the assessments and recommendations in the data ROSC. To facilitate appreciation of evolving statistical conditions, challenges, and prospects, this Response offers observations, clarifications, and plans to address the recommendations of the data ROSC mission of September 2005 as well as measures adopted since the mission.

## I. NATIONAL ACCOUNTS

The National Administrative Department of Statistics (NADS) offers the following specific observations:

The data ROSC notes that the “activities of the NADS are supported by a myriad of decrees and laws. While this ample legal framework nominally empowers the NADS to play a leading role in the statistical system, several of the key legal provisions are not implemented. In particular, the coordinating role of the NADS is effectively absent, even as the decentralization of statistical activity that began in 1993 increased the need for oversight. A deficiency is the lack of provisions mandating dissemination across the statistical system. The professional independence of the NADS could be seen as vulnerable, as its head is appointed by the President for a period coinciding with that of the government. A paucity of resources and comparatively low compensation for its staff slows NADS efforts to improve the national accounts and other statistics. Despite these shortcomings, there is a tradition of professionalism and high technical standards at the NADS that have facilitated its work and earned high credibility for its output, particularly the CPI.” (Vol. 1, p. 4). In this regard, the NADS would like to note that its operational mechanisms will be strengthened through the implementation of the National Strategic Plan of Basic Information ([PLANIB](#)) launched in March 2006. This plan has as a short-term objective overcoming the present crisis of basic information that is reflected in data gaps, lack of opportunity, insufficient data disaggregation, limited coverage, confusing duplication, precarious credibility, and difficult access to data.<sup>1</sup>

Regarding “high-priority recommendations” (Vol. 1, starting on page 31), we the NADS would like to note the following:

- On the first bullet point: estimates of the national accounts for 2003 were published in the NADS website in February 2006, and final figures for 2004 are being prepared.
- On the fourth bullet point: work to change the base year to 2000 is underway, with results for the series 1998–2002 to be completed by end-2006 and data for 2005 by mid-2007. During the second half of 2006, we plan to initiate work to update the base

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<sup>1</sup> More information is available at [PLANIB](#).

year to 2005, which will take into account the information on the agriculture, livestock, and other economic sectors that will result from the 2005 general census.

- On the fifth bullet point: the NADS is conducting a study of illicit activity focusing on the agricultural and industrial sectors and taking into account repatriated financial flows stemming from exports. Two approaches are being followed. Under the first, these activities are considered part of the national economy, while the second approach treats these activities as part of an enclave. In the first case, illicit activities affect both the level and sectoral composition of output. The second approach has the advantage of isolating the economy from illicit activities, while focusing on the financial flows between the economy and the enclave.
- On the sixth bullet point: the compilation of the new 2000-based national accounts improves measurement of government services, as the General Accounting Office is now requiring government units to present financial statements on an accrual basis.
- On the seventh bullet point: a key factor preventing dissemination of quarterly GDP data 45 days following the reference period is that producers of source data submit data 45-60 days after the end of the quarter. In addition, subsequent compilation stages take four weeks: (1) data collection; (2) consistency analysis; (3) capture of indicators in the system; (4) constant-price data consolidation from the demand and supply sides; (5) consistency analysis of the macroeconomic variables at constant prices; (6) incorporation of price indices; (7) conversion of variables to nominal levels; (8) consistency analysis of macroeconomic variables at current prices; (9) preparation of the press bulletin; (10) preparation of annexes and tables on demand and supply that are published subsequently; (11) holding of internal and inter-institutional meetings; and (12) publication of quarterly GDP at current and constant prices. Each of these stages involves review, incorporation of new information, and analysis of various consolidation runs.

Concerning “other recommendations,” we would like to note:

- On the second bullet point: the compilation of the new 2000-based national accounts ensures the consistency and improves the link between the methodology for calculating production of housing services and the measurement of activity in the construction sector. This is done by relating the value of annual and quarterly production of housing services with the value of rentals, taking the information from built units by city and socio-economic strata obtained from the Building Census.
- On the third bullet point: technical assistance is needed in order to improve estimates of the financial sector GDP, by separating capital profits/losses from interest earned on financial instruments.
- On the last bullet point: contact information for NADS can be found at [www.dane.gov.co/acerca del dane/directorio de funcionarios](http://www.dane.gov.co/acerca%20del%20dane/directorio%20de%20funcionarios).

Regarding the ratings summarized in Table 1 (Vol. 1), we would like to point out that:

- A rating of “LO” was given on scope, as coverage of illicit activities is limited to value added in agriculture. Measurement of illicit crops is made using information directly provided by agencies responsible for preparing the basic statistics: cultivated area net of eradication and average transaction prices in-farm. Parameters for yield per area, coefficients of the conversion of coca leaf into paste, and the number of crops per year are obtained from specialized studies conducted by international agencies for regions of the country.
- A rating of “LO” was given on assessment and validation of intermediate data and statistical outputs. The NADS evaluates intermediate results, with processes conducted on the basis of available informational developments. Sectoral and institutional cross-checking are made on electronic sheets, as in the case of interests and tables of transferences, which are necessary to ensure consistency.

## **II. GOVERNMENT FINANCE STATISTICS**

In order to evaluate the ROSC recommendations, it is important to review the reasons that led to the creation of the AFPC, as well as its functions and their origins.

The AFPC was established in 1989 as an independent entity charged with providing input for fiscal policy decision making by members of the Fiscal Policy Council. The AFPC has specific functions, derived from those of the Fiscal Policy Council, that are regulated by the following laws:

### **A. Law 38 of 1989**

#### **Article 18. Composition of the Fiscal Policy Council**

*Paragraph 1. The Fiscal Policy Council shall have two full-time advisors, appointed by the President of the Republic, who are experts with comprehensive training in economics and recognized experience in fiscal management. The costs of operating this Council may be covered by the Administrative Department of the Office of the President of the Republic, by the Ministry of Finance and Public Credit, or by entities affiliated with or linked thereto.*

### **B. Law 179 of 1994**

#### **Article 10. Amends Article 17 of Law No. 38 of 1989 as follows:**

The Fiscal Policy Council shall:

- 1) Approve, amend, and evaluate the financial plan of the public sector prior to its submission to CONPES (National Economic and Social Policy Council), and establish measures for strict compliance therewith.

- 2) Identify and analyze the fiscal implications of the Annual Operating Plan for Investments prior to submitting said Plan to CONPES.
- 3) Set the financial targets for the preparation of the Annual [Public-Sector] Cash Program Monthly Breakdown.
- 4) By resolution, approve and amend the income and expenditure budgets of State-owned industrial and commercial enterprises and mixed-ownership companies devoted to nonfinancial activities, prior to consulting with the respective Ministry.
- 5) Conduct other such activities as stipulated in the Organic Budget Law, its regulations, or the annual budget laws.

The national government shall regulate aspects of the performance of these functions as well as others relating to its operations. These functions may be delegated. The Directorate General of the National Budget shall serve as the Executive Secretariat of this Council.

**Article 11. Amends Article 18 of Law 38 of 1989 as follows:**

**Nature and Composition of the Fiscal Policy Council.** The Fiscal Policy Council shall report to the Ministry of Finance and Public Credit, regulate fiscal policy, and coordinate the budget system.

The Fiscal Policy Council shall comprise the Ministry of Finance and Public Credit, which shall chair the Council; the Director of the Administrative Department of National Planning; the Economic Advisor to the Office of the President of the Republic or designated representative; and the vice ministers of finance and the directors general of national budget, public credit, taxes and customs, and the treasury.

**C. Law 225 of 1995**

**Article 3.** In exceptional cases involving infrastructure, energy, communications, aeronautics, defense, and security projects, as well as guarantees for concessions, the Fiscal Policy Council may allow assumption of obligations that impact the budget of future fiscal years without making any appropriations in the budget year in which the authorization is granted. In these cases, the Executive Secretariat shall send the congressional economic committees a list of the authorizations approved by Congress.

The borrowing contracts and the counterparts stipulated therein shall not require the authorization of the Fiscal Policy Council in order to assume obligations that impact budgets of future fiscal years. These contracts shall be governed by the standards regulating public credit operations.

**Article 10.** The Annual Cash Program Monthly Breakdown (PAC), financed with public resources (depending on its validity, budgetary reserves, and accounts payable), must be approved by the Fiscal Policy Council.

Modifications to the PAC that do not alter the total amounts authorized by the Fiscal Policy Council shall be approved by the Directorate General of the Treasury of the Ministry of Finance and Public Credit.

The PAC and its amendments, financed with the revenues of public entities, shall be approved by the executive boards or committees based on the global payment targets set by the Fiscal Policy Council.

The national government shall establish the requirements, procedures, and timelines that must be followed to ensure compliance with this Article.

**Article 14.** In Laws 38 of 1989 and 179 of 1994, “Directorate General of the National Budget of the Ministry of Finance and Public Credit” shall be replaced by “Directorate General of the National Treasury of the Ministry of Finance and Public Credit” when referring to advice given for the preparation, establishment, modification, and reduction of the Annual Cash Program, and by “Fiscal Policy Council” when referring to the postponement and limitation of the Annual Cash Program.

**Article 31.** Total indebtedness quotas. The national government may set a global total indebtedness quota for different state entities, which shall exempt the latter from some procedures in the National Planning Department, the Fiscal Policy Council, the Ministry of Finance, and other competent institutions. The national government may simplify the current procedure at its discretion.

#### **D. Decree Number 111 of 1996**

Compiles Law 38 of 1989, Law 179 of 1994, and Law 225 and 1995, comprising the Organic Statute of the Budget.

Issued by the President of the Republic of Colombia, exercising his constitutional and legal powers, particularly those granted through Law 225 of 1995.

**Article 6.** The budget system comprises a Financial Plan, an Annual Operating Plan for Investments, and an Annual Budget (Law 38 of 1989, Article 3; and Law 179 of 1994, Article 55, para. 5).

**Article 7.** The Financial Plan is a public-sector financial planning and management tool based on the effective operations of the entities whose exchange rate, monetary and fiscal impact is so significant that they must be included in the plan. The plan shall take into account the revenue, expenditure, deficit and financing forecasts under the Annual Cash

Flow Program and the Exchange Rate and Monetary Policies Program (Law 38 of 1989, Article 4; Law 179 of 1994, Article 5, para. 5).

**Article 8.** The Annual Operating Plan for Investments shall list investment programs and classify them by sector, entity, and program. This plan shall reflect the principles of the National Investment Plan. The National Planning Department shall prepare a regional and departmental investment budget report for discussion in the economics committees of the Senate and the House of Representatives (Law 38 of 1989, Article 5; Law 179 of 1994, Article 2).

**Article 24.** In exceptional cases involving infrastructure, energy, communications, aeronautics, defense, and security projects, as well as guarantees for concessions, the Fiscal Policy Council may allow obligations to be assumed that impact the budget of future fiscal years without making any appropriations in the budget year in which the authorization is granted. In these cases, the Executive Secretariat shall send the congressional economic committees a list of the authorizations approved by Congress.

The borrowing contracts and the counterparts stipulated therein shall not require the authorization of the Fiscal Policy Council in order to assume obligations that impact budgets of future fiscal years. These contracts shall be governed by the standards that regulate public credit operations.

**Article 26.** The Fiscal Policy Council shall:

- 1) Approve, amend, and evaluate the financial plan of the public sector, prior to submitting said Plan to CONPES, and establish measures for strict compliance therewith.
- 2) Identify and analyze the fiscal implications of the Annual Operating Plan for Investments prior to submitting said Plan to CONPES.
- 3) Set the financial targets for the preparation of the Annual [Public-Sector] Cash Program Monthly Breakdown.
- 4) By resolution, approve and amend the budget revenues and expenditures of state-owned industrial and commercial enterprises and mixed-ownership companies devoted to nonfinancial activities, prior to consulting with the respective Ministry.
- 5) Conduct other such activities as stipulated in the Organic Budget Law, its regulations, or the annual budget laws.

The national government shall regulate aspects of the performance of these functions and others relating to its operations. The functions may be delegated. The Directorate General of the National Budget shall serve as the Executive Secretariat of this Council.

Thus, Table 2b of the ROSC is incorrect when it asserts that “Decree 111 of 1996 gives the AFPC responsibility for compiling and disseminating statistics on the operations of the nonfinancial private [sic] sector (NFPS).” Based on this information, it may be concluded that, in general terms, some of the ROSC proposals for the AFPC are unrelated to the objectives for which this office was established and, consequently, to the nature of its functions:

- 1) It is recommended that the Fiscal Policy Council assume responsibility for systematically reconciling the fiscal aggregates prepared by various institutions. The Fiscal Policy Council is a consumer of fiscal data, which serves as the main input for making recommendations on fiscal policy decision making. To that end, information from the Bank of the Republic, the National Budget, the National Treasury, and directly from public-sector enterprises is used. In terms of fiscal analysis, no progress whatsoever would be made from reconciling information from a variety of sources, whose different methodologies seek to accomplish different objectives. This is why we disagree with this recommendation and believe that if this is indeed a core function, it should be the responsibility of the General Accounting Office, whose main objective is to compile and disseminate data.
- 2) Regarding the recommendation to compile information on financing for the nonfinancial public sector, the Fiscal Policy Council is already required to have this information and to validate it with the Bank of the Republic.
- 3) The development of functional spending classifications is initially contingent on the adoption of this methodology in the General Budget of the Nation. Thus, the Directorate General of Budget must assess the feasibility of this type of classification in order to comply with this recommendation.
- 4) We disagree with the recommendation to inform the public that some officials and the IMF receive fiscal data prior to publication. This is part of the internal operations of the Ministry and does not add any value for data users.

We agree with the recommendations to:

- 1) Conduct follow-up with users to guarantee that the data published satisfies demand.
- 2) Improve the compilation and quality of data from regional and local governments. In fact, significant efforts are being made in this area as part of a joint initiative of the Fiscal Policy Council, the DAF, the DNP, and the CGN.
- 3) Increase the capacity of information technology resources.

### **III. MONETARY AND FINANCIAL STATISTICS**

Colombia has maintained a tradition of generating high-quality monetary and financial statistics (MFS). In recent years, The BR has advanced in three priority areas:

- Coverage of sectorized accounts has improved. With the introduction of form 338, there has been an increase in the number of operations monitored and in the number of counterpart sectors for those operations.
- Institutional coverage has been increased to encompass other financial intermediaries, meaning the inclusion of mutual funds in the depository corporations survey and of the pension and unemployment funds and trust companies in the financial corporations survey.
- The recommendations of the new *Monetary and Financial Statistics Manual* are being adopted, especially those related to monetary aggregates, accrual accounting, and valuation of financial assets.

These efforts are embodied in the adoption of the new forms for data reporting, which will be introduced in the second half of 2006. With these forms, almost all of the DQAF recommendations will be adopted, especially those regarding institutional coverage, use of all accounts of form 338, and compliance with international definitions regarding accruals and monetary aggregates.

On the operational side, regarding proactive consultations of the users of the BR's web page, or the streamlining of the information transfer systems, the BR has continued with its policy of continuous improvement. As a result, the BR changed its entire Web page in January 2006, including more user-friendly options in response to suggestions from users. Outreach to other institutions such as the Superintendency of Banks of Colombia has been pursued, with a view to maintaining a rapid and continuous flow of information.

#### **IV. BALANCE OF PAYMENTS Statistics**

As regards scope, the BR agrees on the need to incorporate estimates of unrecorded trade, and is discussing with the NADS possible sources and methods for estimation. Similarly, it agrees on the need to exclude from the balance of payments (BOP) Colombian government bonds issued abroad and purchased by residents, as well as those purchased by residents in the secondary market. However, the BR has noted that existing source data do not allow monitoring at this moment of secondary market sale/purchase by Colombian residents. Concerning classification, the BR continues efforts to ascertain whether outward foreign direct investment (FDI) equity transactions meet the 10 percent threshold in order to ensure appropriate classification. Also, in line with the data ROSC Recommendation, the BR plans to reclassify FDI inter-company debt transactions currently recorded under "other investment" into FDI. Due to unavailability of suitable source data, transactions involving migrants' transfers cannot be separately identified and are included indistinguishably in other BOP components.

Regarding basis for recording, the BR has noted that dividends recorded on the date paid only apply in the case of direct investment abroad. The BR will study the feasibility of undertaking a study of partner country data to produce data on an accrual basis.

INTERNATIONAL MONETARY FUND

COLOMBIA

**Detailed Assessments Using the Data Quality Assessment Framework (DQAF)**

Prepared by the Statistics Department

Approved by Lucie Laliberté and Anoop Singh

October 3, 2006

This document contains a detailed assessment by dataset of the elements and indicators that underlie the data quality dimensions discussed in Colombia'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>1995 ESA</i>	<i>European System of Accounts 1995</i>
<i>1968 SNA</i>	<i>System of National Accounts 1968</i>
<i>1993 SNA</i>	<i>System of National Accounts 1993</i>
AFPC	Office of the Advisors to the Fiscal Policy Council
<i>BPM4</i>	<i>Balance of Payments Manual</i> , fourth edition
<i>BPM5</i>	<i>Balance of Payments Manual</i> , fifth edition
BR	Bank of the Republic
CDIS	Coordinated Direct Investment Survey
CO	Office of the Comptroller General of the Republic
COFOG	Classification of Government Consumption by Purpose
COICOP	Classification of Individual Consumption by Purpose
CPI	Consumer Price Index
CPIS	Coordinated Portfolio Investment Survey
DQAF	Data Quality Assessment Framework
DSBB	Dissemination Standards Bulletin Board
FDI	Foreign Direct Investment
GAO	General Accounting Office of the Nation
GDP	Gross Domestic Production
GDPC	General Directorate of Public Credit
GFS	Government Finance Statistics
<i>GFSM 1986</i>	<i>A Manual of Government Finance Statistics 1986</i>
<i>GFSM 2001</i>	<i>Government Finance Statistics Manual 2001</i>
<i>GFSY</i>	<i>Government Finance Statistics Yearbook</i>
HBS	Household Budget Survey
HICES	Household Income and Consumption Expenditure Survey
IMF	International Monetary Fund
INSEE	Institut National de la Statistique et des Etudes Economiques
<i>ISIC</i>	<i>International Standard Industrial Classification of all Economic Activities</i>
ITRS	International Transactions Reporting System
MFPC	Ministry of Finance and Public Credit
<i>MFSM</i>	<i>Monetary and Financial Statistics Manual</i>
NAD	National Accounts Directorate
NADS	National Administrative Department of Statistics
NFPS	Nonfinancial Public Sector
NPD	National Planning Department
NTCD	National Tax and Customs Directorate
SB	Superintendency of Banks
ODCs	Other Depository Corporations
PPI	Producer Price Index
ROSC	Report on the Observance of Standards and Codes
SDDS	Special Data Dissemination Standard
SNA	System of National Accounts
<i>SITC</i>	<i>Standard International Trade Classification</i>
STA	IMF Statistics Department
TEID	Technical and Economic Information Department
UN	United Nations

## **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, government finance, money and banking, and balance of payments statistics was gathered from publicly available documents and information provided by the officials in the compiling agencies. This information is organized along the lines of the DQAF (Appendix II) and was used to prepare the summary assessment of data quality, based on a four-part scale of observance, shown in Colombia'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***

Decree 3167 of 1968 empowers the National Administrative Department of Statistics (NADS), an agency with the rank of technical ministry, to play the leading role in the compilation and dissemination of the national accounts. The National Accounts Directorate (NAD) is the NADS unit responsible for these tasks.

Article 14 of Decree 262 of 2004 endorses the functions of the NAD, specifying those for preparing annual, quarterly, national, regional, and satellite accounts to evaluate national, regional, and sectoral economic growth; developing and implementing national accounts and summary methodologies adapted to the country's conditions and characteristics; following international recommendations; performing methodological analyses of the various research activities undertaken by the NADS to guarantee consistency and quality; undertaking comparative analyses between economic research produced by the NADS and the results of similar research conducted by other public and private entities; carrying out studies to update the bases of the national accounts and provide technical support to the regions in preparing and implementing the regional accounts system; and disseminating the national accounts system for producers and users of macroeconomic statistics.

The NADS operating mechanisms have deteriorated since the early 1990s and are increasingly less compatible with its functions. Article 20 of Decree 3167 of 1968 states that no official organization can publish general statistics, such as the results of surveys, or statistics on prices, foreign trade, migration, national accounts and similar, without prior authorization from the NADS. Decree 1820 of 1990 created the National Statistical System and the National Statistical Information Council (NSIC), comprising 19 institutions, including the economics ministries, the National Planning Department (NPD), the NADS, and the Bank of the Republic (BR).

According to this decree, the primary function of the NSIC, an organization attached to the NADS, was to generally coordinate statistical activity undertaken by the various public sector entities and ensure integration between producers and users of statistics. Nonetheless, appropriate operating mechanisms were not put in place, with the result that the NSIC has never met or fulfilled its coordination function. This has led to a situation in which various entities produce data on the same variable, without mechanisms to facilitate consistency of methods and results. In the case of public investment and the value-added of the manufacturing sector, for example, confusion among users has arisen as different estimates for the same variable are published by different agencies. On the positive side, there are examples of good coordination that have no legal foundation. For example, the financial accounts prepared by the BR are used by the NADS in the preparation of the “real” component of the institutional sector accounts.

Conflicts between the responsibility of the NADS to prepare statistics and legal provisions relating to confidentiality or secrecy of certain data have not been fully resolved, and this has seriously impaired the timeliness of statistics. For example, the NADS has requested the National Taxes and Customs Directorate (NTCD) to provide institutional unit -level production figures for 2000. The NTCD supplied the data broken down by transactions, but aggregated according to the ISIC nomenclature, which does not give sufficient detail for each of the institutional units.

There is no law or any other official provision to underpin the professional independence of the NADS. The director of the NADS is appointed directly by the President of the Republic, usually for a period of office coterminous with that of the President, although on occasions resignations have required a midterm replacement, and there was one case in which the director has stayed in office during two consecutive presidential terms.

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

Results of procedures adopted to ensure an efficient and timely flow of administrative records and survey data have been mixed. While mechanisms for data sharing within the NADS are adequate, improved coordination with the BR could help make institutional sector accounts more consistent. Also, there is scope to improve information exchange with the various units of the Ministry of Finance and Public Credit (MFPC).

Apart from the NADS, several other agencies prepare estimates of public investment, including the MFPC’s office of Advisors to the Fiscal Policy Council (AFPC), the National Directorate of Planning (NDP), the MFPC’s General Accounting Office (GAO), and the Comptroller’s Office (CO). Information on how to reconcile the various estimates is not available, which complicates efforts by users to understand recent performance and trends.

Good communication is maintained by the NADS with other statistical bodies to foster understanding of statistical needs and take account of the workload of reporting entities. For example, several meetings have been held with the CO to classify government entities by institutional sector, and also when the single plan of accounts was approved. The NADS and

BR also maintain continuous contact in order to ensure that the real and financial accounts are reconcilable. Meetings are held to analyze and review operations of institutional units wherever discrepancies in net lending occur. In general, there is adequate coordination among NADS units in the handling of information requests directed to other entities.

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

Article 5 of Law 79 of October 1993 protects confidentiality of individual data. It states that data supplied to the NADS in the course of censuses and surveys may not be disclosed to the public, official entities or organizations, or government authorities, except in the form of aggregates from which it should not be possible to deduce any individual information that could be used for commercial, taxation, or judicial investigation purposes, or for any purpose other than the strictly statistical. In protecting the confidentiality of respondents, the NADS attaches the following notice to all its surveys: "The data requested by the NADS in this form are strictly confidential. In no circumstances do they have fiscal purposes, nor can they be used as judicial evidence."

Chapter III, paragraph 21 of Law 734 of 2002 establishes penalties for persons giving access to or revealing information to unauthorized persons. To avoid manipulation of information and protect confidentiality, passwords are assigned to master files, which can only be operated by designated researchers and supervisors. The NADS maintains a policy of protecting confidentiality of information by aggregating activities prior to publication of data at the regional level. Before publication, the staff involved examine all data to ensure that no confidential information is being indirectly disclosed. Staff scrupulously check that no piece of data can be easily identified using basic information provided by a given reporting unit. In responding to data requests for research purposes, the NADS delivers the information in aggregates that do not compromise its confidentiality.

The NADS maintains procedures to assign access codes to the computers and servers where the databases reside. This applies to each of the staff working in the production of basic information for the compilation of the national accounts. Record destruction is also governed by internal NADS regulations on the retention, filing and destruction of documents. The NADS protects the security of its facilities through electronic systems consisting of some 40 closed circuit cameras, supported by security surveillance involving seven permanent guards (supplied by specialized firms) working 24 hours a day on a staggered shift basis.

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

Decree 262 of 2004 supports the functions of the NADS as regards collection of data for statistics production purposes. This comprises requesting the information from private individuals and legal entities resident or domiciled in Colombia and from Colombian citizens domiciled or resident abroad. Data collection activities are consistent with the legal authority to carry them out. Article 6 of Law 79 of October 1993 states that the NADS can impose

finances on private individuals or legal entities for nonreporting and misreporting amounting to the equivalent of between 1 and 50 times the minimum monthly wage.

When designing a survey, the NADS normally checks that the needed data cannot be obtained through an alternative mechanism. In designing questionnaires, it uses terminology that is appropriate to the information sources in question, for which purpose it carries out the appropriate pre-testing and piloting to optimize the chances for an adequate response level. Surveys are regularly reviewed to check their validity and the usefulness of the information, based on the rate of response to the questions. This was done recently, for example, in the case of the 2005 annual surveys of commerce, services, and industry. The NADS hires skilled staff to assist respondents in completing and submitting the questionnaire forms.

## **0.2 Resources**

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

The number of staff on the permanent payroll (22) is insufficient to carry out the required activities on a routine basis. It has therefore been necessary to hire 44 contractuels to perform routine maintenance work on the 1994 database and tasks relating to special projects, in particular the change of base year to 2000. Although skill levels are appropriate, with an average of 10 years' experience among permanent staff, the high level of turnover among contractuels poses a persistent training challenge.

Wage levels at the NADS are equivalent to the middle-low central government range. Consequently, compensation is uncompetitive in comparison to other institutions that employ similar personnel, such as the MFPC, NPD, and BR.

The NAD has become more effective as a result of the adoption of modern information systems. It has invested in software tools well suited to the specific needs of the compilation of the national accounts. In particular, it has developed software to aggregate data and convert it to national accounts categories. This includes a series of applications developed using the open-license database manager Interbase 6.0, which is used to prepare institutional sector accounts and reconcile annual and quarterly supply-use balances. Given the information available for the year to be reconciled, and the fixed coefficients of the 1994 base year (covering over 50 percent of the records), the software constructs a reconciled supply-use balance proposal, which is reviewed by the accountants and adjusted as appropriate. Supply use tables are projected using Excel, and a RAS-type variant of the bi-proportional method (also developed in-house) is used to ensure consistency at the margin.

Construction of the new national accounts series with base year 2000 used the Eretes software, which was created in France as a result of collaboration between INSEE (Institut National de la Statistique et des Etudes Economiques) and Université de Lyon, with Progress being used as the database engine. Interfaces between local applications and Eretes have also

been developed, since they are complementary systems. As work is currently ongoing, completion of the integration process is still pending.

Each permanent or contracted staff member has his/her own computer connected to the network, with access to the applications developed in a client-server environment. However, current computing capacity is insufficient to handle the large volume of data processing required by the compilation of the national accounts.

Network backup is carried out on a monthly basis, which enables NAD users to keep a copy of their working files on the server; these data are saved on two tapes by the central NADS systems office; one of the tapes is kept in the NADS central office and the other is sent to the Bogota regional office, located elsewhere in the city.

Although facilities are adequate in terms of basic services, the physical space is crowded, which makes the working environment somewhat more difficult. Spaces reserved for meetings are extremely limited, which impairs communication.

At the present time, and because of the ongoing implementation of the 2005 general census (population, housing, agricultural establishments and units), a process has been started to restructure physical plant with a view to providing the organization with suitable offices and the necessary equipment. The planned auditorium, cafeterias, and rest areas will improve the working environment.

Transport services for data collection are adequate. The investment budget for NADS research activities includes appropriations for the transport of staff working on data collection and supervision tasks, depending on the geographical coverage of the research.

While the current budget of the NADS has been stable over the last few years, the investment budget, which funds statistical activities, has deteriorated. For example, the new 2000 base year series has been delayed by a year because resources were not assigned to it in 2003, despite an allocation in 2002 and the existence of a budgetary process that makes it possible to provide accurate information to the funding authorities.

#### *0.2.2 Measures have been adopted to guarantee efficient use of resources*

Staff performance is evaluated every year, applying the formula designed by the Civil Service Office, which takes technical, operational, and interpersonal relation competencies into account.

Effectiveness is promoted through cost/objective analysis, and by improving consistency in the use of concepts, classification systems, and other methodologies, between the different databases. In addition, the NAD has made frequent use of external expert services to evaluate statistical methodologies and data collection systems. Over the last eight years, several IMF missions have participated in evaluating institutional issues, sources, and methods. This does not take account of expert assistance to develop information technology platforms for the compilation process. Although with delays, the NADS has sought to implement IMF

recommendations on issues such as systematic comparison between data from industrial establishments and corporate balance sheets, the preparation of employment charts, and collaboration with the BR to prepare tables on debt service.

