

THE ACTING CHAIR'S SUMMING UP BEHIND THE SCENES WITH DATA AT THE IMF: AN IEO EVALUATION

Executive Board Meeting March 17, 2016

Executive Directors welcomed the report by the Independent Evaluation Office (IEO) on Behind the Scenes with Data at the IMF and the statement on the report by the Managing Director. They broadly supported the report's main findings and recommendations, and noted that the Managing Director also broadly endorsed the recommendations, albeit with some qualifications, mainly to avoid prejudging the outcome of the upcoming strategic review.

Directors noted that high-quality and timely data play a vital role in enabling the Fund to fulfill its mandate, and were encouraged by the report's