The NADS has a general planning system that enables it to control the use of resources and evaluate subsequent needs in terms of staffing and resource costs. There is a four-year track record of project execution, which makes it possible to identify the relatively more expensive and costly processes that should be minimized or cancelled.

### **0.3    *Relevance***

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

The functions established through Decrees 3167 and 1968 require the NADS to consult users to ensure the usefulness of the series and analyses it produces. Users are surveyed on specific aspects of data such as their usefulness in terms of detail, periodicity, and timeliness. An effort is made to ascertain users' points of view, including by providing e-mail access. Customer satisfaction is measured each year to ascertain which aspects need to be improved in terms of customer service and product dissemination. When designing a research activity, viability is assessed through feasibility studies and technical committees comprising specialized users; and a cost-benefit analysis is performed in relation to the satisfaction of internal and external user needs.

Although there is no periodic consultation process to evaluate the suitability of existing statistics, there are procedures for identifying and analyzing new needs. Whenever a research activity is proposed, its contents are submitted for internal and external review. Examples include consulting with the BR on imports and exports of services in the manufacturing industry; and with the Narcotics Office on the measurement of the output of illegal crops.

The NAD routinely participates in statistical meetings and seminars organized by international and regional organizations. Nonetheless, recent budgetary constraints are making it difficult to maintain such participation. For example, it will not be possible to participate in upcoming discussions of issues relating to the upcoming review of 1993 SNA with the Andean Community and the Economic Commission for Latin America.

## **0.4 Other quality management**

### *0.4.1 Processes are in place to focus on quality*

In recognition that quality is the cornerstone of its statistical work, the NADS was awarded the locally developed Quality Management System (SGC) certificate in 2002.<sup>1</sup> This award is based on the ISO 9001 standard<sup>2</sup> (2000 version) and is given to entities producing statistical services. Renewal of the respective certificate was obtained in July 2005 from the Colombian Technical Standards and Certification Institute.

The NADS maintain a quality management system that includes strategic and mission-based goals. Projects start with identification and analysis of customer requirements, and conclude with the dissemination of statistics. While this management tool only covers the quarterly accounts at present, plans are for adding the regional accounts project and the annual and satellite accounts. The importance of quality is also emphasized through staff training.

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

Measures have been adopted to systematically monitor and evaluate project quality, using indicators of timeliness, reliability, coverage, and customer satisfaction. There are also tools to assist personnel responsible for national accounts projects in evaluation and monitoring tasks, e.g. in the treatment of unusual output. Procedures for generating corrective, preventive, and improvement actions enable the different agencies involved to learn about and participate in action plans. These control procedures and plans are periodically audited to verify compliance with requirements and generate action plans when the need for correction or improvement is identified.

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

Quality issues are taken into account in planning the statistical program. These include needs for quality improvements identified in monitoring tasks and periodic reviews, and information on quality standards and the new information requirements of users. The trade-offs that exist between the different dimensions of quality have so far only been partially addressed, such as those between punctuality/timeliness and accuracy/reliability.

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<sup>1</sup> Governed by principles of customer focus, leadership, staff participation, a process- or project-based approach, a systemic management approach, and continuous improvement.

<sup>2</sup> 9001 by concepts and definitions relating to quality requirements.

## **1. Assurances of integrity**

### **1.1 Professionalism**

#### *1.1.1 Statistics are produced on an impartial basis*

Although there is no law or official provision underpinning its professional independence, the NADS recognizes that a culture of professionalism is essential to the credibility of statistical results. This is reflected by the low level of turnover among the technical managers on the permanent staff. In addition, hiring and promotion are based on professional competence. Permanent positions are appointed via competitive selection, and contractual posts are publicized, with requests for applications posted on the institution's website. Professional profiles are consistent with the professional functions of the post in question.

The NADS has a training policy for permanent employees, which includes courses on national accounts sources, methods, and compilation techniques. Over the last 10 years there has been staff participation in about two courses per year, on a variety of issues ranging from a seminar on financial accounts (Cesd-Madrid) to courses on de-seasonalization techniques (Statistics, Canada)

The NADS is currently serving as the headquarters of the Andean Center for High Studies, which was created by the Andean Community to implement a program of training on statistics in the region. This program offers a diploma course on national accounts, with plans for upcoming diploma courses on demography, sample-based surveys, and tools for interaction with large datasets.

In order to solidify the professional culture, the organization's policy is to give credit to the authors of research in NADS publications on statistical studies (bulletins and special documents).

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

Statistical sources and methods in research activities are chosen on the basis of an evaluation of data and resources available for sample design and the research methodology. At the same time, each research activity is framed by current international recommendations and adapted to the conditions of the country.

Decisions on data disclosure depend on the technical assessment of the statistical production process, and decisions on publication deadlines depend on the availability of the statistics.

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

The NADS releases information through press communiqués and bulletins. Economic analysts in public and private organizations and journalists have, at times, advanced interpretations of data that differ from those of statistical analysts at NADS. For this reason, NADS holds periodic seminars for journalists.

The NADS has a press office that periodically releases explanatory information of published data, although such material has been insufficient to prevent some errors of interpretation by certain users. Efforts are made by management to meet requests/needs of journalists.

The NADS monitors the news media, especially the economic press, to compare opinions on the country's economic and social trends with the data it releases. Also, NADS pays attention to the media's comments on the data it publishes.

**1.2 Transparency**

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

The website of the NADS provides access to the Organic Law on Statistics, which specifies the rights and duties of compilers and those of respondents. The NADS maintains a policy of publicly explaining aspects of its methodologies and data, when needed. The NADS has produced a catalogue that lists publications and contains summary descriptions and information on periodicity.

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

The government gains access to statistical information when it is disseminated by the NADS to members of the corresponding interinstitutional committee (including representatives of the BR, the NPD, the MFPC, and the GAO). Such data release coincides with the dissemination of executive reports to the media and their publication on websites.

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

A distinctive logo identifies the NADS as responsible for collection or publication. Whenever the NADS collaborates with other entities, it explicitly indicates the contribution made by each entity and records the respective credits, as exemplified by the financial accounts of institutional sectors being prepared by the BR.

When tables or figures published by the NADS include statistics prepared by other organizations, these are given due credit in the publication. However, when data prepared by the NADS are used by other entities, NADS does not request that its contribution be

acknowledged. Nonetheless, a resolution currently being drafted will request publication of such credit in the future.

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

During the design phase of research activities, interinstitutional committees meet to debate and inform external organizations of methodological and technical changes to a research activity. Also, specialized technical staff and economic journalists are invited to the presentation of new research and methodological changes. Examples include the change in the base year of the national accounts, and the inclusion of illegal crops in agricultural GDP.

**1.3 Ethical standards**

*Statistics policies and practices are governed by ethical standards.*

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

The staff of the NADS is subject to the same civil service legislation and regulations applicable to government employees. In addition, ethical values are to govern decisions and practices in the framework of the quality management system implemented and certified in July 2002 under ISO 9001:2000.<sup>3</sup> Absent a code of conduct to provide guidance on situations of potential conflict of interest and improper use/interpretation of statistics, ethical principles are expected to guide the attitudes and working styles required to further consolidate the prestige and credibility of the NADS. A leaflet on ethics and values entitled *Etica y valores en el DANE* (Ethics and values in the NADS) publicizes the ethical values and commitments established between institution and its staff.

**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 1993 SNA was adopted in 1995, when 1994 was established as a new base year. Discrepancies over concepts and definitions, stemming from the basic information available, are systematically examined.

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<sup>3</sup> These complement the Single Disciplinary Code for Civil Servants (Law 734 of 2002), which the Department applies to its employees.

## 2.2 *Scope*

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

The scope of national accounts statistics encompasses the accounts and aggregates included in the *1993 SNA*. The corresponding accounts and tables identified by the interministerial working group on national accounts as minimum requirements for implementation of *1993 SNA* are compiled on a regular basis. These include annual value added and GDP at current and constant prices by activity; annual expenditure on GDP at current and constant prices; components of annual value added at current prices by activity; sequence of accounts of the economy as a whole (up to net lending) with annual frequency; annual accounts of the rest of the world (up to net lending); quarterly value added and GDP at current and constant prices by activity; quarterly expenditure on GDP at current and constant prices; and annual supply-use tables. In addition, complete accounts are prepared by institutional sector and subsector, i.e., integrated economic accounts

The definition of the units comprising the economy is adjusted to *1993 SNA* guidelines. In particular, coverage of the economy includes:

- Free zones. The management of free zones supplies information on processing, storage, and commercialization activities, establishing both the output of the processing services and the respective inputs, thereby determining domestic and imported origin. This is used to adjust foreign trade figures for imports and exports.
- Persons working part of the year in other countries. This includes data reported in the balance of payments as income and as expenditure in the category “Remuneration of employees.”

Production is defined in accordance with *1993 SNA* guidelines. In particular, the following activities are included for the purposes of quantifying production:<sup>4</sup> own account production of all goods destined for final self-consumption; research and development activities undertaken on own account; production of goods for the formation of fixed capital on own account; mineral prospecting; and the production of computer software.

The main exclusions are the production of original computer software for leisure, literary, or artistic purposes because of a lack of direct data; and activities involving the processing and commercialization of illegally produced marijuana, coca paste, and poppy seeds. However, estimates of the value-added of the agricultural production of the latter (illicit) commodities are included.

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<sup>4</sup> Independently of the coverage actually achieved.

Assets are defined in accordance with *1993 SNA* guidelines. The following elements in particular are included for the purposes of estimating assets:<sup>5</sup>

Among tangible assets, fixed assets acquired by national defense agencies that have civil purposes are considered as gross fixed capital formation. Objects of value are measured in the national accounts, but the corresponding data is very limited. Historical monuments are not included. Ongoing agricultural work, especially in areas being prepared for permanent cultivation are included in work in progress.

Intangible assets include mineral prospecting and acquired computer software. The value of patent and trademark purchases is also recorded and appears in the financial statements of firms registered in the superintendencies. Both own-production of computer software and originals for literary or artistic recreation are not recorded in the national accounts.

Leased items are recorded in the national accounts as a tangible asset, and charged to the unit that uses the good (a fictitious transfer because there is no actual change of ownership), in order to reconcile production with the entity's investment. The financial entries between the lessee-lessor entities are those that underlie the transfer of the asset.

Any discrepancy regarding the scope described above is examined.

### **2.3 Classification/sectorization**

The classification/sectorization systems applied are broadly consistent with internationally accepted standards, guidelines, or good practices.

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

The classification and sectorization used in compiling the national accounts is generally consistent with recommended international systems. The *1993 SNA* is followed to classify institutional units, transactions, and other flows; ISIC3 adapted for Colombia (CIU-R3.AC) is used to classify activities; the CPC has been adopted for the classification by type of product generally used in the country, with modifications in the section relating to goods and international services. The classification of household consumption expenditure by purpose (COICOP) is used to classify household consumption; and the classification of government expenditure by purpose (COFOG) is used for the functions of government.

Any discrepancy with regard to the classification and sectorization systems described above is examined.

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<sup>5</sup> Independently of the coverage actually achieved.

## **2.4 Basis for recording**

The recording and valuation of flows and balances are in line with internationally accepted standards, directives, or good practices.

### *2.4.1 Market prices are used to value flows and stocks*

Market production is generally valued at basic prices. Production for own use is valued at the equivalent market price. Selective taxes on consumption or sales are included in the valuation of intermediate consumption. Value-added taxes, excluding the deductible portion, are included in the valuation of intermediate consumption. The deductible portion of VAT is excluded from the valuation of final uses. In some specific cases, corrections are made when transfer prices are detected, for example in the case of ECOPETROL. Information is available on insurance and freight for imported products. Imports and exports are valued on an f.o.b. basis. Transactions in foreign currency are converted using the intermediate exchange rate prevailing in the market at the time of the transactions: for goods, the average transaction rate for the working days of the month in question is used; the quarterly average of the official dollar exchange rate for all working days is used in the case of services.

Valuation systems are kept under review, particularly those for external trade, where the selection of the exchange rate for transactions has been changed from monthly to daily.

### *2.4.2 Recording is done on an accrual basis*

Transactions and flows are recorded on an accrual basis. Government transactions are excluded (income and expenditure, including taxes and subsidies), since these are recorded in budgetary executions. For the new 2000 base year, this discrepancy should be overcome since the GAO has requested all government units to present accounting statements on an accrual basis.

Work in progress is recorded as and when it occurs, i.e. at the closing of the accounting period in question, either annual or quarterly. In the quarterly case, unfinished housing, crops in formation, or ongoing infrastructure works are recorded as work in progress.

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

Transactions between establishments within the same enterprise are recorded on a gross basis, according to information supplied by the annual manufacturing survey.

### **3. Accuracy and reliability**

#### **3.1 Source data**

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

Collection programs used to compile the national accounts are generally adequate. Data sources are reviewed periodically to ensure that the scope of the collection program is exhaustive. For example, the basic source programs used by the NADS are frequently redesigned in methodological, thematic, logistic, and sampling terms, to ensure fulfillment of their national accounts purposes.

Annual statistics on enterprises and establishments are collected through a regular survey program. The main annual economic surveys comprise manufacturing, commerce, hotels and restaurants, information technology services, travel agencies, temporary hiring of workers, security and surveillance, and postal services.

There is no complete and up-to-date record serving as a basis for surveys of enterprises and establishments,<sup>6</sup> but there is a commercial register of establishments (RUE) which is partially updated annually through mini-surveys.

The calculation of sample sizes, monitoring of coefficients of variation,<sup>7</sup> and statistical analysis of expanded figures serve to ensure sample representativeness. The population of economic units is classified by activity and size, based on income, sales or production, and number of employees.

Survey questionnaires are prepared according to sound design principles. Prior to drafting the questions, the general goal of the measurement is determined along with its specific objectives, the output tables required, and the variables to be measured with the corresponding metadata. Data collection instruments are tested through office tests, pretesting, and pilot schemes, and are reviewed regularly on the basis of the response rate for each variable.

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<sup>6</sup> It is hoped to have a complete and up-to-date directory available as from 2006, with collaboration from the 2005 General Census, the NTCB and the Superintendency of Securities. This will also make it possible to review and periodically update the population parameters and weightings used in the estimation process.

<sup>7</sup> Such that the relative error of the estimation does not exceed the 5 percent range accepted by the NADS. In the case of the monthly manufacturing survey, the relative error of the estimation is no greater than 2 percent.

The form design process includes a flow of self-administered questions, in order to minimize nonsampling errors. There are forms containing a few questions for the monthly industry and trade surveys, and a broader battery of questions that contribute to the ex post control of data quality for the annual surveys of manufacturing, commerce and services. The survey framework facilitates complementary data collection, such that irregular data collection can support the central compilation.

The data collected are sufficiently detailed to produce the national accounts aggregates. Monthly information is obtained for 48 ISIC-R3.AC industrial categories of production, sales and employment. In addition, 68 ISIC-R3.AC industrial categories are included with information on production, intermediate consumption, fixed capital formation, and variations in inventories. The latter encompasses data on coffee, coal, and livestock, as well as on the change in inventories supplied by the annual manufacturing survey and the annual commerce survey (for large warehouses and general deposit warehouses).

Household income and expenditure surveys are performed regularly, roughly every 10 years.<sup>8</sup>

The statistical sample framework for the household survey is based on the 1993 Population and Housing Census, partly updated according to selected sampling segments and based on a previous count in the field. The household surveys use a probabilistic, stratified, and multistage design, with selection probabilities calculated for each stage in order to calculate expansion factors. The income and expenditure survey is performed throughout the year to take account of seasonal effects. Household surveys cover residential units, because the target population encompasses the whole civil population in private dwellings. Geographic coverage is not complete, since it excludes nine of the 33 departments which have low-density disperse populations and difficult access.

Complete government finance statistics are regularly available through financial reports and budgetary executions of the GAO, CO, and BR (balance of payments). The latter reports on current transfers received by the government from the rest of the world.

Nonetheless, there could be unregistered accounts that are kept confidential by the state for national security reasons. Examples include transfers from the rest of the world for military purposes and for the fight against drug trafficking.

Information from the CO on budgetary executions provides detailed data to calculate production, intermediate consumption, fixed capital formation, and final consumption expenditure by government services.

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<sup>8</sup> The next survey is expected to be carried out in 2006.

The data obtained from military records are generally adequate; clarifications are requested in the event of shortcomings in detail and coverage, or else annexes are requested which are duly taken into consideration in estimation processes.

Some surveys are carried out less frequently than once a year. These help determine the production accounts of sectors that are not covered more frequently, such as technological development surveys.

Price statistics are available in adequate detail for goods, such as producer and consumer price indices, the index of housing construction costs, the index of heavy construction costs, and the index of foreign trade, all of which are prepared by the NADS. For services, however, the only adequate price indices are those corresponding to public utilities. In the other cases, prices are not available directly from the source. Some services such as education, health, recreation, passenger transport, electricity, and water are covered by the consumer price index (CPI). For other types of services such as financial, insurance and auxiliary financial services, the total producer price index (PPI) (prepared by the BR) is used.

Price statistics are generally consistent with the variables being deflated in terms of price concept, coverage, and reference period. The producer price index is prepared with adequate criteria and breakdown for the national accounts.

The quarterly account compilers obtain direct monthly and/or quarterly data for all economic activities and, on exceptional basis, for certain products indirectly. They also incorporate the results of the Continuous Household Survey,<sup>9</sup> the Survey of Large Stores and Hypermarkets, the Quarterly Building Census, and the Quarterly Indicator of Civil Works. They also take into account foreign trade indices in terms of value, price, and volume, and financial statistics from the GAO on the general government and public financial and nonfinancial corporations.

Monthly/quarterly data and indicators provide a relatively adequate basis for compiling the components of expenditure on GDP, as follows:

Final consumption draws on data from the Continuous Household Survey, the Survey of Large Stores and Hypermarkets and the monthly wholesale trade sample. General government expenditure is obtained from budgetary executions, financial statements, balance sheets, and cash flow data from the MFPC. Foreign trade statistics come from the records of imports and exports compiled by the NTC. Compilation of data on gross capital formation uses data from the Monthly Manufacturing Sample, the Census of Buildings and Civil Works, and import records by product.

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<sup>9</sup> A quarterly survey, the main purpose of which is to measure employment and unemployment records. For the first and third quarter of each year, it also includes a module for the aggregate expenditure of households on goods and services.

Ad hoc surveys are carried out as necessary to fill gaps in the data. These normally involve consulting professionals specializing in the issue to be investigated.

Data collection programs are relatively open and flexible as regards changes in sources. For example, one of the permanent tasks of the NADS is to consult entities on business changes, such as mergers, privatizations, or changes in social purpose, which could affect data provided on regular basis. In addition, international standards, directives, and practices are monitored through seminars and expert recommendations to check whether any change has taken place that needs to be factored into the national accounts compilation system.

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

Source data are generally in line with recommended definitions, scope, classifications, valuation and time of recording. Statistics from economic surveys and from the accounting classifications of public and private institutions are governed by international classifications and use a single chart of accounts that permits homogeneous treatment. In addition, the basic data available in surveys and administrative records are valued at the transaction prices as required by the national accounts; and the reference period is consistent with the corresponding annual and quarterly information. The fiscal period runs from January to December, so statistics do not require any time adjustment. For the government sector, information is based on budgetary execution, while for other sectors administrative records also help fulfill the requirements of national accounts.

Sectoral coverage, for both annual and quarterly data, is highly representative (about 80 percent in value-added terms). Coverage is complete for agriculture, electricity, gas, water, financial services, and government services; nearly complete for communication services; around 80 percent for mining, industry, construction, and health services; and about 50 percent for the other services. Services affected by data gaps include land transport for passengers and freight, offshore maritime and inland waterway transport, certain business services (consulting, machinery leasing, and legal services) and personal services.

### *3.1.3 Source data are timely*

Source data are generally timely, except for the annual manufacturing survey, annual and quarterly imports, and civil works. A number of cases of significant delay occur in the provision of data to the NADS by public institutions, in particular. The most recent cases are ECOPETROL (affecting records for manufacturing industry) and the NTCD (which has still not filed import data for 2003 with the required breakdown and detail). The latter has impeded compilation of final estimates of the rest of the world account for 2003. The response rate of the private sector is high at over 90 percent.

Data compilation programs envisage timely provision of data, giving respondents fixed deadlines for data submission. There is also a timetable for reception and preparation of the national accounts, with deadlines that serve to monitor the reception of the required data.

### **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 these assessments are monitored and made available to guide statistical processes*

The accuracy of the data obtained from surveys is regularly assessed. The Statistics Methodology and Production Office (DIMPE) presents these with monthly coverage and quality indicators, which form the basis for improvement programs. This has allowed the design of improvements in the monthly manufacturing sample, for example, and a strengthening of the construction of physical volume indices by industrial establishment.

By analyzing the internal consistency and context of the data, the DIMPE identifies atypical values which are then checked with the sources. A record is kept of these situations. Changes in questionnaires are trialed through pretesting of techniques. Steps are taken to maintain consistency and continuity with previous versions. A quality index is prepared as part of process control for the collection, supervision, critique, and capture processes. In 2005, the annual industry surveys include randomly selected revision to produce a quality indicator.

The accuracy of administrative data and other information from complementary sources is periodically evaluated. A number of systems have been developed to ensure data consistency. In the case of government accounts, for example, a directory of entities is used to help monitor data coverage and consistency. In addition, using data from the annual manufacturing survey and records of goods exports and imports, a Paasche price analysis is performed in accordance with the six-digit national accounts classification, to calculate volume indices that capture effects on brands, size, qualities, and countries of origin. For the surveys that are available on services, data on operating income is cross-referenced with information from enterprises reported to the superintendencies, and also checked against physical indicators, such as the number of passenger kilometers, number of impulses, number of affiliates, or number of students enrolled, as the case may be.

### **3.3 *Statistical techniques***

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

Data compilation procedures are reasonably adequate. The NADS has developed complete systems for control and output tables, analyzing their consistency, assigning and reconciling the coding recommended in the 1993 SNA manual to each basic source operation. Seemingly abnormal data are identified and investigated with the direct source and with reporting annexes, with a view to verify or amend the results. Imputation and adjustment procedures in cases of no response have reasonably sound foundations. Auxiliary and reference data are used to compile population estimates.

Appropriate steps are generally taken to validate source data. Collection, verification, and validation procedures are established during the statistics production process, thereby reducing the errors that can occur in data production. These procedures allow for adjustments to be made to unit records, when clearly justified, and make use of annual tools, validation nets, reference ranges, and consistency and validation specifications. In statistical imputation procedures, as well as in the analysis of structure and trend that makes it possible to establish imputation models without distorting the population's characteristics, the cluster technique is also used to capture the homogeneous characteristics of observation units and to find a similar donor or unit, from which to impute information. This technique is used particularly in the case of new observation units for which there is no track record that would allow the use of models.

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

Adjustments are made, as appropriate, to ensure that data compilation adheres to the requirements of the national accounts. Special and continuous statistics are established for illicit and illegal activities where no continuous statistical information exists, e.g., for the underground economy, illegal crops, and contraband. In the case of the underground economy, estimates are made for the base year for participants registered as employed in households surveys. In the case of illegal crops, the statistical estimation comes from satellite observations that measure cultivated area, to which known yield parameters are then applied for the purpose of calculating production. For contraband, estimates are based on the statistical procedures used by the NTCD, which distinguish between open and technical contraband. In the case of open contraband, import declarations are analyzed by tariff line, along with the reception of that merchandise in customs. This method is used particularly for merchandise arriving from Panama, while goods from other origin markets are excluded.

### **Production approach**

Detailed estimates are compiled of annual production for 464 elementary products and 60 economic activities. Estimates of intermediate consumption are compiled with a breakdown that includes at least all the divisions of the classification. There are 25 economic activities for which intermediate consumption is only ascertained indirectly through the supply of main inputs. For example, chemical products and animal feed destined for the agriculture sector, and cement and other building materials in the construction sector. For 14 other cases, the measurement of the sector uses surveys and financial statements from which intermediate consumption is discerned. Technical coefficients are used in the case of non-modern services (eight activities) such as transport and personal services in general.

The NADS monitors the use of fixed coefficients obtained from reference frameworks or other sources. In the estimation of total value added, fixed coefficients that are more than five years old are used frequently (over 30 percent of cases). In some sectors, such as construction, education, and nonmodern services such as transport, the initial hypothesis

involves a fixed technical coefficient. Adjustments are then made for the supply of imports and consistency between intermediate supply and demand shown in balance sheets.

Estimates of value added by the largest industrial groupings (e.g., one-digit ISIC) make significant use of fixed coefficients that are over five years old.

A problem that emerges when calculating production and value added in the financial sector is that the valuation of financial instruments includes both interest and changes in the prices of securities (capital gains). As requests to the source to report the yields from the two concepts separately have been unsuccessful, various methods are being explored to break down these values. In view of this, the FISIM thus obtained contains a proportion of capital gains/losses which affects the sector's value added, although not GDP.

Reasonably adequate techniques are used to deal with specific problems in GDP compilation.

As regards owner-occupied housing, housing modules factored into household surveys are used to ascertain real and imputed rental values. Nonetheless, the method for calculating the production of housing rental services is independent of the measurement of construction sector, giving rise to significant differences in the behavior of the two indicators.

Except for the production of large scale equipment involving long-term production processes (e.g., ships), and fishing stocks, work in progress includes crops currently growing, standing trees, livestock bred for food purposes, and large-scale construction projects.

Concerning adjustment of the valuation of inventories, inventory data are used to prepare production estimates. For example, for coffee, or refinery charges for refined petroleum products in the case of intermediate consumption, which are valued at replacement cost at the time of their use without including valuation gains or losses.

The permanent inventory method is the conceptual basis used to estimate fixed capital consumption for the government sector. Fixed capital consumption is not estimated for public and private enterprises that produce financial statements because in 1994 (base year) there were no balance sheets for certain public corporations, and the only survey available was of manufacturing.

Cash figures are not converted into accruals for the government sector in the 1994 base. Procedures for compiling GDP volume measures are determined by the data sources.

Appropriate deflator/price indices are used to deflate annual production and intermediate consumption at the elementary product level (six digits), which are then aggregated at 2–3 and 4 ISIC digits to give 59 branches of economic activity. For this reason value added at constant prices is obtained through the double deflation method.

Only the quarterly accounts use indices/data on the volume of production to extrapolate value added, and the volume extrapolators are representative. In other words, technical coefficients

are used which are calculated from annual accounts at the two-digit nomenclature level to determine quarterly value added by branch of activity. This involves assuming a stable relation between value added and the representative production indicator for the short term and at the indicated level of aggregation.

Measures of the volume of product taxes/subsidies are estimated by extrapolating the tax/subsidy from the base year through a volume extrapolator of the transactions that are subject to a specific tax/subsidy. The volume of production of commercial margins is estimated by extrapolating base year commercial margins through a sales volume extrapolator.

In order to more appropriately represent the prevailing relative price situation, the volume change in GDP is measured through annual chain indices. In order to preserve identities, however, the chain volume index is applied to the base year values, and the new discrepancies arising are distributed between the different uses at the most disaggregated level. The base year is to be changed every five to ten years, mainly to update the information base and preserve identities among the different macroeconomic aggregates.

There is a mixture of the fixed and mobile bases. With an outdated base year (1994), the economic structures and relative prices of the base year are now out of date, and do not reflect economic reality, given changes in the structure of production. Applying chain indices updates relative prices, but if the base-year values are extrapolated using the chain volume index, then the base-year structure of activities continues to prevail. Avoiding this would entail moving to a fully mobile base. Resolving the resulting additivity problems would involve two alternatives.<sup>10</sup> The first is to publish non-additive “constant price” data as they stand without any adjustment. This is a transparent procedure that conveys to users the extent of the problem. The second is to distribute the discrepancies over the components at each level of aggregation. This entails a cost, as changes in the volume of components are somewhat distorted, which can be a major disadvantage for certain analyses. Consequently, it might be best to allow users to decide on whether to eliminate the discrepancies.

### **Expenditure approach**

Estimates of GDP by expenditure components are not obtained independently. In the framework of supply-use tables at the individual product level, the change in inventories tends to be determined residually, albeit with efforts at validation involving available indicators.

Expenditure estimates are compiled using insufficiently detailed classifications. Although household consumption expenditure is classified by purpose, as recommended by *1993 SNA* (COICOP), adoption of the GAO as information source has hindered the classification of

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<sup>10</sup> *1993 SNA* paragraph 16.58.

government expenditure by purpose (COFOG), given the aggregation of the data,. Moreover, neither gross capital formation nor the change in inventories is compiled by activity type, but by type of asset and type of inventory respectively.

The reliance on fixed coefficients derived from reference frameworks or other sources is partially monitored. In estimating the main expenditure categories (final household consumption expenditure, final consumption expenditure by nonprofit institutions serving households, fixed capital formation, variations in inventories, and exports and imports of goods and services) there is widespread use of fixed coefficients that are more than five years old (over 30 percent) for activities where direct information is not available.

Appropriate techniques are used to address compilation problems. For example, final government consumption expenditure excludes secondary sales, since the concept used is production for own use. Expenditure by residents living abroad is included in final household consumption expenditure and imports. Expenditure in the economy by nonresidents is excluded from final household consumption expenditure and is included in exports. Expenditure on articles considered as stores of value (e.g., jewelry and works of art) is included in the estimation of objects of value, but only partially, given the shortcomings of basic information.

Adequate procedures are used to compile volume measures of expenditure components. For example, exclusive price indices or deflators are used to deflate the components of GDP at a higher-than-one-digit level of the corresponding classifications. The implicit household consumption deflator is consistent with the CPI. Final consumption expenditure by government is derived by deflating the components of the cost of production for final use. Inventories use the same price index as the respective product, since they encompass both finished products and those in process, and are part of production. As the latter is valued at basic prices, it is therefore consistent to apply the same price to inventories.

### ***Specific quarterly compilation techniques***

Specific quarterly compilation techniques are in line with internationally accepted good practices. The Denton proportional method is used to combine annual estimates with quarterly indicators. The quarterly compilation system stems from quarterly series based on deseasonalized source data, which makes it possible to obtain deseasonalized quarterly estimates. The supply-use table that includes 132 elementary products and 49 activities is used for that purpose. At each level of output, the residual variable is the change in inventories, which, nonetheless, is controlled by a number of inventory indicators that are available quarterly. X-11 ARIMA is used to obtain deseasonalized quarterly estimates of the national accounts.

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

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

Depending on the case, the buyer-seller, income-expenditure, asset-liability, and debtor-creditor relations are compared. Excessive reliance seems to be placed on the information technology platform for these purposes, which risks foregoing validation of intermediate results through comparison with other independent sources.

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

Various systematic procedures have been established to assess potential discrepancies in intermediate data on a regular basis. Although the necessary adjustments are made to eliminate the discrepancies, these should be examined more carefully, because they might represent illegal economic activity if the assumption that all illegal crops produced are exported is not fulfilled.

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

Statistical discrepancies between GDP by activity and GDP by expenditure components are investigated in the framework of supply-use table at two levels. Firstly, at current and previous-year prices, the usual reconciliation processes are carried out and chain volume indices are calculated. Subsequently, these indices are applied to the base year values, which introduces discrepancies in the supply-use table, stemming exclusively from differences in relative prices between the previous year and the base year. These discrepancies are distributed between the different uses.

Data are not validated with unofficial estimates from government entities, universities, nongovernmental organizations, and international organizations, because the assumptions and methods used by such entities (econometric methods and trend projections) are not considered fully reliable, e.g., estimates of public investment made by the MFPC, or calculation of industrial production by ANDIS.

No studies have been conducted to guarantee that the bias in GDP estimates is insignificant and stable through time.

### **3.5 *Revision studies***

#### **3.5.1 *Studies and analyses of revisions are carried out routinely and used internally to inform statistical processes (see section 3.3)***

##### **(i) *Studies of the revisions are made regularly***

No revision studies are prepared, which impedes related enrichment of data compilation.

## **4. Serviceability**

Statistics that are adequate in terms of periodicity and timeliness are consistent and subject to a predictable revision policy.

### **4.1 *Periodicity and timeliness***

The periodicity and timeliness of the statistics are generally in line with internationally accepted dissemination standards.

#### *4.1.1 Periodicity follows dissemination standards*

GDP statistics are disseminated quarterly and annually in accordance with the SDDS.

#### *4.1.2 Timeliness follows dissemination standards*

Quarterly GDP statistics are disseminated within three months following the reference period. The NADS has a policy of disseminating annual GDP data within six to nine months following the reference period. Nonetheless, this was not observed in the case of the preliminary version for 2003, with the pending final estimate expected to be released soon.

## **4.2 Consistency**

### *4.2.1 Statistics are consistent within the dataset*

National accounts are internally consistent. A consistent set of GDP estimates is prepared by economic activity and expenditure components. Similar growth rates are obtained from GDP series by production activities and by expenditure categories. The total supply of goods and services coincides with figures on total use obtained independently. GDP estimates at current prices, indicators of volume, and (implicit) deflators are compatible with the “Value = Volume x Price” framework. However, there are discrepancies between estimates of net lending in the national accounts (NADS) and the monetary and financial statistics (BR).

Quarterly GDP estimates are consistent with annual estimates. The concepts, definitions, and classifications used to prepare the quarterly GDP estimates are identical to those used to compile annual estimates.

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

There are consistent time series corresponding to the period 1990–2004. When the 1994 base was prepared, the series was retroactively extrapolated to the period 1990–1993. The process of retroactively extrapolating to the period 1986–1989 is currently in process. When changes are made to the base, the results of the previous base are compared with the revised one, and both conceptual and methodological explanations on the changes are provided to users.

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

There are some shortcomings in the consistency of the national accounts with the balance of payments and the government finance statistics.<sup>11</sup> However, reconciliation is generally possible, particularly with the balance of payments. Discrepancies involving the latter can readily be traced to differences in classification, basis of recording, and coverage. Reconciliation with the government finance statistics on public investment is difficult, largely because of the different estimates prepared by a number of GFS compilers.

Unlike the balance of payments (prepared by the BR), the rest of the world account (prepared by the NADS) includes contraband and exports of illegal crops.<sup>12</sup> There are differences in classification with government finance statistics as the latter are intended to measure the effect of government policy whereas the national accounts measure government production. There are also differences concerning cash/accrual recording, although accrual records are now available for the government finances, and the national accounts incorporate these into its new reference base. The partial coverage of the fiscal accounts prepared by the MFPC is based on a sample of the public sector that differs from the institutional coverage in the national accounts. In addition, GFS compilers at the MFPC employ direct indicators, such as the central government's capital transfers to local governments, which sometimes are partly used to cover current expenditure items. In contrast, compilers of the national accounts separate out in a more precise manner the expenditure that covers fixed capital formation. Also, there are differences in source data reported by public sector entities for fiscal statistics purposes and those for national accounts purposes. Despite this, the statistics can be reconciled with other statistical frameworks.

### **4.3 Revision policy and practice**

#### *4.3.1 Revisions follow a regular and transparent schedule*

The revisions cycle follows an established process that is reasonably stable from one year to the next, but it is not disclosed to the public.

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<sup>11</sup> As macroeconomic databases do not have an integrated analytical framework that is consistent in terms of conceptual definition, coverage, sectorization, classification, valuation, and time of recording. Thus, the absence of microdata control does not allow for “strong” reconciliation of intersectoral links.

<sup>12</sup> On the assumption that everything produced in the illegal crops category is exported, i.e., the processing is done in a fictitious country.

#### *4.3.2 Preliminary and/or revised data are clearly identified*

At the time of disclosure, users are informed whether the published data are preliminary, and whether data have been revised.

#### *4.3.3 Studies and analyses of revisions are made public (see section 3.5.1.)*

In publications of statistical series and in the database accessed by users, revisions are not explained. Furthermore, the analysis of differences between preliminary and revised data for the main aggregates is not published.

### **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 are published with figures and tables that complement the data to facilitate analysis. Datasets are published in various levels of disaggregation. Detailed estimates of national accounts are disseminated along with their respective time series, and quarterly series are published in both seasonal and deseasonalized form. It is part of NADS communications policy not to include an analysis of trends for the current period.

##### *5.1.2 Dissemination media and format are adequate*

Quarterly accounts are published in the form of a printed executive report containing a summary description of GDP by branch of economic activity, and the composition of demand, including figures and tables. More complete and detailed statistics are not disseminated in printed form. The NADS publishes in its website tables containing detailed information on complete accounts of institutional sectors and subsectors, supply-use balances at current and constant prices, and six, four, and two-digits of the national accounts, and the supply-use classification at both current and constant prices. The website also contains a guide for allow better use of the information. Historical national accounts series are currently available in publications stored in the institution's databank and in specialized libraries.

##### *5.1.3 Statistics are released on a preannounced schedule*

Until 2004 the NADS published a calendar of dissemination commitments in accordance with to the publications timetable, and this has been published on the website since 2005. Quarterly GDP statistics are disseminated within three months following the reporting period, so data on the second quarter of 2005 is to be released by end-September.

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

The public is notified through the Internet of the dissemination of statistics and the procedures to be followed to gain access to them. Results are presented to the interinstitutional committee of representatives of relevant public entities, and are immediately published on the website with notice given to the media.

#### 5.1.5 *Statistics not routinely disseminated are made available upon request*

Apart from statistics that are routinely disseminated, other general statistics are provided on request. Special tabulations of data for specific purposes can be supplied, albeit not always free of charge. The availability of additional statistics and the procedures to obtain them are publicized.

### 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 of sources and methods is published. This includes information on concepts, definitions, classification, data sources, compilation methods, statistical techniques, and other methodological aspects and relevant procedures, along with divergences from internationally accepted standards, directives, or practices. Such documents include *Metodología de las cuentas nacionales de Colombia base 1970* [National accounts methodology, Colombia. Base year 1970] (republished in 1998); *Metodología de las cuentas nacionales de Colombia* [National accounts methodology, Colombia], April 1998; *Metodología por ramas de actividad para el cálculo de las cuentas departamentales* [Calculation of departmental accounts: Activity segment methodology], August 2003; *Metodología de la cuentas nacionales de Colombia base 1994. Operaciones de bienes y servicios* [National accounts methodology, Colombia. Base year 1994. Goods and services operations], August 2002; *Metodología de los sectores institucionales* [Institutional sectors methodology], November 2003; *Metodología de las cuentas trimestrales de Colombia* [Quarterly accounts methodology, Colombia], January 2001; and *Metodología del sector público colombiano 1986–1989* [Public sector methodology, Colombia 1986–1989], in Statistical Bulletin 470, May 1992.

Published documents on monthly and annual economic surveys of commerce, industry, and households describe the degrees of accuracy of expansions in terms of coefficients of variation, thereby allowing users to form a view about the usefulness of results. Metadata from SDDS/GDDS, methodological summaries relating to the SDDS, and other similar descriptions are reviewed and updated periodically.

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

Published documents provide general information on the national accounts and other real sector statistics, along with more specialized information.

## 5.3 *Assistance to users*

### 5.3.1 *Contact points for each subject field are publicized*

While there is a general contact point for the national accounts ([www.dane.gov.co](http://www.dane.gov.co)), users face difficulties in contacting compilers directly. Publications of NADS display the institution's website address ([www.DANE.gov.co](http://www.DANE.gov.co)), its street address (Transversal 45 No. 26-70 interior 1 CAN Edificio the NADS Bogotá), and the citizen service phone number 5978300. Queries can be made through the phone line, e-mail, and ordinary mail, or through visits. The NADS reply to queries on average within no more than five working days.

The Office of Statistical Dissemination, Marketing and Culture promotes academic programs such as "El DANE te Ayuda a hacer las Tareas" [*NADS helps you with your homework*] for students between eight and 12 years of age in public and private schools nationwide, giving a didactic explanation of the institution's daily work, and current use of statistics; and "El DANE en la Academia" [*NADS in academia*], aimed at university students, which publicizes the entity's work and explains research of interest to students in greater detail.

### 5.3.2 *Catalogs of publications, documents, and other services, including information on prices, are widely available*

There is a catalogue of products and services, which describes all publications and the medium in which they are available (electronic or printed), which is updated annually. The prices of the different the NADS publications are currently under review and are available on the website.

## **Recommendations**

### ***High priority***

- Publish preliminary estimates of the national accounts for 2003 without further delay.
- In collaboration with the NTCD, prepare a directory of establishments to provide an adequate basis for sample surveys.
- Elaborate a *data model* to guide the building of a data warehouse aimed at improving the consistency of source data at the micro level that supports compilation of the national accounts as well as the balance of payments and fiscal statistics.
- Press ahead with work to change the base year to 2000, preferably by end-2005. Looking ahead, consider a one-off shortening of the cycle for changing the base year

in order to take advantage of the wealth of data stemming from the results of the ongoing comprehensive censuses that will become available in the first half of 2006.

- Improve the treatment of the economic activity generated by the large illicit sector, moving beyond agricultural output.
- Measure GDP volume changes using annual chain indices; the measuring of government transactions should be made on an accrual basis.
- Reduce the publication lag of the preliminary estimate of quarterly GDP from 90 to 45 days, which would need to be reflected in the advance release calendar.
- Maintain an external relations policy aimed at promptly dispelling doubts, misinterpretation, and questions about the compilation of the national accounts (including the GDP of the manufacturing sector).
- Observe the (advanced) release calendar for annual GDP.

*Other*

- Develop a price deflator for services.
- Ensure consistency between the methodology for calculating production of housing services with the measurement of activity in the construction sector.
- To improve estimates of the financial sector GDP, separate capital profits/losses from interest earned on financial instruments.
- Work with the BR to estimate financing of the above-the-line operations of the institutional sectors covered in the national accounts.
- Provide a direct point of contact for national accounts on the website, enabling users to contact responsible parties directly.

Table 1. Colombia: Data Quality Assessment Framework (July 2003): Summary of Results for National Accounts  
(*Compiling Agency: NADS*)

Element	NA	Assessment				Comments
		O	LO	LNO	NO	
<b>0. Prerequisites of quality</b>						
0.1 Legal and institutional environment			X			While the responsibility for collecting, processing, and disseminating national accounts is clearly specified, working arrangements are not consistent with assigned responsibilities. According to its statute, the NADS has the rank of Technical Ministry and reports directly to the President of the Republic. While the head of NADS is appointed by the President, its budget is effectively subject to the approval of the MFPC.
0.2 Resources				X		Funding is insufficient to ensure that salary and tenure conditions for a good portion of staff are competitive with other agencies producing macroeconomic statistics. As a result, contractuals represent nearly two-thirds of the staff. The number of staff dedicated to compilation is inadequate.
0.3 Relevance				X		User surveys are occasionally conducted with questions on adequacy, frequency, timeliness, and other aspects of data quality. However, there is no periodic consultation with users to ascertain the accuracy, reliability, and relevance of statistical output.
0.4 Other quality management				X		
<b>1. Assurances of integrity</b>						
1.1 Professionalism			X			
1.2 Transparency			X			
1.3 Ethical standards			X			
<b>2. Methodological soundness</b>						
2.1 Concepts and definitions			X			
2.2 Scope				X		The scope is broadly in accordance with 1993 SNA recommendations. However, coverage of illicit activities is limited to value added in agriculture.
2.3 Classification/sectorization			X			
2.4 Basis for recording			X			

Table 1. Colombia: Data Quality Assessment Framework (July 2003): Summary of Results for National Accounts  
(*Compiling Agency: NADS*)

Element	NA	Assessment			Comments
		O	LO	LNO	
<b>3. Accuracy and reliability</b>					
3.1 Source data			X		The enterprise registry is outdated and there is insufficient coverage of services, most notably transportation services, personal services and services to companies. There is a lack of appropriate price indices for many services. In general, data sources are timely, except for the annual manufacturing survey, yearly and quarterly imports, and civil works. The survey response rate is high.
3.2 Assessment of source data		X			Estimates of GDP and expenditure are based on an outdated base year (1994). However, the NADS is in the process of compiling new series with 2000 as the new base year. GDP volume change is measured using annual chain indices <i>mixed</i> with a 1994 fixed base. The methodology of calculation of the production of housing services is independent of the measurement of the construction sector. For this reason, there are significant differences in the behavior of the two indicators. The SIFMI contains profits/losses of capital that affect the value added of the sector, but not the GDP.
3.3 Statistical techniques			X		Intermediate results are assessed and the consistency of statistical output is checked in a somewhat mechanical way. The effect of the illicit economy in the discrepancies involving intermediate data is not systematically examined. The data are not validated against relevant information from governmental units, universities, nongovernmental institutions for them and international organizations.
3.4 Assessment and validation of intermediate data and statistical outputs			X		Studies and analyses of revisions are not carried out.
3.5 Revision studies				X	
<b>4. Serviceability</b>					
4.1 Periodicity and timeliness			X		While the NADS is committed to release preliminary annual estimates of GDP within six to nine months after the period of reference, the preliminary estimates of the national accounts for 2003—based on annual sources and methods—have not been published yet.
4.2 Consistency		X			Preliminary and/or revised data are clearly identified as such, but the revision cycle is not made known to the public.
4.3 Revision policy and practice			X		
<b>5. Accessibility</b>					
5.1 Data accessibility		X			
5.2 Metadata accessibility		X			
5.3 Assistance to users		X			

## II. 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*

Decree 246 of 2004 lays out the functions of the Ministry of Finance and Public Credit (MFPC). While this decree mandates the MFPC to follow-up on the execution of the budget, it does not assign responsibilities for collecting, compiling, and disseminating government finance statistics (GFS). However, decree 111 (of 1996) gave the MFPC's office of the Advisors of the Fiscal Policy Council (AFPC) the responsibility for monitoring fiscal conditions and preparing fiscal projections, but did not require compilation and dissemination of statistics on the operations of the nonfinancial public sector (NFPS). Notably, this decree did not give the AFPC the authority to require reporting of needed information by public entities. Therefore, data gathering relies on voluntary reporting by a sample of public entities.

The AFPC is specifically mandated to monitor, evaluate, and prepare projections of revenue and expenditure of the public sector to inform budgetary preparation and macroeconomic policy formulation. However, several other government institutions also compile data on the fiscal sector. As a result, there are at least three distinct comprehensive fiscal datasets disseminated by different compilers. Apart from the AFPC, fiscal statistics are compiled and disseminated by the MFPC's General Accounting Office (GAO) and the Office of the Comptroller General of the Republic (CO). The latter two datasets are produced mainly for accounting and auditing purposes. In addition, the National Planning Department (DPD) compiles public investment statistics and the Bank of the Republic (BR) compiles financing and debt data. Separate, and often overlapping, reporting requests from the three compilers create a significant reporting burden across the public sector.

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

The AFPC compiles data on NFPS operations on an adjusted cash basis, including changes in the accounts payable of the central government. It does not compile data on the domestic or foreign financing of the NFPS. Rather, these are compiled by the BR and reported on a quarterly basis to the AFPC. The AFPC disseminates quarterly above-the-line NFPS data before they can be reconciled with the financing data from the BR.

Adequate collaboration between the AFPC and the BR ensures periodic reconciliation of above- and below-the-line data. Data on public debt are compiled by the MFPC's General Directorate of Public Credit (GDPC). These data are regularly reconciled by an inter-institutional committee that includes representatives from the BR, NADS, GDPC, CO, and GAO.

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

Data collected by the AFPC from individual reporters is regarded as confidential and used for statistical purposes only.

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

The AFPC promotes voluntary response from public institutions other than the central government; however, quarterly reports from some institutions are sometimes delayed. In such cases, the AFPC relies on moral suasion to elicit correction. However, for delays involving data from small entities with minor operations, the AFPC prepares estimates of quarterly operations on the basis of annual estimates. Data on the central government are collected by the AFPC through the different dependencies of the MFPC, including the National Directorate of Taxes and Customs (NDTC) and the CO.

Law 819 of 2003 titled "Law of Fiscal Responsibility" requires the MFPC to submit to the Senate by mid-June of each year a fiscal framework for the medium-term. In the context of this law, "the enterprises or corporations in which the Nation or its decentralized entities have a capital participation of more than 50 percent should report to the MFPC and to NPD information of budget and financial character that it would be required to accomplish with this law". The AFPC, along with the Directorate for Macroeconomic Policy of the MFPC, is responsible for preparing the medium-term fiscal framework.

**0.2 Resources**

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

The AFPC has two advisors and seven assistants. The size of the staff appears sufficient for the statistical work. However, it needs more computing resources in order to compile more complete data for the consolidated public sector.

*0.2.2 Measures to ensure efficient use of resources are implemented*

The AFPC regularly monitors staff performance, emphasizing the quality and timeliness of the work accomplished. Although there is not a system in place to measure the costs associated with statistics compilation, the AFPC considers the use of resources efficient because the dissemination of statistics is timely and the published reports and short-term indicators bulletins serve policy making.

### *0.3 Relevance*

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

Both the AFPC and GAO publish information via the Internet and other electronic means. AFPC data users may submit questions and comments through the MFPC's Internet page. The AFPC does not monitor user needs.

### **0.4 Other quality management**

#### *0.4.1 Processes are in place to focus on quality*

The AFPC staff reviews and validates source data before using them for compilation.

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

There is no system in place to monitor the quality of the statistical program.

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

The AFPC staff meet regularly to follow up on the progress of different tasks in the work plan and to take corrective measures to address quality issues. These issues relate largely to data on local (regional and municipal) governments.

## **1. Assurances of integrity**

### **1.1 Professionalism**

#### *1.1.1 Statistics are produced on an impartial basis*

The AFPC has a tradition of professionalism, as evidenced by the execution of its work program in line with the methodology in *GFSM 1986* and the Technical Memorandum of Understanding (TMU) agreed with the IMF. Quarterly statistics on the outturn of the NFPS, based on flow operations above the line, are produced impartially.

#### *1.1.2 Source and statistical techniques selection as well as decisions about dissemination are informed solely by statistical considerations*

The selection of sources and statistical techniques follow the guidelines of the *GFSM 1986* and, whenever possible, the *GFSM 2001*. The data sources are the administrative and accounting records of the reporting agencies in the NFPS sample.

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

The AFPC includes special conceptual studies in the MFPC website that attempt to minimize erroneous interpretations. Also, press releases help explain the evolution of fiscal conditions suggested by the fiscal statistics.

**1.2 Transparency**

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

As noted above, the AFPC's responsibilities are established by a decree that is publicly available. However, no document has been prepared that specifically states the terms and conditions of statistical production.

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

Selected officials in the MFPC, BR, and IMF have access to the data before publication through the MFPC website. However, the AFPC does not inform the public about such pre-release access to the data.

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

All AFPC publications clearly identify it as the author. This includes, for example, the Bulletin of Short-Term Indicators ("Boletín de Coyuntura").

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

No advance notice of major changes in the compilation methodology is given to the public, although there have been no major changes in methodology in recent years. However, publication of the TMU agreed with the IMF allows the public to monitor sources and methods.

**1.3 Ethical standards**

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

The rules for handling confidential materials are well known by the AFPC staff. The staff is subject to guidelines set forth in the Civil Service Law and Administrative Career of the public employees. The AFPC staff is also subject to the Single Code of Discipline (Código Unico Disciplinario). Staff can access relevant regulations and other materials through 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*

As noted above, the AFPC compiles, in collaboration with the BR, fiscal data in line with the *GFSM 1986*, adjusted for changes in accounts payable. The GAO compiles the accounts according to the General Plan of Accounts both on an accrual and a cash bases. Data compiled by the GAO are consistent with the principles and classifications of the *GFSM 2001*. The CO has been working for the last three years on aligning compilation with the recommendations of the *GFSM 2001*.

### **2.2 Scope**

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

The coverage of the data compiled by the AFPC corresponds to a sample that includes the most important units of the NFPS. The sample covers above-the-line data for 70 agencies of the central government,<sup>13</sup> social security agencies and funds, decentralized institutions, local governments and related agencies, and nonfinancial public corporations. While coverage of units outside the national administration is not exhaustive owing to capacity constraints, samples for local governments and public enterprises are considered to account for most of the operations of those subsectors. Financing data compiled by the BR covers the entire NFPS. Both the CO and the GAO cover the operations of the entire public sector.

### **2.3 Classification/sectorization**

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

Classification and sectorization applied by the AFPC and BR in the compilation of the NFPS statistics are broadly consistent with international standards. While sectorization of above-the-line accounts is adequate, financing is not fully sectorized as it is compiled only at the aggregate level. This is due to two shortcomings. First, the AFPC does not gather complete financing data for public sector units in its sample. Second, data on bank credit to the public sector compiled by the BR is disaggregated by levels of the public sector, but not by individual public sector entities. The BR compiles data on flows and stocks of domestic and foreign financing using the classifications of the *GFSM 2001*. Both the CO and GAO define

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<sup>13</sup> The national central government is accounted as one institution.

the subsectors of the NFPS according to *GFSM 2001* and compile the data according to *GFSM 2001* classifications. However, a functional classification of the NFPS expenditure is not available.

## **2.4 Basis for recording**

### *2.4.1 Market prices are used to value flows and stocks*

Flow and stock data are generally valued and recorded according to international standards. The AFPC values flows at market prices current at the moment of the transaction. The BR, GAO and CO use current market prices to value transactions and nominal values for stocks. Transactions in foreign currencies are converted to national currency using the average exchange rate at the time of transaction. Balances of financial assets and liabilities in foreign currencies are valued in national currencies at the end-period exchange rate.

### *2.4.2 Recording is done on an accrual basis*

In general, the AFPC compiles data on the NFPS operations on a cash basis, with the exception of certain expenditure items that may give rise to accounts payable. Consequently, financing data are adjusted to reflect changes in accounts payable (floating debt) of the budgetary central government and of the main decentralized entities accountable to the central government. The BR compiles financing data on a cash basis with appropriate adjustments. The GAO and CO use cash and accrual recording.

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

In line with international recommendations for the grossing and netting of flows and stocks, the AFPC, BR, CO and GAO report flow transactions on a gross basis after deducting corrective operations such as devolution of taxes or expenses. In the tables disseminated by the BR, financing operations presentation is on a net basis.

## **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 AFPC uses source data reported from the budget execution of each unit included in its sample. Units (other than the central government) report their operations in a special form designed by AFPC. The AFPC does not compile financing data except for the central government. For financial data, the BR uses the financial statements (balance sheets and income and expense statements) collected through the Superintendency of Banks (SB), MFPC, and direct data gathering. The GAO collects data from financial statements and

reports on budgetary execution submitted by all public sector units. The forms are routinely revised to include changes in the General Chart of Accounts of the General Plan of Public Accounting. The GAO actively encourages reporting agencies (particularly local governments) to improve the quality of accounting procedures. At present, however, resources are insufficient to provide needed assistance to local governments on improving accounting records. Data gathering by the CO relies on administrative records, budget execution reports, and balance sheets, with forms regularly revised to accommodate changes in the General Chart of Accounts.

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

As noted above, the AFPC relies on a sample of 70 NFPS entities to compile fiscal data. The data sources used by AFPC to monitor execution of the central government budget correspond to revenue data reported by the NDTC and expenditure data from MFPC departments. In addition, data sources used for compiling data on local governments, nonfinancial public corporations, and decentralized institutions are collected through a special form. This form requires details on the classifications of revenue and expenditure according to *GFSM 1986* recommendations. Data from entities that are out of the sample are not adequate, in part because of weaknesses in capacity at the local government level. Data collected by the BR are mainly sourced from bank balance sheets. As noted, the GAO and CO use source data stemming from administrative and accounting records.

*3.1.3 Source data are timely*

The AFPC has entered agreements for entities to provide quarterly data one month after the end of the reference period. However, some entities may experience unexpected delays. For large/important units in the sample, the AFPC monitors the status of the reports to promote timely reporting. However, if small units in the sample are delayed, the AFPC uses estimates for the quarter based on annual projections. The BR monitors the status of data sources and ensures timely reporting through visits or telephone calls. The CO and GAO collect timely monthly or quarterly information for compilation of the fiscal outturn and public debt statistics.

**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 AFPC, BR, CO, and GAO routinely assess the reported data, checking for internal consistency, and consistency over the time. Discrepancies are immediately discussed with the reporting agency through visits to the field or by telephone. Both the CO and GAO have computerized checks for consistency of data sources.

### **3.3 *Statistical techniques***

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

The AFPC and BR fully document compilation procedures, which are aligned with those prescribed in *GFSM 1986 or 2001*. The AFPC prepares estimates for small units in the sample when these units fail to report by the cut-off date. Preliminary data are replaced when final data become available. Consistency of quarterly data with annual data is monitored. The GAO and CO use information from accounting records that are not subject to estimation techniques. Computerized systems manage data compilation in both institutions.

All four institutions follow standard procedures for the consolidation of reciprocal transactions. However, the GAO has not adjusted the GFS aggregates for differences between inter-government transactions (such as transfers) in the consolidation of central and general government data reported for publication in the IMF's *Government Finance Statistics Yearbook (GFSY)*.

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

The AFPC and BR use conversion (derivation) tables to process information from data sources. Conversion tables are aligned with GFS-accepted concepts and classifications. The CO has developed bridge tables to facilitate the adjustments needed to process data drawn from sources. The GAO has developed a conversion system for the computerized compilation of the different data tables on the general government reported for publication in the *GFSY*.

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

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

The AFPC reconciles quarterly data on the fiscal balance with available financing data prepared by the BR (see 3.4.2). The GAO and CO do not conduct similar validation of the reports received from NFPS units against other sources of data, as data stem from the accounts of each unit that can be subjected to consistency checks. The BR has no system to validate intermediate data against other information. However, the BR compares its debt data to data compiled by other institutions, such as the CO and the MPFC's DPC.

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

The AFPC reconciles quarterly data on the fiscal balance with BR data obtained through financial sources. The GAO and BR compare variations in financial assets and liabilities with corresponding above-the-line balances. The CO has internal control procedures to check errors and omissions.

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

The AFPC monitors statistical discrepancies found in regular data checks. The GAO participates in special committees responsible for reconciling fiscal figures with other national compilers of macroeconomic statistics. However, the GAO does not engage in bilateral data reconciliations with creditor institutions or donors. The BR and CO verify internal consistency through vertical and horizontal checks, investigate and redress problems. The BR compares its statistical output with data generated by other institutions. In addition, the BR and CO compare debt data with information provided by creditors.

## **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)*

In general, the AFPC does not have a regular revision schedule and revision studies are not conducted on a routine basis. Statistical discrepancies and other indicators of problems in the data are not investigated. In the context of stand-by arrangements with the IMF, compilation adjustments have been made to improve the accuracy and reliability of the data on the operations of the NFPS. The BR maintains a database to facilitate revisions and make projections. This is included in the Technical Memorandum of Understanding agreed with the IMF under financial arrangements. The BR, CO, and GAO analyze the revisions involving repetitive corrections and use that information to strengthen quality control. In addition, the GAO staff write memoranda on revisions, keeping internal records of the findings, including the magnitude of revisions.

## **4. Serviceability**

### **4.1 Periodicity and timeliness**

#### *4.1.1 Periodicity follows dissemination standards*

The AFPC disseminates NFPS data on a quarterly basis, exceeding SDDS prescriptions. Statistics on the operations of the central government are disseminated on a monthly basis, and domestic and foreign debt data compiled by the DPC are released on a monthly basis.

#### *4.1.2 Timeliness follows dissemination standards*

AFPC data dissemination is consistent with SDDS prescriptions on timeliness. Annual data for the NFPS are published during the course of the quarter following the reference period. Quarterly data are published 4–5 weeks after the reference period, compared with a SDDS prescription of two quarters after the reference period. Data on public debt are published on a monthly basis by the DPC. Using such public debt data, the AFPC derives the central government's interest payments, borrowing, and amortization.

## **4.2 Consistency**

### *4.2.1 Statistics are consistent within the dataset*

The sum of quarterly data equals annual figures. However, flow fiscal data are not routinely reconciled with changes in financial assets and liabilities. In addition, flows and stocks of nonfinancial assets are not reconciled because of the lack of estimates for nonfinancial assets.

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

The AFPC keeps records of annual data beginning from 1994 and of quarterly data from 1998. These data are consistent regarding methodology, classification, and consolidation.

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

Routine reconciliation with other macroeconomic datasets is not conducted, except in the case of financing data prepared by the BR, which is cross-checked with BOP data. The AFPC does not conduct reconciliation of the GFS with the national accounts.

## **4.3 Revision policy and practice**

### *4.3.1 Revisions follow a regular and transparent schedule*

The AFPC does not have a systematic and regular schedule of revisions.

### *4.3.2 Preliminary and/or revised data are clearly identified*

In its publications, the AFPC identifies preliminary data through footnotes. However, data published by AFPC are generally considered final.

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

The AFPC does not engage in the routine study of revisions. Consequently, no such studies are published.

## **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)*

While the AFPC presentation of statistics targets the needs of the authorities, the needs of non-official users are generally not considered. However, data are compared with earlier periods and ratios to GDP are shown.

### *5.1.2 Dissemination media and format are adequate*

Data compiled by the AFPC are regularly published on the MFPC webpage. Also, time series on key aggregates for the NFPS and the central government are disseminated via the Internet. Detailed data, however, are published only for the central government.

### *5.1.3 Statistics are released on a pre-announced schedule*

The AFPC's dissemination practice observes the advance release schedule published in the IMF's DSBB. However, if data compilation is finalized earlier than scheduled, data are disseminated earlier in the MFPS's website, thereby exceeding the SDDS recommendations.

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

The AFPC has a database with the e-mail addresses of a large number of users that are interested in its statistics. As soon as new data or documents are ready to be disseminated, they are sent by e-mail to the users in the database, and the new information is released simultaneously through the MFPC webpage.

### *5.1.5 Statistics not routinely disseminated are made available upon request*

When requests are received for detailed non-published information, the AFPC replies immediately if the data requested are readily available. Otherwise, requested data are sent to the interested party in two to four weeks, generally via e-mail.

## **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*

As noted, data presentation is in line with the needs of the authorities while those of other users are seldom considered. However, data presentation allows comparison of key new estimates and ratios to GDP with those of earlier periods. Data on the operations of the NFPS disseminated by the AFPC do not include explanatory methodological notes. However, the SDDS metadata posted in the DSBB very concisely indicate that the compilation methodology broadly adheres to the *GFSM 1986*.

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

Users have noted that detailed data are scarce and that published GFS are too summarized. User needs are not monitored regularly by the AFPC.

### 5.3 *Assistance to users*

#### 5.3.1 *Contact points for each subject field are publicized*

In the MFPC website, there is an electronic comment system through which users can submit questions or suggestions. Staff have been designated to check requests and direct them to the appropriate MFPC departments for answers

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

The AFPC does not publish catalogs, but the bulletin on short-term indicators is disseminated free of charge.

## **Recommendations**

### ***High priority***

- Strengthen the authority of the MFPC/AFPC to collect information from any public sector institution. In addition, all proposals for legal action with a possible impact on the reporting, storing, or dissemination of fiscal data must be reviewed by the AFPC, with its opinion to be taken into account at the highest ministerial level.
- Make the MFPC/AFPC responsible for undertaking systematic reconciliation of fiscal aggregates (including public investment) produced by the different institutions involved (GAO, CO, BR, NADS, NPD, NTCD, GDPC, as well as other internal units of the MFPC). This will require a greater resource endowment.
- The AFPC should compile data on the financing of each of the NFPS entities, which will require requesting from reporting agencies data on below-the-line operations. The BR should disaggregate net credit to the public sector by individual entity. These actions by the AFPC and the BR will permit better validation of data on the fiscal outturn.
- The MFPC should develop the functional classification of the nonfinancial public sector expenditure.
- User needs should be monitored, with efforts directed at ensuring that published data meet demands for more detail, longer time series, and methodologies information.
- Increase efforts to make users aware of data dissemination practices. In particular, explain that differences between the datasets used for policymaking (AFPC) and auditing and control (GAO, CO). Also, inform the public that selected officials in charge of formulating macroeconomic policy, policymakers, and the IMF receive fiscal data in advance of public release. Intensify efforts at publicizing the advance release calendar, including by hyper linking the MFPC's website to the SDDS.
- Provide more computing resources to improve the compilation of data in AFPC, which should support efforts undertaken by the MFPC's Fiscal Support Directorate, FOSIT, and GAO.

Table 2. Colombia: Data Quality Assessment Framework (July 2003): Summary of Results for Government Finance Statistics  
(Compiling Agency: Bank of the Republic)

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						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
<b>0. Prerequisites of quality</b>						
0.1 Legal and institutional environment			X			There is no single law or formal arrangement defining the specific responsibilities of the various public sector units working on the compilation of fiscal statistics. Compilers are guided by their own institutional objectives and/or program monitoring agreements under IMF arrangements, rather than by a system-wide objective of publishing statistics for public use. Collaboration and data sharing between the AFPC and the BR are excellent, but scope exists for greater consultation involving other compilers.
0.2 Resources			X			The AFPC appears to have sufficient staff to perform its duties but needs more computing resources. Although the AFPC authorities ensure that resources are used efficiently, there is no system in place to measure the cost of statistical work.
0.3 Relevance			X			The AFPC publishes information on e-diskettes and the Internet. However, user needs are not monitored.
0.4 Other quality management			X			Processes are in place to monitor the quality of reports received. However, there is no system to monitor the quality of statistical programs, except through staff meetings to follow progress of the work program and identify emerging issues associated with the quality of the statistics compiled.
<b>1. Assurances of integrity</b>						
1.1 Professionalism		X				
1.2 Transparency			X			Selected officials of the MFPC, BR, and IMF have access to the data before release to the general public through Internet. This is not made known to the public. Authorship of the AFPC publications is clearly identified. Changes in methodology under IMF financial arrangements are posted on the Internet with publication of the Technical Memorandum of Understanding.
1.3 Ethical standards		X				
<b>2. Methodological soundness</b>						
2.1 Concepts and definitions		X				
2.2 Scope		X				
2.3 Classification/sectorization			X			Classification is generally in line with internationally accepted standards. However, the AFPC, GAO, and CO do not prepare a functional classification of the NFPS expenditure.
2.4 Basis for recording		X				
<b>3. Accuracy and reliability</b>						
3.1 Source data			X			The AFPC collects data from a limited sample (70) of public sector entities to ensure adequate timeliness and acceptable reliability of data. Data from out-of-sample entities are not adequate, in part because of weaknesses in the training of local government officials. Reporting from the entities in the sample is generally timely.
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	The AFPC does not have regular or transparent schedule of revisions. Statistical discrepancies and other potential indicators of problems in statistical outputs are not investigated. The GAO does not conduct bilateral data reconciliation with creditor institutions or donors. The CO compares debt data with information provided by creditors.

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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						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
<b>4. Serviceability</b>						
4.1 Periodicity and timeliness		X				The AFPC traditionally reviews the internal consistency of data (vertical checks), and temporal consistency (monthly data add to the quarters, and the sum of quarterly data equals annual data). Data are also compared with equivalent periods for earlier years. However, there is no routine reconciliation of GFS with other macroeconomic statistics. The AFPC does not have a regular and transparent schedule of revisions. Studies and analysis of data revisions are not made public. Data are labeled as preliminary when published for the first time.
4.2 Consistency			X			
4.3 Revision policy and practice				X		
<b>5. Accessibility</b>						
5.1 Data accessibility		X				AFPC data on NFPS operations do not include explanatory methodological notes. SDDS metadata posted in the DSBBS concisely notes that the compilation methodology is aligned with <i>GFSM 1986</i> . Data are structured and summarized to inform fiscal policy making. Users are not consulted on their needs. However, users may request available detail that has not been published on the MFPC website.
5.2 Metadata accessibility				X		
5.3 Assistance to users			X			

### III. MONETARY 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*

Even though no law formally assigns responsibility for the collection, compilation, and dissemination of monetary statistics, it was de facto delegated to the Bank of the Republic (BR). This long-standing arrangement, unchallenged by other institutions, has been effective and has exhibited no evidence of duplication of efforts.

The collection of information from financial corporations is shared between the BR and the Superintendence of Banks (SB).

As for reporting information, Article 97 of the Organic Law of the Financial System (Decree 663 of April 2, 1993) and Article 18 of the Law of the BR (Law 31 of December 29, 1992) establish the mandatory nature of reporting information by financial corporations. Article 97 states that financial corporations must report information to the SB on their operations periodically at determined dates and with the requested content and format. In addition, Chapter 7 of External Circular 100 of November 24, 1995, issued by the SB, formally requests monthly balance sheets and income statements from financial corporations. Article 18 authorizes the BR to request information from financial corporations it deems necessary to perform its functions. The BR can also request information from the SB.

Regarding confidentiality of information, Article 326 of the Organic Law of the Financial System and Article 18 of the Law of the BR establish the confidentiality of the information provided by financial corporations.

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

Adequate data-sharing arrangements are in place within the BR to ensure the efficient and timely flow of information among its pertinent departments. The Accounting Department (AD) prepares the BR's general balance sheet, which is used to generate an economic presentation—a monthly monetary balance sheet. This monetary balance sheet becomes the source for compiling the central bank survey. Although the BR has a central computing system, it has no centralized database; thus, departments share data through electronic media. That is, the AD sends the monetary balance sheet via e-mail to the Financial Sector Section (FSS) of the Technical and Economic Information Department (TEID). The text file received is sent to the Center of Information, which uploads it to the Economic Information System (EIS) database. Once the monetary balance sheet is available in EIS, the FSS validates the information and produces the central bank survey.

The SB and the BR closely cooperate to share information on the financial corporations. First, the SB validates the sources for compiling the monetary statistics for the rest of the financial corporations. The sources are the monthly balance sheets of the financial corporations that follow the chart of accounts and additional information on the sectorization of major accounts submitted to the SB. The SB then makes the information available to the BR electronically in a text file. The SB has granted the BR read access to a directory in this server through a Novell network. The Center of Information downloads the file and uploads the information to EIS. Once the information is available in EIS, the FSS validates it and produces the monetary accounts for the rest of the financial corporations.

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

The legal basis for the confidentiality of monetary statistics is provided in Article 15 of the Constitution. This article states that all exchange of private information is secret, unless it is required by judicial order, invoking the formalities established by the law in these cases.

Article 18 of the Law of the BR and Article 326 of the Organic Law of the Financial System guarantee the confidentiality of monetary statistics. Article 18 states that the BR must maintain its obligation of confidentiality. Article 326 is complemented by the External Circular 007 issued by the SB in January 1996, which defines banking confidentiality. External Circular 007 states that banking confidentiality is one of the most valuable guarantees that clients, who make deposits in the financial corporations, have. Any breach of confidentiality will be censured by the SB. Banking secrecy is defined as the duty that employees of financial corporations have to observe confidentiality about information, acquired in the function of their duties, on their clients or on matters related to their company.

Article 51 of the Internal Work Regulations of the BR and the Basic Administrative Circular of the SB state that employees must (1) safeguard confidentiality of information acquired in the conduct of their official duties, unless it is in violation of legal dispositions, and (2) observe and preserve the banking secrecy. Therefore, they cannot divulge information that might be inconvenient to the interest of the national economy or cause unjustified damage to the institution or the related legal or natural persons. Employees of the BR and the SB are subject to the disciplinary code of Law 734 of 2002, which dictates the penalties for the infractions committed by the public employees. In addition, in a recent legal ruling by the Administrative Tribunal of Cundinamarca in August 2005, the court recognized the confidential nature of BR information and ruled against an application for access to this information.

Access to individualized data from financial corporations at the BR is restricted to authorized staff through the use of a password. Access by any user is regulated by the Computer Department, which grants access to the electronic services of the BR via a smartcard. The smartcard is individualized and nontransferable. The BR staff do not have access to the SB database.

Internal Resolution 2 of 1999 of the BR establishes the conditions for publication and submission of statistical information. It states that the BR cannot publish statistics that contain individual information on natural or legal persons because they are protected by banking secrecy.

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

The legal basis for statistical reporting is provided in Article 97 of the Organic Law of the Financial System and Article 18 of the Law of the BR. Both articles establish the mandatory nature of reporting information by financial institutions. Chapter 7 of External Circular 100 of November 24, 1995, issued by the SB, formally requests monthly balance sheets and income statements from financial corporations.

The timeliness of the information is guaranteed through External Circular 061 of September 3, 1997, issued by the SB. This circular states that financial corporations must submit their monthly balance sheets and additional information within ten days after the reference month, with the exception of data for June and December for which 20 days are allowed. In case a financial corporation is not able to meet these deadlines, it must send an official communication to the SB requesting additional time. The SB generally grants five additional days. Financial corporations are generally able to meet the revised deadline.

If a financial corporation has not sent information to the SB by the established deadlines, the SB sends a communication to the financial corporation asking for an explanation of the delay. Once a response is received, the SB determines the sanctions to be imposed according to the length and frequency of the delays. Other infractions subject to sanctions include submitting erroneous information and hiding or altering information. Article 208 of Law 795 (amendment to the Organic Law of the Financial System) of January 14, 2003, establishes the sanctions to be administered to the financial corporations that are supervised by the SB, as well as their directors, administrators, legal representatives, auditors, and other staff. The sanctions range from warnings, pecuniary sanctions up to 128,500,194 pesos (equivalent to 55,765 U.S. dollars in August 2005), suspension of staff responsible up to five years, removal of staff, and closing of the institution.

**0.2 Resources**

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

Staff resources for compiling monetary statistics are broadly adequate to perform the required tasks. The FSS currently has 11 employees engaged in collecting, compiling, disseminating, and analyzing monetary and financial statistics. The main weekly tasks comprise compiling monetary policy-monitoring statistics and preparing documents for the Board of Directors. The main monthly tasks comprise compiling the analytical accounts of

the BR and the rest of the financial corporations and preparing the monetary tables for publication in the monthly bulletin *Revista*.

All the staff have, at least, college degrees in economics, one has a graduate degree, and three are candidates for graduate degrees. Seven staff are involved in producing the weekly monetary policy-monitoring statistics, including monetary and credit aggregates. Three staff are involved in, among other duties, compiling the monthly analytical accounts of the BR and the rest of the financial corporations. These three staff have attended the monetary and financial statistics course at the IMF's Brasilia Training Center or at the Center for Latin American Monetary Studies (CLAMS). In addition, the FSS has a rotation program where staff dedicated to the weekly statistics or to the monthly compilation of the analytical accounts can support both areas of work.

The Human Resources Department conducts a yearly survey to ensure that the salaries are competitive with those of the private sector.

Computer resources are adequate. All FSS staff have personal computers with standard software, connected to the BR's network. All computers have broadband Internet access. The derivation and compilation of monetary statistics are given high priority in computer processing, and the Center of Information is readily available for technical support. The Continuity Committee of the BR designed a contingency plan called CLUSTER to ensure that information is backed up simultaneously in two different buildings, guaranteeing no loss of information in case of a computer crash, network crash, or building damage.

The BR facilities are adequate. The BR is located in the center of town and has several buildings adequate for performing its functions.

Financial resources are broadly adequate to support the current programs for monetary statistics. The budget for the monetary statistics is reviewed in December of each year within the context of the overall BR budget, and the required appropriations are usually granted.

Although the regular compilation of monetary statistics for publication is sufficiently staffed, human resources are limited for regularly verifying the quality of the data produced and the timely implementation of improvements in the compilation system.

#### *0.2.2 Measures to ensure efficient use of resources are implemented*

In general, all programs in the BR are subject to budget considerations and performance assessments. In the case of the FSS, a work program is agreed with each staff member at the beginning of each year, and each member is evaluated according to the successful completion of the agreed tasks. The approach of the FSS is to carry out its work while seeking continuous improvement. In addition, the FSS is equipped with relatively sophisticated computers and is supported with the latest software/hardware programs to facilitate its tasks. In the last six years, the IMF has twice provided technical assistance on statistical

methodology, and the observations and recommendations continue to be incorporated in information processing.

No specific provisions exist to compare resources for compiling monetary statistics with those for other macroeconomic data.

Articles 34 and 62 of the Decree 2520 of 1993 clearly establish that the BR Board of Directors must approve and revise the annual budget. Subsequently, the Council of Administration of the Budgetary Regime must approve it. The Internal Regulatory Circular DPP 95 of 2001 establishes the procedures that the different BR areas must follow exactly to elaborate the budget. The areas identify their budgetary needs and submit them to the Board of Directors between October and November. The Board of Directors approves the budget in December. There is continuous monitoring of budget execution.

### **0.3    *Relevance***

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

The BR does not have a proactive policy of regularly consulting users to obtain feedback on the quality and relevance of its monetary statistics. Thus, input from the general public is limited. In general, the BR receives feedback on the relevance and practicality of statistics during the course of responding to specific data requests. For purposes of response to the numerous data inquiries, the website of the BR has a client services section, which contains the e-mail addresses of the areas responsible for the different statistics. The BR is currently redesigning its website to adapt it to the latest international standards and to ensure that the information contained within is more user-friendly.

The BR staff members visit other central banks and attend seminars or courses organized by international and regional organizations (e.g., IMF, World Bank, and CLAMS). This helps in assessing the relevance of the BR's monetary statistics. The FSS is pursuing the goal of adopting internationally accepted standards for monetary statistics, as demonstrated by efforts to strictly follow the recommendations of the *Monetary and Financial Statistics Manual (MFSM)*.

### **0.4    *Other quality management***

#### *0.4.1   Processes are in place to focus on quality*

The BR is fully aware of the importance of having timely, high-quality statistics for accurately analyzing monetary conditions and formulating and implementing monetary policy. The BR is sensitive to the different dimensions of data quality, as evidenced by the early subscription to the Special Data Dissemination Standards (SDDS).

The BR has implemented internal programs seeking to increase, among other objectives, the quality of information. This goal is explicit in the Ethical and Behavioral Guide. The guide establishes one of the basic values of the BR as excellence, understood to be the search for the highest levels of quality, productivity, innovation, and opportunity in the work. To increase productivity, improve organizational competitiveness, and promote more efficient performance, the BR promotes the participation of its staff in capacity-building courses, finances post-graduate degrees for its staff in highly qualified universities worldwide, and designs plans and educational programs oriented towards strengthening the human resources.

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

No BR unit advises internally on information quality, but the FSS is aware of the problems that exist in compiling the data and that need identifying in the various phases—from the collection of data to their dissemination. In this context, the FSS is carrying out a project to make it possible to obtain basic information of better quality and coverage in terms of sectorization of accounting records, which will improve the quality of monetary statistics.

The BR has in place established procedures for quality control of the monetary statistics. The FSS, in collaboration with the SB, routinely verifies that data reporting practices, followed by the financial corporations, are consistent with established guidelines. In addition, the FSS and SB routinely check the source data. Weekly, the FSS reviews the data submissions and informally contacts the reporting institutions in case of errors and/or nonreceipt of data. Depending on the gravity of the situation, a written communication might be sent to the reporting institution.

The BR has used the services of international experts to improve the quality of statistics and develop strategies for improving the data. Monetary statistics have been significantly improved with the help of several technical assistance missions from the Statistics Department of the IMF (STA): a multisector statistics mission (1997) and monetary and financial statistics missions (1999 and 2000). The FSS consults with other central banks and with STA regarding data quality issues.

The FSS also monitors new regulations and developments in the area of monetary and financial statistics on an ongoing basis.

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

In planning the statistical program, the BR carefully monitors the quality of the monetary statistics. As a result of insufficient sectorization in the call report form—used to obtain sectorized information from financial corporations—the FSS embarked on a project to introduce a new call report form. The results were the introduction of a new form in March 2005, which will improve the quality of monetary statistics significantly in the near future.

Feedback from users is carefully analyzed and taken into account in the work plan for improving monetary statistics. Additional time series have been disseminated to meet user needs.

The need to observe SDDS requirements has promoted recognition of the trade-offs between data quality and timeliness. The production of monetary statistics is fully automated and includes a series of checks and validations at every stage of compilation. Timeliness is regarded as one of the most important dimensions of data quality. However, because of delays in bank reporting and stringent data validation procedures, compilers of monetary data have sometimes had to sacrifice the timeliness of monetary statistics to ensure the quality of the data.

The BR, through the Internal Control Department, embarked on an internal audit of its procedures for collecting, verifying, compiling, and disseminating statistics. As a result, the BR issued Internal Circular 239 in June 26, 2002, which contains all the procedures for the production of monetary statistics. These procedures guarantee the quality of the information.

## **1. Assurances of integrity**

### ***1.1 Professionalism***

#### *1.1.1 Statistics are produced on an impartial basis*

The Constitution (Article 371) and the Law of the BR (Article 1) provide a legal framework that ensures the autonomy of the BR. They state that the BR is organized as a legal entity of public right, with administrative, capital, and technical autonomy, subject to its own legal regime. To ensure the independence of the directors of the BR, Article 372 of the Constitution and Article 34 of the Law of the BR regulate the appointment of the Board of Directors of the BR. Article 372 stipulates that the Board of Directors is empowered to establish policies and criteria in carrying out the BR's operations.

Articles 1 and 51 of the BR's Internal Work Regulations state that all staff should carry out their responsibilities with due diligence, dedicating to the tasks their best moral, intellectual, and physical efforts. The staff of the FSS feel that they are free from undue influence or pressures from upper management and other public sector agencies in the conduct of their duties of compiling statistics.

As part of the strategic plan of the BR, the Training Section designs plans and educational programs geared towards strengthening human resources in order to increase productivity, improve organizational competitiveness, and promote work efficiencies.

Professional skills are a prerequisite for the hiring of personnel. Technical expertise, educational background, experience, and knowledge of monetary themes are a prerequisite for employment. Considerations for advancement place a heavy weight not only on productivity and efficiency, but also on professionalism. Staff involved in compiling

monetary statistics are encouraged to attend seminars or courses, pursue post-graduate studies, and participate in meetings with other central banks and international organizations to sharpen these attributes.

*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 is based exclusively on statistical considerations. The source data meet the statistical requirements for decision-making purposes and for publication. Data sources, methods, and definitions are based solely upon methodological considerations ensuring their alignment with the *MFSM*.

The principal sources used in compiling monetary statistics are the balance sheet of the BR and the balance sheets and additional sectorized information of the rest of the financial corporations. The chart of accounts and additional information are updated to adapt to new instruments and institutions and to conform to international standards. The balance sheets of the financial corporations meet the requirements of monetary statistics but also those of bank supervision—a reason why it is not always possible to obtain full sectorization of operations from the chart of accounts and the need for additional information. The BR has made arrangements to receive this information.

The principal sources for compiling the weekly monetary and credit aggregates are Formato 281, which is a summarized balance sheet, and Formato 086, which contains repo operations with the central government.

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

In general, no cases have arisen thus far wherein an entity has misinterpreted or misused the data. However, the BR's informal policy widely known to the compilers of statistics is that whenever monetary statistics are misinterpreted, either by the public or by the media, the question is directed to the pertinent department to respond directly to the queries. This is done by e-mail, formal letter, or meeting, depending on the circumstances. In most cases, however, questions have been resolved informally. The FSS keeps a log of every communication for future reference. To avoid misinterpretations, the BR includes explanatory notes in its monthly bulletin *Revista* and on its website.

Since the BR's specialized publications contain more detailed data, an annual meeting is held with the media to clarify and discuss the concepts that might be misinterpreted.

## **1.2 Transparency**

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

The BR disseminates on the Data Standards Bulletin Board (DSBB) the terms and conditions under which statistics are produced and disseminated. All laws, decrees, external circulars, and resolutions are available for consultation in all public libraries free of charge. In addition, the laws and decrees are posted on the BR's website (<http://juriscol.banrep.gov.co:1025>). The external circulars and resolutions are posted on the SB's website (<http://www.superbancaria.gov.co>).

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

No government agency outside the BR has access to monetary statistics prior to their release.

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

All published monetary information bears the BR logo and captions specifying the source of the data. In addition, the department responsible for compiling the information is cited at the end of each statistical table.

The BR does not explicitly request acknowledgement of the source when its monetary statistics are reproduced or used by third parties, since it is common practice to identify data sources.

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

The BR announces changes in methodology, source data, and statistical techniques in the *Revista* and on the BR website when the related data are disseminated. Explanatory notes on the source of the changes and their impact on the monetary statistics are included. In addition, both old and revised data are published for a reasonable period so that the users can compare and splice the time series.

## **1.3 Ethical standards**

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

The guidelines for staff behavior are well known to BR staff by virtue of the Law 734 of February 13, 2002, which contains the unique disciplinary code for public servants. Regulations are also included in various internal directives issued by the BR. The BR's Internal Work Regulation (Internal Resolution 4 of September 12, 2003) contains the staff code of conduct: ethical standards, professionalism, rights, and obligations. It also contains sanctions and penalties for noncompliance with these standards. In addition, the BR created

an Internal Disciplinary Control Unit, responsible for dealing with any behavior issues. Article 51 of the Internal Work Regulation contains the guidelines for safeguarding the confidentiality expected of the staff. It states that while employees work at the BR, they must not be employed elsewhere with the exception of teaching at universities, to avoid conflict of interest.

The BR created the Value Strengthening Group and issued the Ethics and Behavior Guide in September 2003 to strengthen the value system of the institution. The essential values that employees must have are honesty, responsibility, respect, commitment, loyalty, excellence, and dedication.

All new staff are informed of the existence of the Internal Work Regulation, and staff are periodically reminded to fully observe these rules and regulations. Law 734 is available on the BR's website. The Internal Work Regulation and the Ethics and Behavior Guide are available on the BR's 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 analytical framework used by the BR in compiling monetary statistics reflects concepts and principles from the IMF's *Draft Guide to Money and Banking Statistics in International Financial Statistics* (1984). With implementation of major recommendations of STA's multisector statistics mission (1997) and monetary and financial statistics missions (1999 and 2000), BR's monetary statistics are moving towards fully adopting the guidelines outlined in the *MFSM*. The concepts and definitions used by the BR for compiling monetary statistics follow the *MFSM* in terms of identifying institutional units and valuating financial assets. The departures in terms of concepts and definitions, coverage, classification/sectorization, concept of residency, accrual accounting, and presentation of gross assets and liabilities are explained below. The BR has posted on its website the metadata on the compilation procedures and is planning to post metadata to explain the deviations from the *MFSM*.

The depository corporations survey (DCS) is derived by consolidating the analytical accounts of the BR and other depository corporations (ODCs) in Colombia and generally follows the structure that is in accordance with the *MFSM*. The only subsectors not covered by the monetary statistics are the mutual funds and capitalization societies.

The monetary aggregates compiled and disseminated by the BR are (1) monetary base, comprising currency issued and reserves of financial intermediaries; (2) M1, comprising currency held by the public and demand deposits of the central government, state and local governments, public nonfinancial corporations, other nonfinancial corporations, other resident sectors, and other financial corporations in the depository corporations (DCs);

(3) M2, comprising M1, savings deposits, and certificates of deposit issued by DCs and held by the subsectors mentioned above; and (4) M3, comprising M2 and other deposits of the subsectors mentioned above in the DCs. The credit aggregates compiled and disseminated are (1) credit provided by the main financial intermediaries to the subsectors mentioned above and (2) credit net of provisions provided by the main financial intermediaries to the subsectors mentioned above. The BR's definition of the monetary aggregates departs from the recommendations of the *MFSM* because they include the deposits of the central government. In the DCS, the inclusion of central government deposits in M3 could lead to an overstatement of the net claims on the central government. In the calculation of the banking financing of the government deficit, the FSS makes the needed adjustments.

In addition, the BR compiles and disseminates the general balance sheet of the BR and the assets, liabilities, and income statement of the main financial intermediaries. The assets of the latter are disaggregated into liquid assets (cash, deposits at the BR, and other deposits), repurchase agreements, securities, loans, bankers' acceptances and financial derivatives, other accounts receivable, fixed assets, and other assets. The liabilities are disaggregated into demand deposits, certificates of deposit, savings deposits, other deposits, repurchase agreements, credit from banks and other financial corporations, bonds, other liabilities, and shares and other equity.

## 2.2 *Scope*

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

The scope of the data (which refers to the DCS for the purposes of this exercise) is broadly consistent with the guidelines outlined in the *MFSM*. The financial system of Colombia, as of August 26, 2005, consists of the (1) BR; (2) ODCs, comprising 22 commercial banks, 3 financial corporations, 26 commercial financing companies, 1 first-tier cooperative, 5 financial cooperatives, 3 special financial institutions,<sup>14</sup> 26 mutual funds, and 5 capitalization societies; and (3) other financial corporations (OFCs), comprising 44 insurance companies, 2 cooperative insurance companies, 10 reinsurance companies, 13 pension and unemployment funds, 7 special financial institutions,<sup>15</sup> 29 trust companies, 6 general bonded warehouses, 1 cattle fund, 55 insurance brokerage corporations, Colombia Stock Exchange, 11 exchange houses, and stockbrokers.

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<sup>14</sup> Financiera Energética Nacional (FEN), Banco de Comercio Exterior de Colombia (BANCOLDEX), and Financiera de Desarrollo Territorial (FINDETER).

<sup>15</sup> Fondo de Garantía de Instituciones Financieras (FOGAGIN), Fondo para el Financiamiento del Sector Agropecuario (FINAGRO), Fondo Financiero de Proyectos de Desarrollo (FONADE), Fondo Nacional del Ahorro (FNA), Instituto Colombiano de Crédito Educativo y Estudios Técnicos en el Exterior (ICETEX), Fondo de Garantías de Entidades Cooperativas (FOGACOOOP), and Fondo Nacional de Garantías (FNG).

Presently, the BR produces four complete surveys and one partial survey: (1) central bank survey (CBS); (2) other depository corporations survey (ODCS); (3) monetary survey; (4) DCS; and (5) a financial corporations survey (FCS) with limited coverage. The CBS comprises the accounts of the BR. The ODCS comprises the accounts of commercial banks, financial corporations, commercial financing companies, a first-tier cooperative, financial cooperatives, FEN, BANCOLDEX, and FINDETER. The monetary survey consolidates the accounts of the BR and commercial banks. The DCS consolidates the accounts of the BR and the ODCs.

The DCS, produced by the BR, presents accounts of resident financial corporations and quasi-corporations that mainly engage in financial intermediation and that issue liabilities included in the national definitions of broad money. However, the institutional coverage of the monetary statistics excludes some deposit-taking corporations, such as mutual funds and capitalization societies. The relative importance of the mutual funds within the financial system is considered modest (for example, in July 2005, mutual funds represented approximately 1.75 percent of M3 and 1.83 percent of credit). The volume of operations of the mutual funds has increased in recent years, and, as a result, their accounts should be included in the monetary aggregates and surveys. The relative importance of the capitalization societies is considered negligible (not even 1 percent of M3 or credit). The volume of operations of the capitalization societies should be monitored to ensure that their accounts are included in the monetary aggregates and surveys when they become relevant. The BR is aware of the importance of including these financial corporations in the DCS.

The institutional coverage of monetary statistics includes the DCs' domestic headquarters and all domestic branches.

Currently, the BR's compilation of data focuses on the DCS, which is disseminated monthly in the *Revista* and BR's website. The OFCs, excluding the special financial institutions, are not included in the monetary statistics. Because they are not DCs, they are not assessed in this document. Since the OFCs have a significant impact in the calculation of the credit aggregates, the FSS should make efforts to obtain data for them.

## **2.3 Classification/sectorization**

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

The principles underlying the classification of financial instruments in the monetary statistics are broadly consistent with the *MFSM* recommendations. The financial instruments in the balance sheets are classified according to degree of liquidity and the legal characteristics describing the underlying relationship between creditors and debtors. Assets and liabilities are classified according to the institutional sector of the counterparts. This classification of financial instruments is the same in the BR and ODCs since all financial corporations follow the same chart of accounts. The classification distinguishes the following broad categories:

(1) monetary gold and SDRs; (2) currency and deposits; (3) securities (including shares); (4) loans; (5) other accounts receivable/payable; and (6) nonfinancial assets.

Information on financial derivatives is included in the surveys but is included as credit to the other nonfinancial corporations, because the chart of accounts cannot identify its sectoral counterparts. Financial derivatives are recorded on a net basis, and as a result the net amount is small. Insurance technical reserves are not identified; however, they are negligible in the balance sheet of the DCs.

Repurchase agreements are treated as collateralized loans in the assets in the monetary statistics. Repurchase agreements with money holding sectors are included in the liabilities as deposits and as loans with the other sectors.

To a large extent, the principles of sectorization applied in the monetary statistics are in line with the *MFSM*. Not all the sectorization information available is being used in the monetary statistics. As a result of insufficient sectorization in the chart of accounts of financial corporations, additional information must be collected to supplement the balance sheet. The additional sectorization was obtained from financial corporations in a call report form (Formato 325). Formato 325 sectorized the major accounts from the balance sheet both in national and foreign currency. However, this was not sufficient to fully sectorize many accounts.

To solve the lack of sectorization in these accounts, the SB introduced a new call report form (Formato 338) in March 2005. Formato 338 expands the number of balance sheet accounts that are sectorized and updates the list of public nonfinancial institutions that should be used in the sectorization. Financial corporations started reporting on Formato 338 with the data for April 2005 and reported historical data from December 2004.

The FSS is partially using the information from Formato 338. The sectorization of the new accounts available in Formato 338 are not being used; however, the data corresponding to the old accounts contain sectorization based on the updated list of public sector institutions. The FSS will use the richer information contained in Formato 338 in the near future, which will increase the quality of monetary statistics significantly. It will also assist the BR to more accurately calculate the financing to the public nonfinancial sector, which is extremely important for the fiscal accounts.

The BR uses the residency criterion to distinguish between resident and nonresidents in most accounts of the DCs. There is no distinction between residents and nonresidents in the chart of accounts of financial corporations. The BR obtains the sectorization of its accounts with nonresidents from its accounting records. For the rest of the DCs, the BR obtains the sectorization of most accounts with nonresidents through Formato 338. However, some accounts with nonresidents are now being assigned to the resident units. This will be corrected once Formato 338 is fully used for the compilation of monetary statistics.

The sectoral classification of resident units recommended in the *MFSM* for the purpose of compiling monetary statistics refers mainly to the subsectors distinguished in the *1993 SNA*, as follows: (1) central bank; (2) other depository corporations; (3) other financial corporations; (4) central government; (5) state and local government; (6) public nonfinancial corporations; (7) other nonfinancial corporations; and (8) other resident sectors.

The CBS and ODCS sectorize economic units into resident and nonresident categories. Domestic accounts, in turn, are sectorized into three groups (nonfinancial public sector, financial sector, and private sector), and some, less important balance sheet accounts are not sectorized. The financial sector includes the BR, monetary depository corporations, nonmonetary depository corporations, and other financial corporations. The nonfinancial public sector includes the central government, state and local governments, and public nonfinancial corporations. The private sector includes other nonfinancial corporations, households, and nonprofit institutions serving households.

The CBS, disseminated by the BR, is derived from the BR balance sheet. Assets are broken down into foreign assets, disaggregated by foreign assets that are part of official reserve assets and other foreign assets, and domestic assets. In turn, domestic assets are broken down into (1) claims on the central government; (2) claims on the rest of the nonfinancial public sector; (3) claims on monetary depository corporations; (4) claims on nonmonetary depository corporations; (5) claims on other financial corporations; (6) claims on the private sector; and (7) unclassified assets. Liabilities are also broken down into short- and long-term external liabilities and domestic liabilities. Domestic liabilities, in turn, are broken down into (1) currency in circulation; (2) liabilities to the central government; (3) liabilities to the rest of the nonfinancial public sector; (4) liabilities to monetary depository corporations; (5) liabilities to nonmonetary depository corporations; (6) liabilities to other financial corporations; (7) liabilities to the private sector; (8) shares and other equity; and (9) unclassified liabilities. The liabilities to the different resident sectors contain an instrument breakdown.

The ODCS, disseminated by the BR, is derived from accounting balance sheets and Formato 338, which financial corporations submit to the SB. The net positions with the different institutional units, broken down into assets and liabilities, are presented in the ODCS. Net positions are broken down into net foreign assets and net domestic assets. In turn, net domestic assets are broken down into (1) net claims on the BR; (2) net claims on the central government; (3) net claims on decentralized agencies; (4) net claims on public nonfinancial corporations; (5) net claims on state and local governments; (6) net claims on monetary depository corporations; (7) net claims on other financial corporations; (8) net claims on the private sector; (9) shares and other equity; and (10) net unclassified assets. The liabilities to the different resident sectors contain an instrument breakdown.

The DCS, which is the consolidation of the CBS and ODCS, shows foreign assets on a partially net basis, with the gross positions clearly identified because the medium- and long-term foreign liabilities are presented separately. The credit to the private sector is presented on a gross basis. The credit to the rest of the resident sectors is presented on a partially net

basis, with the gross positions clearly identified because the liabilities that are not included in the monetary aggregates are subtracted from the corresponding sector. The components of broad money are shown with a sectoral breakdown. Shares and other equity and unclassified assets and liabilities are clearly identified.

The presentational format of the CBS, ODCS, and DCS departs somewhat from the surveys presented in the *MFSM*. The FSS is aware of these deviations and is developing the new presentation of monetary statistics to fully align them to the *MFSM* in the near future.

## **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-priced equivalents (fair values). The only exception to this rule is that loans should be registered at their book values (i.e., outstanding principal plus any accrued interest) without adjustment for expected loan losses. Stocks and flows denominated in foreign currency should be converted to national currency values at the market exchange rate prevailing at the time they are recorded. Holding gains and losses arising from changes in market values (or fair values) of financial assets and of outstanding liabilities should be recorded separately in a revaluation account.

The BR values monetary gold holdings monthly using the price of gold in the international market at the BR balance sheet closing date. The BR and the rest of the financial corporations value foreign-currency-denominated instruments at the midpoint exchange rate prevailing on the balance sheet closing date.

For purposes of the CBS, values of SDR holdings, reserve position in the Fund, and SDR allocations are adjusted in accordance with the reports provided by the IMF. Discrepancies between these data and the accounting data are recorded in unclassified assets and liabilities.

Holdings of securities denominated in foreign currency in the balance sheets of the BR and ODCs are valued at market prices using quotations for the securities on the international markets. Marketable securities issued by residents are valued at market price using quotations on the Colombia Stock Exchange. Nonnegotiable securities are valued using the fair value method. The guidelines for the valuation of securities are contained in External Circular 100 of November 27, 1995 issued by the SB and the Superintendence of Securities; amended by the SB in External Circulars 033 of August 2, 2002; 050 of December 13, 2002; 021 of June 5, 2003; and 024 of June 6, 2003.

Loans are recorded at book value without adjustment for expected loan losses arising from anticipated defaults by borrowers. Provisions are separately identified. Loans include accrued interest in the monetary statistics.

Shares and other equity on the asset side of the balance sheet are valued at market prices, but shares and other equity on the liability side are valued at historical values. Financial transactions are recorded when there is a change of ownership, on the basis of the market prices at which assets and liabilities are bought and sold, and transactions are recorded when new securities are issued and securities are redeemed. Valuation gains and losses are included in the profit/loss accounts in the monetary statistics.

The *MFSM* recommends that data be compiled on stocks and on each of the three flow components: transactions, revaluations, and other changes in the volume of assets. In the case of Colombia, financial corporations do not provide financial information on flows, but the BR derives flows from stock data for internal use. However, the Financial Accounts Section of the TEID compiles flow of funds accounts on an annual basis. A comparison is made between the flow of funds accounts and the monetary statistics.

#### *2.4.2 Recording is done on an accrual basis*

The accrual accounting principles recommended by *MFSM* specify that accrued interest on financial instruments be incorporated into the outstanding amount of the financial asset/liability, instead of recorded under other accounts receivable/payable. In addition, revenues and expenditures should be recorded in the period in which they fall due, regardless of when the corresponding cash flow actually takes place.

The BR does not consistently apply the accrual accounting principle to all accounts. Even though the balance sheets of DCs provide for the allocation of accrued interest into the outstanding amount of the financial asset/liability, not all financial instruments include the accrued interest. However, Formato 338 contains the sectorization of accrued interest for most accounts. In the CBS, only the foreign assets that are included in official reserve assets and securities include the accrued interest. In the ODCS, only the deposits held abroad, securities, and loans include accrued interest. The accrued interest on the rest of the financial instruments is included in unclassified asset and liabilities.

In general, transactions are recorded at the time the transaction occurs by means of simultaneous electronic recording. Electronic payment systems are in place to ensure simultaneous recording, especially between the BR and the rest of the financial corporations. When mismatches do occur in recording dates, an attempt is made to reconcile the accounts to detect the nature of the discrepancies. Adjustments are made according to the following credibility priority: BR, ODCs, and OFCs.

The FSS is aware of the deviations from the accrual accounting principles and is taking steps to improve the quality of monetary statistics.

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

In line with the general principle of the *MFSM*, assets and liabilities of financial corporations are collected and compiled on a gross basis. In addition, claims on a particular transactor are not netted out against liabilities to those transactors. In the case of ODCs, data are reported on a gross basis in the balance sheet. Positions between ODCs are consolidated and presented in “other items net” in the ODCS.

In the presentation of the DCS, the foreign assets are presented on a partially net basis, with the gross positions clearly identified because the medium- and long-term foreign liabilities are presented separately. The credit to the private sector is presented on a gross basis. The credit to the rest of the resident sectors is presented on a partially net basis, with the gross positions clearly identified because the liabilities that are not included in the monetary aggregates are subtracted from the corresponding sector. As mentioned before, the deposits of the central government are included in the monetary aggregates, which is a departure from the *MFSM*. The positions between the BR and ODCs and claims between ODCs are netted out and included under unclassified assets/liabilities.

The FSS is aware of the deviations from established international standards and is taking steps to conform the monetary statistics to the *MFSM*.

## **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 source for compiling the CBS is the general balance sheet of the BR prepared by the AD. The monthly monetary balance sheet produced by the FSS is used to generate the sectoral balance sheet of the BR and the CBS on a monthly basis.

The source for compiling the ODCS and the sectoral balance sheets of the ODCs is the balance sheets of the financial corporations that follow the same chart of accounts, as well as additional information on the sectorization of major accounts in Formato 338. The two sources for preparing the sectorized balance sheets are provided by the financial corporations to the SB, which in turns transmits them to the BR. Once these sources are available in EIS, the FSS produces the ODCS on a monthly basis.

Source data for the mutual funds in the chart of accounts are available at the BR beginning in September 2004. Data for previous months are available in a summarized call report form. Sectorized information is not available for the mutual funds. Since the chart of accounts has the sectorization of securities, which is the main activity of the mutual funds, the assets can be reasonably sectorized from the chart of accounts. The liabilities of the mutual funds are

mainly shares from the private sector. Therefore, the absence of the additional sectorized information is not critical for the inclusion of mutual funds in the monetary statistics. However, the FSS should make efforts to introduce Formato 338 for the mutual funds.

The FSS also prepares daily, weekly, and biweekly reports on monetary statistics.<sup>16</sup>

A comprehensive and updated list of all financial corporations, which permits the distinction between ODCs and OFCs, is available in the SB's website. This list is also available in the BR's EIS where all additions, deletions, mergers, and changes of financial corporations are updated.

To guarantee the most complete, relevant, and timely information, the SB, BR, and financial corporations widely analyze the development and modification of balance sheets and call report forms. Once the analysis of a new form is finished, the SB field tests it, allowing financial corporations to generate it, using their software, and to comment on its implementation. The balance sheets and call report forms are reviewed periodically to take into account changes in circumstances and needs.

The SB and BR agreed that all information needed for compiling monetary statistics should be channeled through the SB. This allows the collection of supplementary information to

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<sup>16</sup> Daily reports on monetary base and required reserves for the Operational Intervention Committee who monitors the liquidity needs of the financial system. The data source for the monetary base is a daily report from the AD based on the daily balance sheet, information on sales and purchases of treasury bills provided by the open market operations desk of the BR, and information provided by the Treasury on the amount of deposits it plans to place at the BR. The data source for required reserves is telephone contacts to all commercial banks to obtain data on demand and savings deposits and certificates of deposits. The data on monetary base are provided in a report one business day after the reference date and on deposits three business days after the reference date.

Weekly reports on monetary and credit aggregates for the Open Market Operations Committee, Board of Directors, subscribers, and the *Weekly Statistics*, which is disseminated in the BR's website. The data source for these reports is two weekly call report forms: Formato 281 which is a summarized balance sheet for statistical purposes and Formato 086 which contains repo operations with the central government. The data are disseminated two weeks after the reference period.

Biweekly report on financial intermediaries' positions with the BR for dissemination in the BR's website. The data source for this report is two call report forms: Formato 226 which contains legal reserve requirements and Formato 227 which contains voluntary reserves. The data are disseminated two weeks after the reference period.

support the core information in the chart of accounts. The SB consults with the FSS on changes in source data that may affect the statistics.

The BR continuously reviews the data sources to ensure that the data collection system remains comprehensive. The FSS monitors the financial markets and other sources to identify financial developments that need to be taken into account in the monetary statistics. The BR holds periodic meetings with the SB, Banking Association of Colombia, and National Financial Institutions Association to identify new developments that need to be taken into account in the compilation of monetary statistics.

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

The BR makes ongoing efforts to use source data that reasonably approximate the definitions, scope, classification, valuation, and time of recording to compile sound monetary statistics. The source data for the CBS provide sufficient information to derive the accounts according to the recommendations of the *MFSM*. Even though the chart of accounts does not contain the residency criterion or sectorization, the access to the accounting records of the BR allows the production of the monetary balance sheet with all the necessary information.

As mentioned above, the chart of accounts does not contain the residency criterion and does not allow proper sectorization for many instruments. Partial sectorization is available in the chart of accounts for securities, repurchase agreements, accrued interest, and interbank loans. The sectorization of these instruments contains a category for others, which is used inappropriately by financial corporations. The main operations that cannot be sectorized owing to limitations in the chart of accounts are loans, deposits, and financial derivatives. This lack of residency criterion and sectorization had led to the introduction of a call report form (Formato 325) to request this information. To further improve the quality of monetary statistics, the SB, on behalf of the BR, introduced an expanded call report form (Formato 338) in March 2005. The FSS is introducing this richer source of information in the monetary statistics.

The accounting principles of the chart of accounts follow the International Accounting Standards (IAS)—a good basis for applying the accounting principles recommended in the *MFSM*. The SB is very careful to align the chart of accounts to the latest accounting standards through a legal mandate contained in Article 326 of the Organic Law of the Financial System, modified by Law 510 of 1999. Also, Article 37 of Law 521 establishes that the SB must issue general norms that financial corporations should follow in their accounting.

The data collection programs at the SB and BR are sufficiently flexible to accommodate new developments in methodology, technology, and the prospective increase in the number of institutions.

### *3.1.3 Source data are timely*

The data collection system allows timely compilation of monetary statistics, which are released in the monthly *Revista*. The FSS compiles the sectoral balance sheet of the BR on a monthly basis based on daily data. Even though provisional balance sheet data are available the day after the reference month, the AD requests an additional eight days to obtain final data on international reserve transactions. The ODCs are required to send their monthly balance sheets and additional sectorized information to the SB, as established in External Circular 061 of September 3, 1997, within ten days after the reference month. The exception is data for June and December, for which 20 days are allowed. The SB takes an additional five business days to validate the returns and makes them available to the FSS.

The information required to compile monetary statistics in Colombia is generally received on time. However, some DCs report their information with sporadic delays. The DCs request an additional five days to report the December data.

## **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 AD and the FSS routinely analyze the source data for the CBS for accuracy. It is uncommon to find any errors in the data.

The source data for the ODCS are routinely analyzed for underreporting/misreporting. In the first instance, the SB has automated procedures that facilitate the monitoring of the accuracy of data reported by individual financial corporations. The monitoring system checks the internal consistency of each corporation's data and identifies out-of-trend movements. Any problems with the data are confirmed with the reporting corporation, and records are kept with the returns. Once the data are sent to the BR, the FSS also runs automated procedures in EIS to validate the information a second time. A more stringent check is done by the FSS to the additional sectorized information.

In addition, the Public Finance Section of the BR compares the sectorized information for the major public nonfinancial sector with data from the fiscal accounts. The results of the validation are analyzed by the FSS, and measures are taken to make any needed corrections. The validations include searches for new accounts, use of inexistent accounts, trends, incorrect use of negative signs or currency, economic meaning of operations, and consistency with other sources of information. In case of further questions on the returns, the FSS routinely contacts the pertinent corporation directly for clarification to save time and keeps the SB informed.

The FSS and ODCs collaborate closely in investigating discrepancies in the reported data. The ODCs are requested to provide explanations and, when needed, to resubmit the data with corrections to the SB.

### **3.3 *Statistical techniques***

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

As BR's statistics are more or less exclusively based on balance sheet data and additional sectorized information prepared by DCs, they do not, by and large, rely on the use of statistical techniques.

The balance sheets and additional sectorized information of DCs are designed to encourage the use of computer programs, which enable prompt data processing. The potential for processing errors is minimized by the use of electronic reporting and processing procedures.

If reporting of data by DCs is delayed, the BR carries forward the data of the last month of the late reporting bank into the current month's statistics. Once the missing data are received, the database is updated. This is not a common occurrence. Missing balance sheet items are not accepted by the validation routines.

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

The BR does not use any other statistical procedure/technique in its monetary statistics. When the actual data do not approximate the guidelines of the *MFMS*, the FSS does not use any specific procedure to adjust data from various sources to improve coverage. Thus, although the coverage of the DCS excludes mutual funds and capitalization societies, no attempt is made to broaden the coverage by using estimated data.

The monetary statistics disseminated by the BR are not subject to seasonal adjustment. The data are end-of-period values derived from balance sheets and additional sectorized information of the BR and ODCs.

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

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

The BR routinely uses other information to validate balance sheet data reported by DCs. The FSS uses the data from the Trust and Securities Department of the BR on holders of public sector securities, from the Deposit Accounts Section of the BR on ODCs deposits at the BR, and from Treasury and other public institutions on repurchase agreements to cross-check the information reported in the balance sheet. Finally, the FSS uses the data from the Treasury and other public institutions on the deposits placed at ODCs to cross-check the information reported in the additional sectorized information.

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

The FSS frequently investigates statistical discrepancies and determines major factors that might contribute to them. It compares BR's data with the reported data for the ODCs to ensure that the interbank positions are insignificant. The interbank position for current periods shows an acceptable level of discrepancy, which can be explained by the different time of recording of the transactions. When a large discrepancy is noted, the FSS contacts the financial corporation to seek an explanation and requests that corrected data be submitted to the SB. The policy of FSS is not to change any reported data until revised data are received.

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

When significant statistical fluctuations are observed, the FSS investigates them directly with the reporting corporation and cross-checks the information with other sources. If the reporting corporation does not submit the corrections or the data have not been verified, the FSS carries over last month's figures. The FSS investigates classification/sectorization errors or omissions as a possible source of discrepancies in the monetary statistics.

The FSS presents monetary statistics only in stock terms. However, it derives flows from the stocks for internal use only.

### **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)*

Data for the previous month are always revised when the current month is processed. The revisions are mainly due to the incorrect use of accounting principles by ODCs in registering certain operations. Data for previous months are revised when the SB informs the FSS that revised data have been received. When the June and December data are processed, the data for the previous June and December are also revised.

The FSS and reporting corporations communicate regularly with one another to pinpoint discrepancies in the data. Should there be problems, like errors, omissions, or fluctuations in the data, an investigation is conducted. The findings of those investigations are taken into account in the compilation for subsequent periods, documented, and sent to the SB.

## **4. Serviceability**

### **4.1 Periodicity and timeliness**

#### *4.1.1 Periodicity follows dissemination standards*

The CBS and DCS are disseminated on a monthly basis, which is consistent with the specifications of the SDDS. Major aggregates for the central bank and monetary and credit aggregates are disseminated on a weekly basis, surpassing the periodicity requirements of the SDDS.

#### *4.1.2 Timeliness follows dissemination standards*

Timeliness of the CBS and DCS is consistent with the specifications of the SDDS. The CBS is disseminated two weeks after the end of the reference month. Major weekly aggregates for the BR are disseminated eight days after the end of the reference week. The DCS is disseminated six weeks after the end of the reference month—a reason why Colombia takes the flexibility option in the timeliness of the data in the SDDS. The weekly monetary and credit aggregates are disseminated eight days after the end of the reference week. The flexibility option taken by Colombia is due to the delay in receiving June and December data for the ODCs. The FSS is working on disseminating monthly data for the other months sooner.

### **4.2 Consistency**

#### *4.2.1 Statistics are consistent within the dataset*

In general, the monetary statistics are consistent within the dataset. The CBS presents details on assets and liabilities to the ODCs and vice versa in the ODCS. Assets and liabilities with OFCs are clearly presented in the CBS and ODCS. Assets and liabilities of the BR and ODCs within the DCS are consolidated and included in other items net. At times, discrepancies arise because of the lack of details on sectorization, particularly among commercial banks, and the time of recording of financial transactions. The sectorization problem will be resolved when Formato 338 is fully introduced. The reconciliation of stock and flow data is not possible because flow data are not compiled for the CBS and ODCS.

Statistics for the entire financial corporations sector and the flow-of-funds accounts are not compiled.

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

The BR disseminates consistent time series for monetary statistics over time. The CBS and ODCS are available in EIS for more than ten years, based on the same methodology. Even though numerous methodological changes have occurred, historical series are reconstructed as far back as reasonably possible.

Any changes in the definitions, concepts, and break in series are documented in methodological notes and disseminated in the *Revista* and on the BR's website. In addition, the behavior of particular figures is explained in footnotes to the tables.

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

The monetary statistics are consistent with the balance of payments and fiscal statistics. Regular procedures exist for reconciling the foreign assets and liabilities of the DCs in the monetary statistics with the corresponding accounts in the international investment position (IIP). Procedures also exist to reconcile the position of the financial corporations with the different subsectors of the public nonfinancial sector in the monetary statistics and the financial sector financing of the deficit in the fiscal statistics. There should not be any difference since all sets of statistics use balance sheet information of the DCs as the data source. Any differences that are identified in the intermediate data are identified, and the proper measures are taken to correct the discrepancy.

### **4.3 Revision policy and practice**

#### *4.3.1 Revisions follow a regular and transparent schedule*

The BR revises monetary statistics whenever there have been changes in the methodology, institutional and financial instrument coverage, and source or data errors. However, no explicit revision policy is disseminated to the public. In general, after each methodological revision, there is an update in the historical time series.

#### *4.3.2 Preliminary and/or revised data are clearly identified*

Preliminary data are clearly identified in the publications of monetary data. A general note is published in the *Revista* and on the BR's website stating that monetary data are preliminary. However, users are not informed whenever data are revised. The revised data are published with the same level of detail as preliminary data.

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

The FSS analyzes revisions, and it documents them in internal documents. Users are not informed of routine revisions to the data. However, when major revisions are made to monetary statistics, methodological notes are published to explain the nature of the revisions in the *Revista* and on the BR's website.

## **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 Colombia's monetary statistics facilitates the interpretation of the data and allows the monitoring of monetary and financial developments. The monthly and semiannual *Revista* contains tables presenting data in a clear and friendly manner. The printed copy of the monthly *Revista* presents several tables on the monetary and credit aggregates, with their components, on a monthly basis for the last two years and on an annual basis for the last five years. The printed copy of the expanded semiannual *Revista* presents the sectoral balance sheets of the different types of financial corporations that make up the financial system in Colombia, the surveys of the monetary DCs and DCs, and the monetary and credit aggregates, with their components. Both versions are available on the BR's website.

The BR's webpage also has a section for monetary statistics where the surveys for the BR, ODCs, monetary DCs, DCs, and financial corporations with limited coverage are located. The data on the BR's website are available on a monthly basis beginning in December 2002, and unpublished monthly data are available upon request from January 1994 for the surveys and from December 1924 for the monetary and credit aggregates. The *Weekly Statistics*, available in printed copy and on the BR's website, presents several tables and charts for the monetary and credit aggregates, with their components. Furthermore, the BR published the bulletin *Main Economic Indicators* in 1998 containing data beginning in 1923 for the monetary and credit aggregates, with their components.

The data in the bulletins and on the BR's website are presented with sufficient detail; the internal consistency between the disseminated tables can be verified by the users; and the commentaries on current-period developments are included. The BR does not seasonally adjust the monetary statistics.

#### *5.1.2 Dissemination media and format are adequate*

The media and formats used in the dissemination of monetary statistics are adequate, particularly for users who have Internet access, because both new data and historical time series can be accessed on the BR's website. Statistical series covering periods exceeding those included in the publications and covering more detail are available to users on request. The data can also be accessed through the IMF's DSBB. The monetary statistics can be downloaded from the BR's website into Acrobat and an Excel spreadsheet.

### *5.1.3 Statistics are released on a preannounced schedule*

Statistics are released on a preannounced schedule, following the recommendations of the SDDS. Advance release calendars provide specific publication dates for the relevant SDDS categories and are available on the BR's website in the quarter prior to the publication date. The *Revista* is also released on a preannounced schedule, namely the 20<sup>th</sup> of every month.

The BR's website contains a link to a section for the calendar of events and dissemination of economic information. This link contains an exhaustive chronological list of published information and a calendar of upcoming publications.

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

The BR disseminates monetary statistics to all interested users at the date and time specified in the advance release calendar. The data are disseminated simultaneously to all users.

### *5.1.5 Statistics not routinely disseminated are made available upon request*

Upon request, the BR provides unpublished and nonconfidential data free of charge. The users are aware that they can send an e-mail to the address posted on the BR's website requesting monetary statistics not routinely disseminated. Customized tabulations are provided to meet the specific needs of users.

## **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 BR disseminates on its website documentation on the definitions, sources of data, periodicity, institutional coverage, and compilation procedures for monetary statistics. Users may readily access the metadata in the monetary statistics section of the BR's website. The documentation is also available on the IMF's DSBB. The BR has a section about the IMF, including the SDDS, on its website. The SDDS metadata and other related descriptions are reviewed quarterly and updated regularly. The FSS is preparing summary methodologies and expanded documentation, including departures from international standards, guidelines, or good practices, which will be published shortly on the BR's website.

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

The document on the compilation of monetary statistics posted on the BR's website contains general user information. More detailed information on monetary developments is published in the monthly BR Reports. The BR's website contains a section with periodic publications about the economy, like (1) Essays on Economic Policy, which is a periodic publication on the economy aimed at divulging articles and technical notes of high quality; (2) Drafts on the

Economy, which are provisional research papers; and (3) Inflation Report, which is a quarterly analysis of inflation, monetary aggregates, and other economic variables.

### **5.3 Assistance to users**

#### **5.3.1 Contact points for each subject field are publicized**

The FSS offers, on request by users inside and outside the BR, timely and knowledgeable assistance on the information published. Contact points for monetary statistics by telephone and e-mail are specifically identified on the BR's website and in the *Revista, Weekly Statistics*, and the DSBB. Assistance to users is monitored regularly to ensure that prompt responses are sent to queries.

The BR's website contains a section dedicated to students and teachers. The link contains didactic material on the BR, banks, financial system, and their role in the economy.

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

The BR has a catalog of publications listing all bulletins, reports, essays, and drafts. The prices for statistical publications are clearly disclosed, and assistance is provided placing orders. All BR publications available electronically are free of charge. Paper publications are by subscription and have a small charge to cover printing costs. This information can be accessed in the *Revista* and on the BR's website. The catalog is updated annually.

## **Recommendations**

### **High Priority**

- Publish monetary aggregates excluding the deposits of the central government, as recommended by the *MFSM*.
- Press ahead with work underway to improve sectorization, including positions with nonresidents, now available in the call report form 338. Looking to the medium-term, consider revising the chart of accounts to ensure that reporting from banks meets statistical needs in a comprehensive manner, thereby reducing the need for supplementary information.
- Incorporate accrued interest into all underlying financial instruments and sectors.
- Introduce formal procedures for consultations with users, such as user surveys and periodic meetings.

### **Other**

- Expand the institutional coverage of monetary statistics to include mutual funds.

- Ensure that the presentational format of the various surveys are in line with the *MFSM*.
- Prepare a medium-term plan to further expand the institutional coverage of the financial corporations' survey to include other financial corporations (insurance companies, pension funds, and other financial intermediaries).
- Widen the institutional coverage of monetary statistics to include capitalization societies, as they become relevant in the financial system.
- Give advance notice when major changes in methodology/source data are to be introduced.
- Disseminate documentation on departures from internationally accepted standards, explaining practical and/or analytical reasons.

Table 3. Colombia: Data Quality Assessment Framework (July 2003) : Summary of Results for Monetary Statistics  
(Compiling Agency: Bank of the Republic)

Element	NA	Assessment				Comments
		O	LO	LNO	NO	
<b>0. Prerequisites of quality</b>						
0.1 Legal and institutional environment		X				
0.2 Resources		X				
0.3 Relevance			X			No formal procedure for consultations with users, such as user surveys or periodic meetings.
0.4 Other quality management		X				
<b>1. Assurances of integrity</b>						
1.1 Professionalism		X				
1.2 Transparency		X				
1.3 Ethical standards		X				
<b>2. Methodological soundness</b>						
2.1 Concepts and definitions			X			The monetary aggregates include the deposits of the central government, which is a departure from the <i>MFSM</i> .
2.2 Scope		X				
2.3 Classification/sectorization			X			The full sectorization, including positions with nonresidents, available in the recently introduced call report form Formato 338 is not yet fully used in the monetary statistics. The presentational format of the surveys is not fully in line with the <i>MFSM</i> .
2.4 Basis for recording			X			Accrued interest is not incorporated into all underlying financial instruments and sectors. The foreign assets and credit to the resident sectors, with the exception of credit to the private, are presented on a partially net basis in the DCS.
<b>3. Accuracy and reliability</b>						
3.1 Source data		X				
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				
<b>4. Serviceability</b>						
4.1 Periodicity and timeliness		X				
4.2 Consistency		X				
4.3 Revision policy and practice		X				
<b>5. Accessibility</b>						
5.1 Data accessibility		X				
5.2 Metadata accessibility		X				
5.3 Assistance to users		X				

## IV. 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*

The Bank of the Republic (BR), established in 1923 by Law 25, has been responsible for collecting, compiling, and disseminating balance of payments statistics since 1938 and is publicly recognized as the sole institution with this responsibility. The BR draws its authority to collect information needed to carry out its mandate from Law 31 of 1992, Decree 2520 of 1993, Decree 2080 of 2000, Resolution 8 of the BR in 2000, and established working arrangements with the Superintendent of Banks, the Superintendent of Securities, and the Superintendent of Companies. Article 18 in Law 31 of 1992 provides the BR with the authority to solicit information, including material not normally provided to the Superintendent of Banks. Financial institutions and intermediaries in capital markets and exchange markets are obliged to provide the BR with general and specific information required for its operations. In addition, to carry out its functions, the BR can require other organizations and public entities to cooperate and provide information that it deems necessary. These entities are obliged to provide it.

Decree 2080 of 2000 designates the BR as the entity responsible for the registry of information on foreign capital investment in Colombia and Colombian capital investment abroad.

As the foreign exchange authority, the BR is responsible for the registry of external debt assets and liabilities under Resolution 8 of 2000, Board of Directors of the BR. The BR is also responsible for the management and investment of official international reserves.

Although no explicit legislative mention is made of the BR's role as the official compiler of balance of payments statistics, the above powers, together with the long-standing tradition of compiling and disseminating these data since 1938, are well known. No laws conflict with the authority of the BR to compile balance of payments statistics.

BR Internal Resolution 2 of 1998 establishes the conditions for publishing statistical information. According to this resolution, "historic statistical registers are accessible to the public and will be published under the responsibility of the Executive Director responsible for producing the data." This resolution is available to the public on the BR's website.

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

Law 31 Article 18 (1992) grants the BR authority to require other institutions and agencies to cooperate in providing timely information that the BR considers necessary for its mission,

and these institutions are obliged to provide it. Hence, the BR has established agreements with public sector entities and private sector associations, such as hotel and telecommunication associations. The BR participates in interagency technical committees on statistical cooperation with the bodies that generate or use the information. This facilitates access to the information required for balance of payments compilation and promotes consistency of methods and results. Data are generally shared in electronic format. The following are examples of data sharing arrangements:

- i) Exports and imports of goods—an agreement exists with the NADS for exports and the National Tax and Customs Directorate (NTCD) for imports; and the BR takes part in the Committee on External Trade in Goods.
- ii) External public debt statistics—the Statistical Committee on Public Finance (consisting of the Minister of Finance, the BR, the Controller General of the Republic, the National General Accounting Office, and the National Planning Department (NPD) monitors external and internal public debt.
- iii) Travel—cooperation with NTCD on Immigration Declaration Forms.
- iv) Travel and Hotel Services—cooperation with Colombian Hotels Association (Cotelco).
- v) Recently, a Committee on Services Statistics was created (NADS, NPD, Minister of Industry Commerce and Tourism, and the BR) to move forward with a project on improving the production and dissemination of statistics in this sector.
- vi) The BR, in turn, provides data to other agencies, such as data for the “Rest of the World” account in NADS, and data on total external debt (public and private) to the Minister of Finance.

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

The confidentiality of individual reporters' data is guaranteed and that guarantee is widely known. Law 31 Article 18 of 1992 and Decree 2520 Article 50 of 1993 require the BR and its staff to respect strict confidentiality. In addition, the Secretary of the BR Board of Directors has issued statements that publicly clarify the confidential nature of the statistics. In addition, in a recent legal ruling by the Administrative Cundinamarca Tribunal (August 2005), the court recognized the confidential nature of BR information, ruling against an application for access to this information.

Each survey or statistical inquiry includes a statement notifying reporters that the information reported to the BR is covered by statistical confidentiality, that it will be used solely for statistical purposes, and that it will be published in aggregate form (example: Survey of Trade in Services).

Procedures are in place to prevent disclosure of individual reporters' data. Law 31, 1992 states that: "every person working for the BR and the Auditor is obligated to guard confidentiality regarding the business, organization, and operations of the BR." In addition, the internal working guidelines of the BR in Article 51 specify that employees are obligated (i) (3) to keep strict confidentiality in everything that becomes known to him/her by way of his function, as long as it does not involve a violation of legal orders. Also, the article states that (ii) (13) staff of the BR are obligated to observe and preserve the confidentiality or bank secrecy. Consequently, they cannot reveal matters whose communication or publication could impede the interests of the national economy or cause unjustified damage to the BR or to legal entities or individuals with whom the BR has relations. In addition, BR staff are governed by Disciplinary Code of Law 734 of 2002, which outlines the penalties for employee mistakes.

Staff review all data prepared for dissemination for possible indirect disclosure of individual data and design tables and outputs at a level of aggregation that prevent disclosure. Staff will not publish identifying information for legal entities or individuals, which are subject to strict legal confidentiality.

Confidentiality of data is appropriately guarded during storage. Access to the BR database requires special permission, which is granted to balance of payments compilers. Computers used by balance of payments compilers require passwords for restricted use. For example, the external trade database is managed solely on the computer of the appropriate compiler, and he/she is the only person authorized by the BR to access this information and manage the statistical SAS program that is required for the work. Only BR research staff can access the database, and they must comply with Law 31 of 1992, Decree 2520 of 1993, and the internal working agreement regarding confidentiality of information. Confidentiality of individual reporter data is therefore protected.

Confidential documents are shredded when no longer needed. The BR Computer Security Unit is responsible for managing the security of computer systems.

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

The BR is empowered by law to collect information needed to produce statistics. Article 18 in Law 31 of 1992 and Decree 2520 of 1993 guarantee the BR access to the information needed to carry out its mandate, which has traditionally included compiling and disseminating the balance of payments statistics. This is supported by Decree 2080 of 2000 for foreign investment in Colombia and Colombian investment abroad and other legal measures (see 0.1.1).

Collection activity is consistent with legal authority as follows: (1) the BR is the foreign exchange authority and, as such, is obliged to measure information on all transactions carried out in the domestic foreign exchange market as well as in resident bank accounts abroad that are registered at the BR; (2) the BR is responsible for managing and investing official

international reserves; (3) the BR must maintain the registry and information on foreign investment in Colombia and Colombian investment abroad; and (4) the BR maintains the registry and data on external debt operations. Given these functions, the compilation of the balance of payments is consistent with its legal mandates.

Noncompliance and misreporting, regarding the registries of external debt, investment, and declarations of exchange transactions in the regulated foreign exchange market, will result in a report to the authority in control (for example, the Superintendent of Banks). The authority will then decide on appropriate sanctions. It should be noted that in the case of the Coordinated Portfolio Investment Survey (CPIS), noncompliance with the request for information will result in a BR report to the Superintendent of Banks or the Superintendent of Securities for the appropriate sanction. The BR can suspend all or any of its operations with financial institutions that transgress the statutes set out in the articles of Law 31 of 1992. In addition, companies reporting on foreign investment in Colombia or Colombian investment abroad may be sanctioned by the Superintendent of Companies if they fail to provide the BR with needed information or misreport information.

The BR participates in interagency committees with other public sector bodies (Statistical Committee of Public Finances) and with associations of the private sector to analyze the information available in each agency and the possibility of database sharing to avoid response burden. They analyze the relevance of questions for consistency with terminology used by the respondents. Also, BR management periodically meets with representatives of the private sector to elicit feedback on their statistical requirements; the results of these meetings are available on the BR Internet site. If the statistical requirements of the private sector involve balance of payments data, the comments are forwarded to the External Sector Section for review and analysis.

The BR provides assistance to respondents in completing and submitting surveys and reporting forms. It has established communication links for inquiries by phone, in writing, and in-person. In the case of questions regarding service sector surveys, external debt of the financial system, and external assets of the public sector, the reporting forms include telephone contact information for the person in charge. The CPIS survey has a “help” page on the BR website where users can consult frequently asked questions. There is also a help line, telephone numbers, and e-mail addresses where the appropriate staff may be contacted.

The BR has established a Client Services site on its Internet website to help direct the public to specific content on the BR site.

## **0.2 Resources**

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

Staff resources for compiling the statistics are adequate to perform the required tasks. Ten staff members constitute the External Sector Section of the Technical and Economic

Statistical Information Department. All staff have professional university degrees, and seven have post-graduate degrees in economics. The BR will also sponsor staff in graduate studies at universities both in Colombia and abroad. Staff maintain their skills by attending training courses given through the IMF in Washington and Brasilia, the World Bank, and CEMLA in Mexico. These courses have covered balance of payments, external debt, foreign direct investment, services, and international reserves.

Staff turnover has not been an issue, as individual experience in balance of payments statistics is, on average, 10–12 years. The External Sector Section also benefits from the rotation of junior staff who are finishing their academic studies and working as interns in the BR. Staff also give seminars in their subject matter expertise to international groups and at universities in Colombia. The BR Training Department's function is to "identify the training and development needs of the staff, design plans and educational programs oriented to strengthening the human resources with a goal to increase productivity, improve organizational competitiveness, and promote more efficient workplace performance." Salary and benefit levels are competitive with the public and private sector.

Computing resources for compiling the statistics are adequate to perform required tasks. The BR uses statistical programs such as SAS, FOX, Oracle, and Excel to manage the databases such as external trade, external debt, portfolio investment, surveys of services, CPIS, and inquiries on the foreign exchange information system. Sufficient resources are available for computer technology and for the software and hardware needed to compile and disseminate balance of payments statistics.

Each BR unit, including the balance of payments compilers, manages a back-up system of their information on CDs, and frequent automatic e-mail reminders are sent to staff to back up data. In addition, the BR technology center makes copies of the information kept on the servers of the Technical and Economic Statistical Information Department, including the historic balance of payments series and studies on this subject. Physical facilities and other resources are adequate to perform required tasks.

Funding for statistical compilation is adequate to perform required tasks. Budgeting practices provide clear information to financing authorities, and the funding horizon is amenable to planning for statistical developments. However, there may be some budgetary restraints in terms of implementing some new surveys, because this would require increases in staffing, training, and technology.

Each year the External Sector Section discusses its budget needs with the Director of the Department and the Executive Director. When reviewing priorities for improvements or increases in certain elements of the programs, the Section provides clear information to the authorities on estimated costs of the project, resource requirements, and usefulness of the project to the BR. The introduction of the quarterly survey on cross-border expenditure followed this budgetary process.

The recent IMF exploratory questionnaire on a possible Coordinated Direct Investment Survey (CDIS) is an example of possible future funding needs of the Section that would be considered for longer-term budgeting. If the cost of the project exceeds the department's discretionary budget limits, it is necessary to request funds from the Governor or the Board of Directors. BR Decree 2520 of 1993 establishes that the BR Board of Directors will revise and approve the annual budget based on established procedures in the Regulatory Internal Circular DPP 95 of 2001.

### *0.2.2 Measures to ensure efficient use of resources are implemented*

Management ensures that resources are used effectively. Professional staff involved in compiling and disseminating balance of payments statistics are evaluated at least every year. Efficiency gains are sought through periodic review of work processes, for example in the selection of source data for services (survey or administrative data). When necessary, the BR seeks outside expert assistance in balance of payments, for example in the conversion from the fourth edition of *Balance of Payments Manual (BPM4)* to the fifth edition (*BPM5*). These consultations are done on an ad hoc basis.

During the budgeting process, the Director of the Technical and Economic Statistical Information Department considers resources necessary to analyze the results of the quarterly survey on cross-border expenditure (through land-border crossing points) and the processing and analysis of the NTCD-BR immigration form.

### *0.3 Relevance*

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

Data users are consulted and kept informed on specific aspects of current data. On the BR website, users of information can direct inquiries and concerns to the area responsible for generating the data. Methodological notes on subjects of common interest are published in the monthly *Revista del Banco de la República*, in the monthly bulletins entitled *Reportes del Emisor*, and in occasional series entitled *Temas del Emisor* and *Borradores de Economía*.

The BR staff participates as lecturers in courses given by recognized national universities and at meetings and seminars organized by international and regional organizations. For example, a staff member recently participated, in an advisory role, in an IMF technical mission on remittances and has participated in the World Bank-BIS seminar on remittances. Staff have also participated as consultants in IMF working groups on FDI.

The BR has also been participating in technical committees for statistical cooperation among providers and users of information in trade in goods (Committee on External Trade in Goods), services (Committee on Services Statistics), and external debt (Statistical Committee on Public Finance). The functions of these committees include evaluating the usefulness of the statistics and identifying emerging statistical needs.

The BR undertakes studies to help identify new and emerging data requirements. Recently published studies have addressed issues of current interest such as remittances, external debt, and the sectoral balance sheet.

The BR conducts meetings with the private sector, and the results of these meetings are published in press releases and are published on the BR website. While earlier meetings addressed balance of payments subjects of interest to users, such as international reserves, current transfers and remittances, and foreign investment, recent themes have dealt more with the general economy.

#### **0.4 Other quality management**

##### *0.4.1 Processes are in place to focus on quality*

Quality is recognized throughout the organization as a cornerstone of statistical work. The BR has implemented internal programs that seek to improve quality. This goal is explicitly stated in the *Guide to Ethical Conduct* in which it is established that one of the basic values of the BR is “Excellence—the search for the highest values in quality, productivity, innovation, and opportunity in the work of its staff.”

In the workplace the BR promotes participation in training courses, finances post-graduate studies at internationally recognized universities, and has designed plans and educational programs to strengthen the human resources. The goals are to increase productivity, improve organizational competitiveness, and promote efficient workplace performance. In particular, balance of payments compilers participate in seminars and courses administered by international organizations such as the IMF, the World Bank, and CEMLA, to share experiences and improve their methodology in compiling statistics.

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

Processes are in place for a systematic monitoring and review of quality. Surveys carried out for collection of balance of payments statistics and the programs designed for their compilation address issues on response rate and follow-up measures, as well as editing of the information collected and investigating the reasons for the changes. The staff are also very mindful of the timeliness of information publication. Compiling areas have access to expert guidance on the quality of their statistics from the experienced professional staff in the External Sector Section and through consultation with their international colleagues.

Each balance of payments compiler manages a network of specialized information on his/her area of expertise. Periodic reviews have successfully resolved some data inconsistencies.

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

In planning the statistical program, quality issues are considered. This applies to the selection of the information sources used in compiling the balance of payments statistics, both internal and from other agencies. The introduction of surveys on trade in services is an example.

The emphasis on quality has resulted in written documents, follow-up meetings, and analysis of the data.

Priorities in the compilation of the balance of payments statistics include quality, the availability of resources, and timeliness of the data. For example, the compilers recently weighed the advantages of providing a data series in six weeks instead of the current eight weeks, but the negative effect on the quality of the data outweighed the advantages of receiving the data earlier.

## **1. Assurances of integrity**

### ***1.1 Professionalism***

#### *1.1.1 Statistics are produced on an impartial basis*

The terms and conditions under which the statistics are produced are in accordance with professional independence. Article 1 of Law 31 of 1992 states that the BR is a legal entity, and it will function as a public institution subject to the constitution, with its own legal regimen. The BR is totally independent in producing and disseminating information on the balance of payments.

Every four years, the BR Board of Directors elects the Governor, and this appointment does not depend on any change in government. The current Governor was formerly the Deputy Governor of the BR. The Governor's term can be renewed up to a maximum of 12 years.

Professionalism is actively promoted and supported within the organization. The hiring, promotion, and task allocation strictly follow academic credentials, technical criteria, and knowledge and experience in balance of payments subject matter. The Technical and Economic Statistical Information Department has an arrangement with universities to accept interns. In the hiring process, an academic exam and aptitude test are administered. The selection process is decided on the basis of a point system. The promotion process involves a review by the chief of the External Sector Section, the Director of the Department, and the Head of the Directorate of Economic Studies.

Balance of payments compilers attend courses and seminars given by international organizations such as the IMF in Washington and Brasilia, the World Bank and CEMLA in Mexico. These courses have covered balance of payments, external debt, foreign direct investment, services, and international reserves. The courses are useful in providing a venue

for the exchange of ideas and improving the compilers' knowledge of balance of payments methodology.

The BR professional staff are classified according to their academic credentials, professional experience, and knowledge. Research papers written by staff are published with the name of the author after peer review. Methodological documents are published under the name of the BR.

Based on the experience and knowledge of professionals in the External Sector Section, research work has been carried out that reflects the quality that the BR demands in its publications. (Examples are *External Debt, Investment, and Growth in Colombia 1970–2002*; *Structure of Transaction Costs in Workers' Remittances in Colombia 2003, 2004*; *Balance of Payments and Foreign Exchange Balance in Colombia, An Empirical Comparison 2005*; *Balance of Payments in the Oil Sector, 2004*; and an IMF Working Paper—"Sectoral Balance Sheet Mismatches and Macroeconomic Vulnerabilities in Colombia, 1996–2003," July 2005.)

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

Choices of data sources are based solely on statistical criteria, and surveys are designed according to international methodological standards and proven statistical techniques. An example is the Survey of Trade in Services. Decisions to disseminate data are based solely on statistical considerations, and they strictly follow the established requirements of the SDDS in coverage, periodicity, timeliness, access to the public, integrity, and quality.

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

The BR comments on situations in which its statistics are misinterpreted or misused. The Communications Department maintains direct contact with the media through press releases. Regulatory and economic measures taken by the BR Board of Directors, as well as information published by the BR, are currently released by the Communications Department. The publication of the quarterly balance of payments data is accompanied by a press release presenting the most important events of the quarter. This information is readily available on the BR website.

The BR has a well-established custom of dealing with data misinterpretations or misuse of statistics, and it comments publicly on these issues in official reports. For example, an editorial note in *Portfolio* on April 13, 2005 suggested that the balance of payments does not reflect all the external flows that cause appreciation of the peso. Staff responded in writing to the *Portfolio* editorial, explaining in detail why this was not true and providing references to source documents that could be consulted on the subject.

The BR also provides explanatory notes for users to prevent misinterpretations. An example is the methodological note on the estimation of workers' remittances published in *Reportes del Emisor*. It also monitors media coverage of its data and media articles and posts comments on its Internet site. The official position is also stated in periodic BR publications, such as the editorial note in the monthly *Revista del Banco de la República* and *Reportes del Emisor*.

## **1.2 Transparency**

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

Summaries of selected laws and decrees, such as Decree 2520 of 1993, which states functions of the BR, are available to the public on the BR website. In published methodology the BR emphasizes the principle of confidentiality. Statistical publications, such as the *Revista del Banco de la República*, refer clearly to the sources used for their calculation and those responsible for its production. Internal Resolution number 2 of 1998, which deals with the publication of statistics, is available to the public on the BR website.

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

There is no internal government access to the balance of payments statistics prior to release, and this embargo includes the Ministry of Finance and the Board of Governors of the BR. Data are reviewed by the Head of the Directorate of Economic Studies and the Deputy Governor. Under the data sharing arrangement with NADS, selected quarterly data on services are made available to national accounts compilers as an input for generating the quarterly "Rest of the World" account. According to the authorities, it is commonly known to users of Colombian macroeconomic statistics that the BR provides these estimates for this purpose.

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

All balance of payment statistics are published identifying the BR as the entity responsible for their compilation. Statistical products such as the *Revista del Banco de La República* are clearly identified so that the public is aware that they are publications of the BR. The names of the Board of Directors and other management personnel are listed at the front of the publication, and articles are attributed to the appropriate department. Tables containing balance of payments data also source the appropriate department in footnotes.

The BR requests attribution when its statistics are reproduced—for example, balance of payments trade in goods data used by NADS and NTCD.

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

Users are made aware of major changes in methodology at the time of publication. Explanatory documents are produced and published in the monthly *Revista del Banco de La República* and in other publications easily accessible to the public, such as the *Reportes del Emisor*. No major changes in methodology, source data, and statistical techniques have been introduced since the changes to accommodate *BPM5*.

### **1.3 Ethical standards**

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

A clear set of ethical standards for staff of the BR has been prepared and is available on the BR Intranet. The mission statement includes the following basic definition of ethics and behavior: respect, loyalty, honesty, responsibility, duty, excellence (including quality), and service orientation. Also, sections of the statement address conflict of interest and management of confidential information. BR staff are also subject to Law 734DE 2002, a broad disciplinary code for all public servants in Colombia (Chapter 3 lists prohibitions).

A strong culture exists of maintaining ethical standards in the BR. New staff are made aware of the standards when they join the organization, and staff are reminded of the standards through periodic e-mails and also through staff contests promoting ethical standards.

## **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 overall conceptual framework of the balance of payments statement broadly conforms with guidelines outlined in the *BPM5*, which was introduced in 1999 with historical data revised for 1994–98. The current, capital, and financial accounts of the balance of payments statement are defined according to the guidelines of the *BPM5*.

In the construction of the balance of payments statement, a double-entry system is applied as a basic principle, and the net residual is embedded in the errors and omissions item. The system clearly distinguishes between the income component and the goods and services components. In addition, the financial account provides for a separate recording of transactions in assets and transactions in liabilities. The directional basis is employed in compiling and recording the foreign direct investment component.

Resident institutional units are defined in conformity with the *BPM5* and related to those that have a center of economic interest in the country. Enterprises are considered to be residents

of the economic territories in which they operate. National legislation mandates that companies be incorporated. Therefore, there are no unincorporated entities; even foreign branches are required to incorporate. For construction enterprises, the one-year rule is applied flexibly together with other considerations. The residence of units operating mobile equipment in international waters or airspace is attributed to the operating enterprise's country of residence. The residence of offshore entities and enterprises operating in free zones is attributed to the economy in which they are located. International organizations and supranational authorities are not considered residents of any national economy, and all units of general government (e.g., embassies, military bases) are considered to be resident in their own economy. Subject to specific circumstances, an individual may cease to be a resident of his/her country when he/she works continuously for one year or more in a foreign country. Special purpose entities (SPEs) do not exist in Colombia.

In general, balance of payments transactions are defined according to the guidelines of the *BPM5*. For example, reserve assets are defined considering the concept of monetary authorities' effective control and availability for use; also, the distinction between inbound and outbound transportation is made at the point after goods are loaded on board at the customs frontier of the exporting country. In principle, the basic criterion for defining foreign direct investment enterprises in Colombia is 10 percent ownership by a nonresident.

The balance of payments transactors are defined as all resident economic entities of Colombia engaged in transactions with nonresidents.

Deviations from the above concepts and definitions are kept under review.

## **2.2 Scope**

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

The scope of the balance of payments statistics is broadly consistent with guidelines outlined in the *BPM5*. The following are examples of transactions that are included consistent with *BPM5*: goods for processing, repairs on goods, nonmonetary gold, purchase of computer software, mineral exploration, e-commerce, insurance, reinvested earnings (inward only), intercompany lending, investments in real estate (inward and outward), portfolio investment of the private sector, trade credits, short-term debt transactions, and noncash transactions.

However, estimates of unrecorded trade are not included in the balance of payments. Robust estimates for illegal exports have not been prepared by the NADS (the source of data for international merchandise trade) or the BR.

Government bonds and other bonds issued locally and held by nonresidents are included in the balance of payments. Based on the information provided by the CPIS, which was implemented in 2001, the BR was able to identify some bonds issued abroad by the Colombian government during 2001–2002 and purchased by residents. Also, some of those

bonds were purchased by Colombians in the secondary market. The BR is identifying, to the extent possible, those transactions between residents, to remove them from the balance of payments as per *BPM5* residency criteria.

In principle, all resident institutional units engaged in transactions with nonresidents are covered. Deviations in scope are kept under review.

## **2.3 Classification/sectorization**

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

Classification and sectorization used for the balance of payments statistics broadly conform with guidelines outlined in the *BPM5*. Institutional units are classified and attributed to the relevant sector according to the *BPM5*.

Transactions are generally classified along the relevant standard components of the *BPM5*. However, borrowing and lending (including debt securities and suppliers' credits) between nonfinancial foreign direct investors and their direct investment enterprises are classified under other investment, not under FDI, because current data sources do not identify these transactions as FDI transactions. Interest on this intercompany debt is recorded under "Investment Income-Other Investment" in the income account instead of "Investment Income-Direct Investment-Income on debt (interest)."

In addition, for the calculation of the 10 percent ownership of FDI equity, in some cases the holdings of all nonresident investors in a specific enterprise or from a specific country are combined, rather than the ownership of each individual nonresident investor or group of related nonresident investors. The authorities explained that approximately 97 percent of inward FDI enterprises in Colombia meet the 10 percent criterion; therefore, the impact of this calculation on inward FDI is minimal. Similar figures are not available to quantify the effect on outward FDI equity. If compilers determine that equity transactions do not meet the 10 percent threshold for FDI, then these transactions should be reclassified to portfolio equity transactions. In this case, income from these entities would be recorded as "Investment Income-Portfolio investment-Income on Equity" instead of "Investment Income-Direct Investment-Income on equity" in the current account.

No capital accounts transactions are recorded in the balance of payments. Capital transfers in cash have been difficult to identify. Therefore, in accordance with *BPM5* guidelines, if there is serious doubt as to the classification of a cash transfer as current or capital, the transfer should be classified as a current transfer (*BPM5*, para. 344). Transactions involving migrants' transfers have not been separately identified and are included indistinguishably in other balance of payments components.

Loan transactions of the banking sector are classified separately from currency and deposit transactions of this sector. No currency and deposit liabilities are reported for the banking

sector, since nonresidents have not been permitted to have bank deposits in Colombia. (An exception is diplomats and other nonresident members of embassies, but this is considered to be very small.) However, new regulations will allow Colombian nonresidents to have bank accounts in Colombia to pay mortgage payments, and these will be included in balance of payments. The short- and long-term attribution of transactions in the other investment component is made according to the original maturity of the financial instrument. Deviations in classifications are kept under review.

## **2.4 Basis for recording**

### *2.4.1 Market prices are used to value flows and stocks*

Valuation rules used for recording transactions generally follow the principle of market valuation outlined in the *BPM5*. For example, total imports and exports are valued on an f.o.b. basis; monetary gold is valued at market price; financial instruments generally traded on a regular basis are valued by directly using the price quotations from markets; and nontradable financial instruments are valued at nominal value.

In general, stocks are not used to estimate balance of payments flows. However, in the case of Portfolio-Assets-Debt Securities-Banks, flows are estimated from stocks, and the value of the transaction does not exclude valuation and other changes. This is because the information to identify these factors is not currently available. For international reserves, the BR accounting information system identifies the transactions as well as the valuation adjustments for price and exchange rate, using the statistical model OPICS. Only the transaction values are recorded in the balance of payments for international reserves.

When no market price is available, appropriate substitute measures are developed to the extent possible: gifts are valued using customs valuations, and grants are valued according to the value declared by the donor. There are no substitute measures for transfer pricing between affiliated enterprises.

Foreign currency transactions are converted into domestic currency/unit of account following guidelines outlined in the *BPM5*. Transactions in foreign currency are converted using the midpoint exchange rate prevailing in the market on the transaction date. When the actual exchange rate is not available, the average exchange rates for the shortest applicable period are used.

### *2.4.2 Recording is done on an accrual basis*

In general, transactions are recorded on an accrual basis, and the change in ownership is the principle governing the recognition of transactions and their time of recording. The change of ownership of goods, by convention, is recorded at the time of clearance by customs. Services are recorded when they are entered in the books of the enterprise. For most financial instruments bearing interest, the accrual of interest costs is recorded when interest accrues instead of when paid or due for payment. The exception is the recording of interest on

external public debt, which is recorded when paid, owing to recording practices in source data. Comparative studies have been undertaken to estimate the difference between recording this interest on an accrual basis instead of a cash basis, with results indicating that the difference is minimal.

Dividends are recorded on the date payable or, in the case of direct investment abroad, on the date paid (the latter does not follow international standards). Reinvested earnings on direct investment (inward) are recorded in the periods when earned. Loan drawings are entered in the accounts at the time of actual disbursement, and loan payments are entered when due for payment. The public and financial sectors do not have debt arrears, and current sources do not identify loan payments of the private nonfinancial sector that are not made when due.

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

Current transactions are recorded on a gross basis: no transactions are recorded to date in the capital account. Withholding taxes are recorded gross, and taxes deemed payable by the recipient are recorded under current transfers. (For outward direct investment, income cannot be disaggregated into withholding tax and tax deemed payable.) In the financial account, transactions are recorded on a net basis, separately for the individual asset and liability components.

**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 data collection programs employed to compile the balance of payments statistics are adequate. Data source composition within the collection program generally provides sufficient coverage of the balance of payments. The core data sources—surveys, international transactions reporting system (ITRS), and administrative data—are broadly sufficient to compile balance of payments statistics. Information from other available sources supplements core compilation.

Data based on surveys are adequate and include the following: Quarterly Survey of Trade in Services (sample); Quarterly Survey on Cross-Border Expenditure—through land-border crossing points (sample); and Monthly Survey of External Assets of Public Sector Enterprises (census of 26 public enterprises such as ECOPETROL and TELECOM). The BR conducts an annual survey with financial intermediaries in Colombia on the transaction costs of workers' remittances.

A comprehensive and up-to-date business register maintained by the BR provides the basis for sample surveys of business units. For example, the BR maintains the frame for the

Quarterly Survey of Trade in Services. A project to improve statistics on trade in services will improve the coverage of the frame; the project was set up by the Committee on Services Statistics (BR, NADS, NPD, and Minister of Industry Commerce and Tourism).

Established procedures provide for frequently integrating new transaction units into the register(s) and accounting for mergers, cessation of operations, and other changes. Information is taken from administrative registers (such as lists of exporters/importers); chambers of commerce (it is obligatory for companies to register); ITRS records; Superintendent of Securities; Superintendent of Companies (balance sheets of enterprises and bankruptcy notifications); the financial press; and direct follow-up measures by BR staff for companies that have not replied to surveys.

The BR does not conduct household surveys.

For the Quarterly Survey of Trade in Services the most important respondents are all included, and a sample is determined for the rest of the frame. The methodology for the sample was determined in conjunction with the BR Statistics Division. Sample design ensures that the population in scope is represented properly and sample selections are assessed regularly. There is no threshold, and the sample size is large, minimizing sampling error.

The quarterly sample Survey on Cross-Border Expenditure through nine land-border crossing points is outsourced to a private firm under the confidentiality provisions of the BR. The survey is based on two reporting forms. Form 1 is a census that records the total number of persons and vehicles that cross the border (total population). Form 2 records information on expenditure, length of stay, purpose of the trip, and other information (variables). Form 2 is applied systematically and depends on the total volume of persons and vehicles at the border crossing. Information from Form 2 is used to estimate the variables for the total population. The company enters the data into a database, which was designed to allow for data validation by a BR staff member. BR staff meet quarterly with the firm to review the data and address any problems.

Survey questionnaires are constructed according to sound design principles and are pilot-tested. For example, in preparing the Quarterly Survey of Trade in Services, staff visited businesses and related associations to discuss business practices and the terminology used in the questionnaires. Copies of the proposed questionnaire were given to the company for comment. Changes to the questionnaire are discussed with the respondents. Survey instruments (questionnaires) are designed for efficient data capturing/processing that minimizes nonsampling errors.

Data collection based on the ITRS is adequate. The coverage of reporting banks in the ITRS is integrated with the bank register maintained by the bank supervisory authorities. Sufficient detailed information is available for transactions both via banking accounts and in cash. There are no thresholds. Reporting instructions emphasize the need to minimize the number and value of transactions that are reported under "Other." Banks are discouraged from using

this category; if they do use it, they must provide a written explanation that can be coded. If the BR requires more information on the nature of the transaction, the foreign exchange intermediaries will contact the transactor to obtain the information for the BR. Reporting instructions do not permit netting of balance of payments transactions. The ITRS report forms were designed and pilot-tested to make them easy to complete and appropriate for computer processing.

The following are some main sources of administrative data:

- International merchandise trade statistics, based on customs recording procedures, are used to compile data on goods. Export data are provided by the NADS, and import data are reported directly by NTCD.
- Data on the external assets of banks are provided by the Financial Sector Section of the BR, and data on international reserve assets are obtained from the Accounting Department of the BR.
- The Ministry of Finance, the Ministry of Foreign Affairs, and the Ministry of Foreign Trade, among others, provide information on the government's external transactions. These include transactions in the government's external assets and liabilities as well as data on embassies abroad.
- The NTCD-BR immigration form entitled "Luggage & Monetary Instruments Representative of Cash, Customs Declarations for Travelers" is used to collect data from travelers at airports.
- All insurance companies provide monthly balance sheet information.
- Reporting forms for debt of public sector enterprises record the stock, flow, exchange rate, currency and interest, instrument-by-instrument and credit-by-credit.
- The Superintendent of Companies and the Superintendent of Securities provide information for direct and portfolio transactions, including income.

Data collections based on administrative data sources are adequate, and gaps in detail and coverage are minimal. Financial institutions' reporting forms do not have a breakdown to determine residency (but do break down currency). Therefore, nonresident transactions are estimated with supplementary information provided directly to the BR by financial entities in a closely monitored procedure.

The structure of the reporting system for banks and enterprises with accounts abroad that are registered with the BR is consistent with the accounting practices employed by banks and enterprises. Thus, data can be readily extracted from the operational records.

The data collection programs are sufficiently open and flexible to provide for new developments in sources. Periodic meetings are held with financial market participants and the business community to identify new balance of payments developments that need to be taken into account. The financial press and research papers are monitored for information on

international transactions and transactors. In addition, international standards, guidelines, and practices are monitored for changes that need to be addressed. The Director of the Technical and Economic Statistical Information Department and the External Sector Section are consultants to the Direct Investment Technical Experts Group (DITEG). They are also part of the representation of a selected sample of countries participating in an assessment of the proposed CDIS. In addition, a staff member has participated in an advisory role in an IMF technical mission on remittances and has participated in the World Bank-BIS seminar on remittances.

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

Source data are generally consistent with the definition, scope, classification, and time of recording adopted by the BR (see 2.2.1 for Scope, 2.3.1 for Classification, and 2.4.2 for Time of Recording). Survey data are supplemented by ITRS data. Administrative records that are used to compile balance of payments statistics provide reasonable approximations of methodological requirements and are reviewed for forms design.

Information on deviations of the source data from balance of payments requirements is sufficiently detailed to ensure the appropriate adjustment. For international trade in goods, codes in the administrative data identify goods crossing the border but not changing ownership (and are therefore not included in the balance of payments) and goods not crossing the border (that need to be included in the balance of payments). Robust estimates for illegal exports have not been prepared by the NADS, the source of data for international merchandise trade (see 2.2.1).

Information on external debt obtained from the debt compiling agency is generally in line with the recommendation of *BPM5*. However, some bonds that were issued abroad by the Colombian government during 2001-2002 and purchased by residents were included in the balance of payments. Also, some of those bonds were purchased by Colombians in the secondary market. As is the case in other countries, it is difficult to track the holder of bonds on the secondary market. The BR is identifying, to the extent possible, those transactions between residents, to remove them from the balance of payments (see 2.2.1).

### *3.1.3 Source data are timely*

Data collection and processing timetables are adequate to meet timeliness and periodicity requirements for disseminating the balance of payments statistics. For example, data on exports and imports in goods are received from the NADS and NTCD in a timely manner (eight weeks before the quarterly release).

For surveys, respondents are made aware of the reporting deadlines. For example, the deadline for reporting 2005 third quarter data for services is November 30, 2005 (eight weeks after the end of the reference period). The BR will publish third-quarter data 12 weeks after the end of the reference period. The BR rigorously follows up with late reporters to ensure

the timely receipt of respondents' data. The response rate for the Quarterly Survey on Trade in Services (Exports and Imports) for Q1 and Q2 2005 was between 86 and 92 percent.

### **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*

Data accuracy in surveys is routinely assessed. Sampling error is considered minimal in the Survey on Trade in Services because the frame is large, no threshold exists, and the frame is constantly being updated. Nonresponse is kept to a minimum; when there is nonresponse, estimations are derived by type of service using carry forward techniques. Other nonsampling errors such as coding and processing are monitored. For example in the Survey on Cross-Border Expenditure, an automated SAS program is used to edit and validate the data as they are being entered.

Source data are analyzed in the context of revisions. All material changes from available up-to-date data are incorporated into the balance of payments statement according to a revision cycle that prevents the accumulation of revisions over long periods. For example, each quarter, revisions are carried out for the preceding four quarters. Annual data for 2002 are considered final, except for revisions carried out when there is a change in methodology, and the revision can be made as far back as needed.

Atypical values and outliers are identified, and extreme values are confirmed with respondents by phone. Records are maintained on the confirmation. The source data are analyzed for underreporting/misreporting by comparing quarter-over-quarter data and by checking with related data sources. For example, data from the annual CPIS are compared with external portfolio assets of the banking sector.

The accuracy of the information from the ITRS is assessed, and nonsampling errors are monitored. Colombia has a closed ITRS system, and the completeness of reporting by banks is assessed on balances of accounts and reported transactions. The equality between debit and credit entries for nonbalance of payments transactions is monitored. The ITRS system has an automated validation system; the data are also validated against monthly remittance data from exchange houses to the Superintendent of Banks. Reviewing the ITRS data weekly, the BR follows up on high or atypical values with a phone call to the reporting bank. If necessary, the bank will contact the transactor.

The BR routinely assesses accuracy of the information from administrative data such as public sector external debt data and international trade data used to compile balance of payments. External debt is reviewed with the Statistical Committee of Public Finances; for example, leasing transactions are cross-checked in the debt data of banks and the import data

of NTCD. Monthly remittance data from exchange houses, reported to the Superintendent of Banks, are compared with ITRS data.

The BR receives a copy of the NTCD-BR immigration form (Luggage and Monetary Instruments Representative of Cash, Customs Declarations for Travelers), used to collect information from air travelers. Data capturing is outsourced, and an automated validation system checks for coding and processing errors and identifies extreme values. Staff of the External Sector Section review the output and validate the results.

### **3.3 *Statistical techniques***

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

Data compilation procedures are sound. Compilation procedures minimize processing errors, such as in coding, editing, and tabulation. Programs such as SAS, FOX, and Oracle can flag this type of error and automatically verify tabulations.

Adjustments to unit records are made only when they are clearly warranted and can be identified in datasets. Nonresponse is kept to a minimum in the Survey on Trade in Services by rigorous follow-up; when there is nonresponse, an estimate is derived by type of service using carry forward techniques. To date, there are no benchmark surveys, and nonsampling errors have been insignificant. Missing observations are followed up with respondents.

No grossing-up factors are used to date, and no adjustment is made for undercoverage and/or population out of scope for the Survey on Trade in Services. This is because the frame is monitored regularly and there is no threshold.

If a misreported ITRS transaction is reported, the BR follows up with the reporting bank to clarify the nature of the transaction. Therefore, classifying misreported ITRS transactions is not a problem. Currently, the BR does not conduct an annual survey for trade in services, but it has a project with the Committee on Services Statistics to develop an annual survey, in addition to the quarterly survey, to collect more detailed information.

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

In general, sound adjustments are employed to make source data consistent with balance of payments requirements. The information on freight and insurance, available on the import declaration forms, allows imports to be reported f.o.b. This is a sound practice and eliminates the need for an estimated percentage adjustment that is common in many countries. Each quarter, data on freight income are regularly assessed in relation to the value/volume of trade flows. Income payments are reported inclusive of withholding tax, and no adjustment is needed. Similar source information is not available for income receipts. Data for telecommunications services are reported gross, not net, by the company; therefore, no need arises for an adjustment. No source information is currently available to the compilers to

adjust securities transactions in secondary markets. Bilateral comparisons are made to validate trade data, but no adjustments are made, owing to differing methodologies, timing, and source data.

Estimates from several sources are used to verify and adjust travel data. Data are obtained from surveys of travelers at airports and at land-border crossings, from the Aero Civil for the number of passengers, from credit card information for both debits and credits, and from hotels and tour operators for supplementary information. (ITRS is not used as a source for travel data.)

For international reserve assets, transactions are distinguished from valuation changes electronically using the statistical model OPICS.

For unrecorded trade, a reliable statistical technique will need to be developed to provide an estimate for illegal exports and imports and the corresponding contra-entries (see 2.2.1). Developing this technique will take time because emphasis will need to be placed on its reliability and the need to produce timely quarterly statistics.

### ***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 checked across a wide range of data sources. For example, oil sector balance sheets are used to validate estimates of withholding taxes on income. Information reported in the financial press is used to verify high-value direct investment and other transactions. A recent example is the purchase of the enterprise Bavaria by the South African company, Sab Miller Company.

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

The behavior of series is cross-checked with related series indicators. Reported financial flows data and data on investment income are regularly assessed in relation to corresponding stock data in the international investment position statistics. A reconciliation table is published on the website showing the changes in stocks from one end period to the next end period in terms of flows, changes in prices, exchange rate changes, and other adjustments. Each quarter, data on freight income are assessed in relation to the value/volume of trade flows. Travel-related data are analyzed in relation to information compiled by the immigration authorities on the number of international travelers entering/leaving the country and on data provided by hotels, tour operators, and airlines. Immigration records on Colombian residents who leave the country and do not return are used as supplementary information to validate remittances data.

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

Staff monitor developments in errors and omissions to understand them—for example in relation to changes in the exchange rate.

Bilateral data comparisons are carried out for trade in goods, external debt, and FDI, to validate specific datasets.

Data on selected external debt transactions are compared with data from the Inter-American Development Bank (IDB), the IMF, and the World Bank. In addition, comparisons are made with the Bank for International Settlements (BIS) banking data and reported data on deposits abroad of the nonbank sector (Table 7B Locational Banking Statistics). The source data used by the BR to calculate these data include the records of resident individuals and companies with bank accounts abroad that are registered at the BR. For those accounts not registered with the BR, ITRS records are used. When a statistical technique is developed to estimate the contra-entries for unrecorded trade, further analysis of these data comparisons will be useful.

## **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 to the balance of payments are periodically assessed. Analyses of revisions include the size of revisions, the impact on the current account, the financial account, and errors and omissions. The BR staff also analyze the reasons for modification to improve the compilation process. Recently, the BR revised balance of payments data for exports of goods that were not previously identified in custom reports. This statistical change was discussed in the Committee on External Trade in Goods, and a record of this agreement was documented.

Studies are conducted in terms of the reason for the revision, and adequate documentation is maintained on large revisions. For example, an analysis of the revision to external debt of the nonfinancial private sector (1997-2002) was made available internally. However, analysis is not formally carried out on direction and magnitude of revisions, as well as long-term revision patterns.

## **4. Serviceability**

### **4.1 Periodicity and timeliness**

#### *4.1.1 Periodicity follows dissemination standards*

Balance of payments statistics are disseminated quarterly as per SDDS requirements.

#### *4.1.2 Timeliness follows dissemination standards*

Quarterly balance of payments statistics are disseminated within one quarter after the reference period, pursuant to SDDS requirements. Annual balance of payments data are disseminated when fourth quarter statistics are disseminated.

### **4.2 Consistency**

#### *4.2.1 Statistics are consistent within the dataset*

The balance of payments statistics are internally consistent. Concepts, definitions, and classifications for producing quarterly and annual balance of payments statistics are the same. The sums of quarterly and annual statistics are consistent. Over the long run, the net errors and omissions have been relatively small and stable over time. For example, over the last three years (2002-2004), errors and omissions as a percentage of exports have averaged 1.2 percent in Colombia, while two other countries of similar size in the region have averaged 4.3 percent and 3.7 percent.

Financial transactions data are reconciled with changes in the international investment position, and a table explaining the reconciliation (e.g., transactions, exchange rate, price, and other changes) is disseminated regularly on the BR website.

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

The balance of payments statistics are consistent over time—annual statistics since 1994 and quarterly statistics since 1996. When changes in source data, methodology, or techniques are introduced, historical series are reconstructed as far back as reasonably possible. For example, with the introduction of *BPM5* methodology in 1999, historical data were revised for 1994–98.

Detailed methodological notes identify and explain the main breaks in the balance of payments component time series, such as the introduction of surveys for trade in services in 1999. Unusual changes in economic trends are explained in footnotes included in the balance of payments publication and in the database accessible to users.

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

The balance of payments data on trade in goods are reconciled with international merchandise trade received from the NTCD and the NADS and the differences are explained.

Balance of payments statistics are reconciled with the “Rest of the World” account in national accounts statistics. The last reconciliation was carried out on 2002 data (the latest year data are available for “Rest of the World” account). The following differences were

noted: export data for the national accounts include an estimate for the production of illicit agricultural commodities; import data for the national accounts include an estimate for contraband (see Scope 2.2.1); exports and imports of services are higher in balance of payments owing to better coverage in the Survey on Trade in Services; a minor difference exists in data on international cooperation; and an adjustment is made by the national accounts in transfers. All other accounts are consistent. The differences are analyzed and efforts are being made to improve the consistency—for example, there is an initiative underway between the agencies to improve the coverage of trade in services. When data for rest of the world account are available on a more timely basis, this comparison will be more feasible.

The banking sector transactions in the balance of payments statistics are consistent with monetary and financial statistics. The official international reserve position is also consistent in the two sectors.

The balance of payments components comprising external debt data are largely consistent with the corresponding debt stocks. The BR is the official compiler of external debt statistics in Colombia as per External Resolution 8 of 2000, and this facilitates the reconciliation of stocks and flows.

The BR publishes a reconciliation table for the balance of payments and the international investment position (3.4.2).

### **4.3 *Revision policy and practice***

#### *4.3.1 Revisions follow a regular and transparent schedule*

The revision cycle is predetermined and reasonably stable from year to year. Each quarter, the previous four quarters are revised, and annual revisions are carried out when needed and applied to historical data when appropriate. In general the revision cycle is associated with the availability of source data. In other words, it is part of the normal statistical process of incorporating new data. This revision cycle and the reasons underlying the cycle are not formally made known to the public.

Documentation of revisions is included in footnotes of published tables and in the database accessible to users. When revisions outside the regular cycle are required, they are made known to the public. For example, in 2003, a revision was made to remittances from 1998 onwards, and the main users of balance of payments data were notified directly by e-mail. Commentaries are also made in the monthly publication *Revista del Banco de la República*.

#### *4.3.2 Preliminary and/or revised data are clearly identified*

At the time of data dissemination, users are clearly informed whenever data are preliminary or revised.

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

Studies and analysis of revisions are made available internally to the BR, but no official studies have been published. Analysis of differences between the revised and preliminary data is not published.

### **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 disseminated according to standard *BPM5* components and with time series. Data are provided for international publication in standard and analytical presentation format. The national presentation is adapted to the user needs. Additional series are disseminated to meet a range of user needs—for example, FDI data by geographic area and external debt data by type of creditor.

The statistics are clearly disseminated in a press release, with charts, tables, and commentary on current-period developments to facilitate analysis.

##### *5.1.2 Dissemination media and format are adequate*

Statistics are disseminated in formats to suit user needs and in ways that facilitate redissemination in the media. The press obtains the tables and graphs directly from the BR Communications Department and cites the BR in press reports. More comprehensive statistics are disseminated in the *Revista del Banco de la República* and on the BR website. Current statistics and longer-term time series can be accessed free of charge through the electronic database maintained by the BR.

##### *5.1.3 Statistics are released on a preannounced schedule*

A calendar on the website announces in advance the release dates for statistics. The statistics are released punctually, according to the preannounced schedule. There is also a release for *La Revista del Banco de la República*.

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

The balance of payments statistics are made available to all users of statistics at the same time, and the public is informed of the release on the website. The press is not briefed in advance, through an embargo process.

### *5.1.5 Statistics not routinely disseminated are made available upon request*

In addition to the statistics disseminated, other general statistics are made available to users upon request—for example, regional distribution of FDI. Custom tabulations are not prepared by the balance of payments staff; however, an electronic database is available to users. Additional statistics and the instructions for obtaining them are available on the website in Excel or PDF.

## **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 latest comprehensive sources and methods document is available in the *La Revista del Banco de la República* of November 2002, accessible in Word format on request. It contains information on concepts, definitions, classifications, data sources, compilation methods, and other relevant methodological aspects. Information on survey characteristics, such as response rates, studies of nonsampling errors, sample frame, etc., is not included in the document. Although it is not available on the website at this time, a project is ongoing in the Department to make the data and related metadata available on the website to users inside and outside the BR.

The SDDS metadata for the External Sector, SDDS summary methodologies (for balance of payments, international investment position, and external debt—the authorities are encouraged to post summary methodologies for international reserves and foreign currency liquidity, merchandise trade, and the exchange rate), and other related descriptions are reviewed and updated regularly. The last update was March 31, 2005. The metadata are readily available on the BR's website, with a link to the IMF SDDS website.

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

Different levels of metadata are made available to meet user needs. *Temas del Emisor* provides general use information to the public about balance of payments and other external sector statistics, among other topics of interest, such as *What is the Exchange Rate?* and *What are the International Reserves?* More specialized information, such as working documents and background papers, is available in series called *Borradores de Economía* (example: *Deuda Externa Inversión y Crecimiento*) and *Reportes del Emisor* (example: *Principales resultados de la encuesta de costos de transacción de remesas de trabajadores en Colombia*). They are available in print and web formats.

### **5.3 Assistance to users**

#### **5.3.1 Contact points for each subject field are publicized**

Prompt and knowledgeable service and support are available to statistics users. Contact points for inquiries are provided on some statistical products (e.g., *Borradores de Economía*), including e-mail contact of the authors, telephone, and fax. The website's Client Services page includes a link to the Directorate of Economic Studies, its e-mail address, and telephone number; however, it does not explicitly mention balance of payments statistics or a direct contact person.

Material to raise awareness on the use of statistics is available (e.g., *Temas del Emisor* is used for educational purposes). The BR website prominently displays access points for clients to obtain statistical information. No formal system monitors user assistance, although an informal follow-up system operates through the Section's administrative staff.

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

A catalog of all issues and articles of *La Revista del Banco de la República* is available in print and on the Web. In addition, a website-accessible list is available about all documents the BR produces. The *Borradores de Economía* has a listing of releases at the back of each publication. *La Revista del Banco de la República* is the only product that carries a minimal charge, and instructions on ordering it can be found on the Web or in the publication.

## **Recommendations**

### **High Priority**

- In consultation with the NADS, develop, without delay, a methodology to include unrecorded trade in the balance of payments on a timely basis. A statistical technique would need to be designed to estimate illegal exports and counterpart transactions.
- Reclassify FDI intercompany debt transactions from other investment to FDI. Based on the 10 percent ownership criteria of FDI, reclassify some FDI equity transactions to portfolio equity. Adjust the related investment income series accordingly.
- Continue efforts to identify government bonds issued abroad and purchased by residents as well as those purchased by residents on the secondary market.

### **Other**

- Make valuation adjustments when deriving transactions from stock data for debt securities (assets) of banks.
- Estimate interest on external public debt on an accrual basis and record all dividend payments on the date they are declared payable or the dates payable, rather than the date when paid.

Table 4. Colombia: Data Quality Assessment Framework (July 2003): Summary of Results for Balance of Payments Statistics  
(Compiling Agency: Bank of the Republic)

Element	NA	Assessment				Comments
		O	LO	LNO	NO	
<b>0. Prerequisites of quality</b>						
0.1 Legal and institutional environment		X				
0.2 Resources		X				
0.3 Relevance		X				
0.4 Other quality management		X				
<b>1. Assurances of integrity</b>						
1.1 Professionalism		X				
1.2 Transparency		X				
1.3 Ethical standards		X				
<b>2. Methodological soundness</b>						
2.1 Concepts and definitions		X				
2.2 Scope			X			Unrecorded trade is not covered; contrary to the residency principle of <i>BPM5</i> , some government bonds issued abroad and purchased by residents of Colombia are included.
2.3 Classification/sectorization			X			Some foreign direct investment transactions in equity and debt are misclassified in terms of functional category. Consequently, related investment income series are also misclassified.
2.4 Basis for recording			X			Flows derived from stocks for debt securities (assets) of banks are not adjusted for valuation changes. Interest on external public debt and some dividend payments are recorded when paid.
<b>3. Accuracy and reliability</b>						
3.1 Source data						
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			Revision studies to include more analysis on direction and magnitude of revisions as well as long-term revision patterns.
<b>4. Serviceability</b>						
4.1 Periodicity and timeliness		X				
4.2 Consistency		X				
4.3 Revision policy and practice			X			Revision cycle is predetermined and stable, but it is not formally made known to the public. Revision studies are not published.
<b>5. Accessibility</b>						
5.1 Data accessibility		X				
5.2 Metadata accessibility		X				
5.3 Assistance to users		X				

### **Users' Survey**

To inform its assessment, the mission conducted a user survey and held a meeting with users in order to elicit their views on the macroeconomic statistics. The user survey revealed that the price and the monetary statistics are rated highly. Users viewed the methodological basis and the reliability of the macroeconomic data as appropriate, most notably in the case of the monetary and BOP statistics. Users pointed to insufficient detail and disaggregation in the presentation of the fiscal statistics. A large majority of users indicated dissatisfaction with the timeliness of the national accounts, the fiscal statistics, and the BOP; they were unaware of publication of release calendars for these data. The majority of users were satisfied with accessibility to data, most notably monetary, price, and balance of payments statistics. However, users saw scope for improved access to fiscal metadata.

In a follow-up meeting with the mission, users noted that efficient operation of the domestic financial markets requires timely dissemination of key data, with advanced release calendars strictly observed. They noted that long delays in the publication of GDP data created uncertainty in financial markets. Despite observing SDDS prescriptions, the timeliness of quarterly GDP and BOP data was seen as insufficient to meet user needs. Some wanted advance calendars to include the specific time of the day of release. On the trade-off between timeliness and robustness, users indicated a strong preference for earlier release of preliminary data. Also, more methodological information on the national accounts was needed, particularly on indicators of industrial activity and financial services. This could help better understand differences among a number of indicators of industrial activity. There was demand for a monthly index of economic activity. Users of fiscal statistics were unaware of advance release calendars, and noted that time series for key fiscal aggregates were unavailable, detail was insufficient, and there was a dearth of methodological information. This was problematic as various compilers release different data for the same variable.

## II. Survey of Users of Official Macroeconomic Data - Colombia - September 2005

		In percent of those surveyed	Respondents that answered the question	In percent of respondents that answered the question	In percentage of respondents with an opinion	Respondents with an opinion
<b>I. General information about the uses of official macroeconomic statistics</b>						
1.	<b>Which official statistics do you use regularly?</b>					
1.1	National Accounts (NA), e.g. GDP, GNP, Sectoral Value Added	91%	42			
1.2	Prices: Consumer Price Index (CPI), Producer Price Index (PPI)	91%	42			
1.3	Government Finance Statistics (GFS) or fiscal data	67%	31			
1.4	Monetary and Financial Statistics (monetary)	91%	42			
1.5	Balance of Payments (BOP)	76%	35			
1.6	<b>Other</b>					
1.6.1	Production indices	52%	24			
1.6.2	Labor market (employment, unemployment, wages)	67%	31			
1.6.3	Merchandise trade	65%	30			
1.6.4	International capital flows and foreign liquidity	30%	14			
1.6.5	External debt (public and publicly guaranteed)	72%	33			
1.6.6	International Investment Position	39%	18			
2.	<b>What are your sources of official statistics?</b>					
2.1	National Administrative Department of Statistics (NADS)	96%	44			
2.2	Bank of the Republic (BR)	98%	45			
2.3	Ministry of Public Finance and Public Credit (MFPC)	72%	33			
2.4	Other government agencies or departments	37%	17			
2.5	International and regional organizations (IMF, World Bank, IDB, ECLAC, UN, etc.)	50%	23			
2.6	News media	41%	19			
3.	<b>Do you refer to descriptions of sources and methods provided by agencies compiling the macroeconomic statistics?</b>					
3.1	Yes	54%	25	56%	64%	39
3.2	No	30%	14	31%	36%	
3.3	No opinion	13%	6	13%		
4.	<b>For what purposes do you use the official statistics?</b>					
4.1	Analysis of current developments for short-term decision making	67%	31			
4.2	Analysis of trends for longer-term policy formulation	65%	30			
4.3	Model building and forecasting	72%	33			
4.4	Economic research	67%	31			
4.5	Comparison with economic developments in other countries	46%	21			
4.6	General economic background	91%	41			
4.7	Market research	37%	17			

## Survey of Users of Official Macroeconomic Data - Colombia - September 2005 (continued)

		In percent of those surveyed	Respondents that answered the question	In percent of respondents that answered the question	In percentage of respondents with an opinion	Respondents with an opinion
<b>Section B: Information concerning quality aspects of official macroeconomic statistics</b>						
<b>5. Coverage and detail</b>						
<b>5.1 In general, are you satisfied with the coverage of official statistics?</b>						
5.1.1	National Accounts		45			43
1.1	Yes	67%	31	69%	72%	
1.2	No	26%	12	27%	28%	
1.3	No opinion	4%	2	4%		
5.1.2	CPI/PPI		44			44
1.1	Yes	91%	42	95%	95%	
1.2	No	4%	2	5%	5%	
1.3	No opinion	0%	0	0%		
5.1.3	GFS		44	<u>100%</u>		31
1.1	Yes	39%	18	41%	58%	
1.2	No	28%	13	30%	42%	
1.3	No opinion	28%	13	30%		
5.1.4	Monetary		45	<u>100%</u>		44
1.1	Yes	89%	41	91%	93%	
1.2	No	7%	3	7%	7%	
1.3	No opinion	2%	1	2%		
5.1.5	Balance of Payments		44	<u>100%</u>		37
1.1	Yes	65%	30	68%	81%	
1.2	No	15%	7	16%	19%	
1.3	No opinion	15%	7	16%		
<b>5.2 In general, are you satisfied with the official statistics in terms of available detail?</b>						
5.2.1	National Accounts		44	<u>100%</u>		39
1.1	Yes	52%	24	55%	62%	
1.2	No	33%	15	34%	38%	
1.3	No opinion	11%	5	11%		
5.2.2	CPI/PPI		44	<u>100%</u>		43
1.1	Yes	72%	33	75%	77%	
1.2	No	22%	10	23%	23%	
1.3	No opinion	2%	1	2%		
5.2.3	GFS		46	<u>100%</u>		28
1.1	Yes	26%	12	26%	43%	
1.2	No	35%	16	35%	57%	
1.3	No opinion	39%	18	39%		
5.2.4	Monetary		46	<u>100%</u>		42
1.1	Yes	72%	33	72%	79%	
1.2	No	20%	9	20%	21%	
1.3	No opinion	9%	4	9%		
5.2.5	Balance of Payments		44	<u>100%</u>		36
1.1	Yes	61%	28	64%	78%	
1.2	No	17%	8	18%	22%	
1.3	No opinion	17%	8	18%		

## Survey of Users of Official Macroeconomic Data - Colombia - September 2005 (continued)

		In percent of those surveyed	Respondents that answered the question	In percent of respondents that answered the question	In percentage of respondents with an opinion	Respondents with an opinion
<b>5.3</b>	<b>Do you find the data collection surveys (e.g. business survey) to be adequate?</b>					
<b>5.3.1</b>	<b>National Accounts</b>		43	<u>100%</u>		26
1.1	Yes	35%	16	37%	62%	
1.2	No	22%	10	23%	38%	
1.3	No opinion	37%	17	40%		
<b>5.3.2</b>	<b>CPI/PPI</b>		43	<u>100%</u>		27
1.1	Yes	50%	23	53%	85%	
1.2	No	9%	4	9%	15%	
1.3	No opinion	35%	16	37%		
<b>5.3.3</b>	<b>GFS</b>		44	<u>100%</u>		17
1.1	Yes	20%	9	20%	53%	
1.2	No	17%	8	18%	47%	
1.3	No opinion	59%	27	61%		
<b>5.3.4</b>	<b>Monetary</b>		43	<u>100%</u>		22
1.1	Yes	30%	14	33%	64%	
1.2	No	17%	8	19%	36%	
1.3	No opinion	46%	21	49%		
<b>5.3.5</b>	<b>Balance of Payments</b>		42	<u>100%</u>		21
1.1	Yes	29%	13	31%	62%	
1.2	No	18%	8	19%	38%	
1.3	No opinion	46%	21	50%		
<b>5.4</b>	<b>Do you find the statistical series to be consistent over time?</b>					
<b>5.4.1</b>	<b>National Accounts</b>		45	<u>100%</u>		38
1.1	Yes	61%	28	62%	74%	
1.2	No	22%	10	22%	26%	
1.3	No opinion	15%	7	16%		
<b>5.4.2</b>	<b>CPI/PPI</b>		44	<u>100%</u>		42
1.1	Yes	80%	37	84%	88%	
1.2	No	11%	5	11%	12%	
1.3	No opinion	4%	2	5%		
<b>5.4.3</b>	<b>GFS</b>		44	<u>100%</u>		31
1.1	Yes	39%	18	41%	58%	
1.2	No	28%	13	30%	42%	
1.3	No opinion	28%	13	30%		
<b>5.4.4</b>	<b>Monetary</b>		45	<u>100%</u>		38
1.1	Yes	76%	35	78%	92%	
1.2	No	7%	3	7%	8%	
1.3	No opinion	15%	7	16%		
<b>5.4.5</b>	<b>Balance of Payments</b>		43	<u>100%</u>		35
1.1	Yes	59%	27	63%	77%	
1.2	No	17%	8	19%	23%	
1.3	No opinion	17%	8	19%		

## Survey of Users of Official Macroeconomic Data - Colombia - September 2005 (continued)

		In percent of those surveyed	Respondents that answered the question	In percent of respondents that answered the question	In percentage of respondents with an opinion	Respondents with an opinion
<b>6. Periodicity and timeliness</b>						
<b>6.1 Are you satisfied with the frequency of compilation of the official statistics (e.g., weekly, monthly, quarterly, annual)?</b>						
<b>6.1.1 National Accounts</b>			45	<u>100%</u>		43
1.1	Yes	52%	24	53%	56%	
1.2	No	41%	19	42%	44%	
1.3	No opinion	4%	2	4%		
<b>6.1.2 CPI/PPI</b>			44	<u>100%</u>		44
1.1	Yes	91%	42	95%	95%	
1.2	No	4%	2	5%	5%	
1.3	No opinion	0%	0	0%		
<b>6.1.3 GFS</b>			45	<u>100%</u>		30
1.1	Yes	35%	16	36%	53%	
1.2	No	30%	14	31%	47%	
1.3	No opinion	33%	15	33%		
<b>6.1.4 Monetary</b>			45	<u>100%</u>		44
1.1	Yes	87%	40	89%	91%	
1.2	No	9%	4	9%	9%	
1.3	No opinion	2%	1	2%		
<b>6.1.5 Balance of Payments</b>			44	<u>100%</u>		39
1.1	Yes	61%	28	64%	72%	
1.2	No	24%	11	25%	28%	
1.3	No opinion	11%	5	11%		
<b>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)?</b>						
<b>6.2.1 National Accounts</b>			45	<u>100%</u>		42
1.1	Yes	17%	8	18%	19%	
1.2	No	74%	34	76%	81%	
1.3	No opinion	7%	3	7%		
<b>6.2.2 CPI/PPI</b>			44	<u>100%</u>		44
1.1	Yes	87%	40	91%	91%	
1.2	No	9%	4	9%	9%	
1.3	No opinion	0%	0	0%		
<b>6.2.3 GFS</b>			44	<u>100%</u>		33
1.1	Yes	17%	8	18%	24%	
1.2	No	54%	25	57%	76%	
1.3	No opinion	24%	11	25%		
<b>6.2.4 Monetary</b>			45	<u>100%</u>		43
1.1	Yes	70%	32	71%	74%	
1.2	No	24%	11	24%	26%	
1.3	No opinion	4%	2	4%		
<b>6.2.5 Balance of Payments</b>			44	<u>100%</u>		40
1.1	Yes	33%	15	34%	38%	
1.2	No	54%	25	57%	63%	
1.3	No opinion	9%	4	9%		

## Survey of Users of Official Macroeconomic Data - Colombia - September 2005 (continued)

		In percent of those surveyed	Respondents that answered the question	In percent of respondents that answered the question	In percentage of respondents with an opinion	Respondents with an opinion
<b>7.</b>	<b>Other dissemination practices</b>					
<b>7.1</b>	<b>Do you know if there is a publicly disseminated calendar that pre-announces the dates on which various official statistics will be disseminated?</b>					
7.1.1	National Accounts		45	<u>100%</u>		38
1.1	Yes	17%	8	18%	21%	
1.2	No	65%	30	67%	79%	
1.3	No opinion	15%	7	16%		
7.1.2	CPI/PPI		44	<u>100%</u>		41
1.1	Yes	67%	31	70%	76%	
1.2	No	22%	10	23%	24%	
1.3	No opinion	7%	3	7%		
7.1.3	GFS		46	<u>100%</u>		34
1.1	Yes	4%	2	4%	6%	
1.2	No	70%	32	70%	94%	
1.3	No opinion	26%	12	26%		
7.1.4	Monetary		45	<u>100%</u>		40
1.1	Yes	41%	19	42%	48%	
1.2	No	46%	21	47%	53%	
1.3	No opinion	11%	5	11%		
7.1.5	Balance of Payments		43	<u>100%</u>		37
1.1	Yes	15%	7	16%	19%	
1.2	No	65%	30	70%	81%	
1.3	No opinion	13%	6	14%		
<b>7.2</b>	<b>If there is a calendar of release dates, in your experience, are official statistics released on the pre-announced dates?</b>					
7.2.1	National Accounts		41	<u>100%</u>		27
1.1	Yes	15%	7	17%	26%	
1.2	No	43%	20	49%	74%	
1.3	No opinion	30%	14	34%		
7.2.2	CPI/PPI		42	<u>100%</u>		34
1.1	Yes	72%	33	79%	97%	
1.2	No	2%	1	2%	3%	
1.3	No opinion	17%	8	19%		
7.2.3	GFS		41	<u>100%</u>		14
1.1	Yes	4%	2	5%	14%	
1.2	No	26%	12	29%	86%	
1.3	No opinion	59%	27	66%		
7.2.4	Monetary		42	<u>100%</u>		28
1.1	Yes	48%	22	52%	79%	
1.2	No	13%	6	14%	21%	
1.3	No opinion	30%	14	33%		
7.2.5	Balance of Payments		40	<u>100%</u>		19
1.1	Yes	22%	10	25%	53%	
1.2	No	20%	9	23%	47%	
1.3	No opinion	46%	21	53%		

## Survey of Users of Official Macroeconomic Data - Colombia - September 2005 (continued)

		In percent of those surveyed	Respondents that answered the question	In percent of respondents that answered the question	In percentage of respondents with an opinion	Respondents with an opinion
<b>7.3</b>	<b>Is there enough information about revisions to official statistics to satisfy your needs?</b>					
7.3.1	National Accounts		44	<u>100%</u>		37
1.1	Yes	39%	18	41%	49%	
1.2	No	41%	19	43%	51%	
1.3	No opinion	15%	7	16%		
7.3.2	CPI/PPI		43	<u>100%</u>		30
1.1	Yes	54%	25	58%	83%	
1.2	No	11%	5	12%	17%	
1.3	No opinion	28%	13	30%		
7.3.3	GFS		45	<u>100%</u>		24
1.1	Yes	22%	10	22%	42%	
1.2	No	30%	14	31%	58%	
1.3	No opinion	46%	21	47%		
7.3.4	Monetary		44	<u>100%</u>		29
1.1	Yes	48%	22	50%	76%	
1.2	No	15%	7	16%	24%	
1.3	No opinion	33%	15	34%		
7.3.5	Balance of Payments		42	<u>100%</u>		28
1.1	Yes	41%	19	45%	68%	
1.2	No	20%	9	21%	32%	
1.3	No opinion	30%	14	33%		
<b>7.4</b>	<b>Do you find the policy and procedure for revisions to the statistics to be adequate (scope of the revision, periodicity, announcement, etc.)?</b>					
7.4.1	National Accounts		19	<u>100%</u>		14
1.1	Yes	21%	4	21%	29%	
1.2	No	53%	10	53%	71%	
1.3	No opinion	26%	5	26%		
7.4.2	CPI/PPI		19	<u>100%</u>		14
1.1	Yes	47%	9	47%	64%	
1.2	No	26%	5	26%	36%	
1.3	No opinion	26%	5	26%		
7.4.3	GFS		19	<u>100%</u>		13
1.1	Yes	37%	7	37%	54%	
1.2	No	32%	6	32%	46%	
1.3	No opinion	32%	6	32%		
7.4.4	Monetary		19	<u>100%</u>		12
1.1	Yes	42%	8	42%	67%	
1.2	No	21%	4	21%	33%	
1.3	No opinion	37%	7	37%		
7.4.5	Balance of Payments		19	<u>100%</u>		12
1.1	Yes	32%	6	32%	50%	
1.2	No	32%	6	32%	50%	
1.3	No opinion	37%	7	37%		

## Survey of Users of Official Macroeconomic Data - Colombia - September 2005 (continued)

		In percent of those surveyed	Respondents that answered the question	In percent of respondents that answered the question	In percentage of respondents with an opinion	Respondents with an opinion
<b>8.</b>	<b>Accessibility</b>					
<b>8.1</b>	<b>Can you easily access official statistics?</b>					
<b>8.1.1</b>	<b>National Accounts</b>		45	<u>100%</u>		43
1.1	Yes	70%	32	71%	74%	
1.2	No	24%	11	24%	26%	
1.3	No opinion	4%	2	4%		
<b>8.1.2</b>	<b>CPI/PPI</b>		44	<u>100%</u>		44
1.1	Yes	83%	38	86%	86%	
1.2	No	13%	6	14%	14%	
1.3	No opinion	0%	0	0%		
<b>8.1.3</b>	<b>GFS</b>		45	<u>100%</u>		35
1.1	Yes	43%	20	44%	57%	
1.2	No	33%	15	33%	43%	
1.3	No opinion	22%	10	22%		
<b>8.1.4</b>	<b>Monetary</b>		45	<u>100%</u>		44
1.1	Yes	87%	40	89%	91%	
1.2	No	9%	4	9%	9%	
1.3	No opinion	2%	1	2%		
<b>8.1.5</b>	<b>Balance of Payments</b>		43	<u>100%</u>		40
1.1	Yes	74%	34	79%	85%	
1.2	No	13%	6	14%	15%	
1.3	No opinion	7%	3	7%		
<b>8.2</b>	<b>Can you easily access information pertaining to official statistics (explanatory notes, methodological descriptions, references concerning concepts, classifications, statistical practice)?</b>					
<b>8.2.1</b>	<b>National Accounts</b>		45	<u>100%</u>		39
1.1	Yes	46%	21	47%	54%	
1.2	No	39%	18	40%	46%	
1.3	No opinion	13%	6	13%		
<b>8.2.2</b>	<b>CPI/PPI</b>		44	<u>100%</u>		39
1.1	Yes	59%	27	61%	69%	
1.2	No	26%	12	27%	31%	
1.3	No opinion	11%	5	11%		
<b>8.2.3</b>	<b>GFS</b>		45	<u>100%</u>		29
1.1	Yes	24%	11	24%	38%	
1.2	No	39%	18	40%	62%	
1.3	No opinion	35%	16	36%		
<b>8.2.4</b>	<b>Monetary</b>		45	<u>100%</u>		38
1.1	Yes	59%	27	60%	71%	
1.2	No	24%	11	24%	29%	
1.3	No opinion	15%	7	16%		
<b>8.2.5</b>	<b>Balance of Payments</b>		44	<u>100%</u>		31
1.1	Yes	43%	20	45%	65%	
1.2	No	24%	11	25%	35%	
1.3	No opinion	28%	13	30%		
<b>8.3</b>	<b>Is the above information on methodology sufficiently clear and at an adequate level of detail to be useful to you?</b>		45			38
8.3.1	Yes	30%	14	31%	37%	
8.3.2	No	52%	24	53%	63%	
8.3.3	No opinion	15%	7	16%		

**8.4 In what format do you get access to official statistics?**

**Hard copy:**

8.4.1	Official releases	50%	23
8.4.2	Press releases	33%	15
8.4.3	Special requests	13%	6
8.4.4	Official policy papers	37%	17
8.4.5	Private sector summaries and analyses	33%	15
8.4.6	Newspapers	40%	17

**Electronic form:**

8.4.7	Official website	93%	43
8.4.8	Official database and other (such as CD-ROM)	20%	9
8.4.9	Private websites	28%	13
8.4.10	News media websites with official policy papers	35%	16
8.4.11	E-mail	70%	32
8.4.12	Other	7%	3

**8.5 Does the presentation of the data (format, clarity of the text, tables, graphics) meet your needs?**

<b>8.5.1 National Accounts</b>						
1.1	Yes		45	<u>100%</u>		42
1.2	No	70%	32	71%	76%	
1.3	No opinion	22%	10	22%	24%	
<b>8.5.2 CPI/PPI</b>		7%	3	7%		
1.1	Yes		44	<u>100%</u>		42
1.2	No	89%	41	93%	98%	
1.3	No opinion	2%	1	2%	2%	
<b>8.5.3 GFS</b>		4%	2	5%		
1.1	Yes		46	<u>100%</u>		31
1.2	No	35%	16	35%	52%	
1.3	No opinion	33%	15	33%	48%	
<b>8.5.4 Monetary</b>		33%	15	33%		
1.1	Yes		45	<u>100%</u>		42
1.2	No	83%	38	84%	90%	
1.3	No opinion	9%	4	9%	10%	
<b>8.5.5 Balance of Payments</b>		7%	3	7%		
1.1	Yes		43	<u>100%</u>		35
1.2	No	65%	30	70%	86%	
1.3	No opinion	11%	5	12%	14%	
		17%	8	19%		

**8.6 Do you find user support to be easily accessible, timely, and competent?**

<b>8.6.1 National Accounts</b>			41	<u>100%</u>		29
1.1	Yes	24%	11	27%	38%	
1.2	No	39%	18	44%	62%	
1.3	No opinion	26%	12	29%		
<b>8.6.2 CPI/PPI</b>			40	<u>100%</u>		27
1.1	Yes	35%	16	40%	59%	
1.2	No	24%	11	28%	41%	
1.3	No opinion	28%	13	33%		
<b>8.6.3 GFS</b>			43	<u>100%</u>		23
1.1	Yes	17%	8	19%	35%	
1.2	No	33%	15	35%	65%	
1.3	No opinion	43%	20	47%		
<b>8.6.4 Monetary</b>			42	<u>100%</u>		30
1.1	Yes	41%	19	45%	63%	
1.2	No	24%	11	26%	37%	
1.3	No opinion	26%	12	29%		
<b>8.6.5 Balance of Payments</b>			42	<u>100%</u>		25
1.1	Yes	35%	16	38%	64%	
1.2	No	20%	9	21%	36%	
1.3	No opinion	37%	17	40%		

## Survey of Users of Official Macroeconomic Data - Colombia - September 2005 (continued)

		In percent of those surveyed	Respondents that answered the question	In percent of respondents that answered the question	In percentage of respondents with an opinion	Respondents with an opinion
<b>9. Overall assessment</b>						
<b>9.1 In your opinion, is the underlying methodology of official statistics sound and appropriate?</b>						
9.1.1	National Accounts		44	<u>100%</u>		29
1.1	Yes	43%	20	45%	69%	
1.2	No	20%	9	20%	31%	
1.3	No opinion	33%	15	34%		
9.1.2	CPI/PPI		43	<u>100%</u>		35
1.1	Yes	67%	31	72%	89%	
1.2	No	9%	4	9%	11%	
1.3	No opinion	17%	8	19%		
9.1.3	GFS		44	<u>100%</u>		22
1.1	Yes	30%	14	32%	64%	
1.2	No	17%	8	18%	36%	
1.3	No opinion	48%	22	50%		
9.1.4	Monetary		44	<u>100%</u>		31
1.1	Yes	67%	31	70%	100%	
1.2	No	0%	0	0%	0%	
1.3	No opinion	28%	13	30%		
9.1.5	Balance of Payments		43	<u>100%</u>		28
1.1	Yes	59%	27	63%	96%	
1.2	No	2%	1	2%	4%	
1.3	No opinion	33%	15	35%		
<b>9.2 In general, do you consider the official statistics to be reliable?</b>						
9.2.1	National Accounts		45	<u>100%</u>		38
1.1	Yes	57%	26	58%	68%	
1.2	No	26%	12	27%	32%	
1.3	No opinion	15%	7	16%		
9.2.2	CPI/PPI		44	<u>100%</u>		40
1.1	Yes	76%	35	80%	88%	
1.2	No	11%	5	11%	13%	
1.3	No opinion	9%	4	9%		
9.2.3	GFS		45	<u>100%</u>		33
1.1	Yes	46%	21	47%	64%	
1.2	No	26%	12	27%	36%	
1.3	No opinion	27%	12	27%		
9.2.4	Monetary		45	<u>100%</u>		42
1.1	Yes	85%	39	87%	93%	
1.2	No	7%	3	7%	7%	
1.3	No opinion	7%	3	7%		
9.2.5	Balance of Payments		43	<u>100%</u>		37
1.1	Yes	65%	30	70%	81%	
1.2	No	15%	7	16%	19%	
1.3	No opinion	13%	6	14%		

## Survey of Users of Official Macroeconomic Data - Colombia - September 2005 (continued)

	In percent of those surveyed	Respondents that answered the question	In percent of respondents that answered the question	In percentage of respondents with an opinion	Respondents with an opinion
<b>9.3 How would you compare the official statistics of Colombia with those of other countries in the region?</b>					
<b>9.3.1 National Accounts</b>		43	<u>100%</u>		35
Better	24%	11	26%	31%	
Same	33%	15	35%	43%	
Worse	20%	9	21%	26%	
No opinion	17%	8	19%		
<b>9.3.2 CPI/PPI</b>		43	<u>100%</u>		39
Better	43%	20	47%	51%	
Same	39%	18	42%	46%	
Worse	2%	1	2%	3%	
No opinion	9%	4	9%		
<b>9.3.3 GFS</b>		45	<u>100%</u>		31
Better	15%	7	16%	23%	
Same	22%	10	22%	32%	
Worse	30%	14	31%	45%	
No opinion	30%	14	31%		
<b>9.3.4 Monetary</b>		44	<u>100%</u>		38
Better	33%	15	34%	39%	
Same	41%	19	43%	50%	
Worse	9%	4	9%	11%	
No opinion	13%	6	14%		
<b>9.3.5 Balance of Payments</b>		44	<u>100%</u>		35
Better	17%	8	18%	23%	
Same	35%	16	36%	46%	
Worse	24%	11	25%	31%	
No opinion	20%	9	20%		

## Survey of Users of Official Macroeconomic Data - Colombia - September 2005 (continued)

		In percent of those surveyed	Respondents that answered the question	In percent of respondents that answered the question	In percentage of respondents with an opinion	Respondents with an opinion
<b>9.4</b>	<b>How do you assess the overall quality of the official statistics?</b>					
	<i>(Please rate on a scale of 1-5 the overall quality of the statistics, with 1 rated as poor and 5 as excellent)</i>					
<b>9.4.1</b>	<b>National Accounts</b>		44	<u>100%</u>		43
	1	7%	3	7%	7%	
	2	13%	6	14%	14%	
	3	26%	12	27%	28%	
	4	39%	18	41%	42%	
	5	9%	4	9%	9%	
	<b>No opinion</b>	2%	1	2%		
<b>9.4.2</b>	<b>CPI/PPI</b>		43	<u>100%</u>		43
	1	0%	0	0%	0%	
	2	0%	0	0%	0%	
	3	11%	5	12%	12%	
	4	50%	23	53%	53%	
	5	33%	15	35%	35%	
	<b>No opinion</b>	0%	0	0%		
<b>9.4.3</b>	<b>GFS</b>		45	<u>100%</u>		35
	1	7%	3	7%	9%	
	2	17%	8	18%	23%	
	3	26%	12	27%	34%	
	4	26%	12	27%	34%	
	5	0%	0	0%	0%	
	<b>No opinion</b>	22%	10	22%		
<b>9.4.4</b>	<b>Monetary</b>		45	<u>100%</u>		45
	1	0%	0	0%	0%	
	2	2%	1	2%	2%	
	3	15%	7	16%	16%	
	4	54%	25	56%	56%	
	5	26%	12	27%	27%	
	<b>No opinion</b>	0%	0	0%		
<b>9.4.5</b>	<b>Balance of Payments</b>		43	<u>100%</u>		39
	1	0%	0	0%	0%	
	2	2%	1	2%	3%	
	3	28%	13	30%	33%	
	4	39%	18	42%	46%	
	5	15%	7	16%	18%	
	<b>No opinion</b>	9%	4	9%		

Source: User survey and IMF staff estimates.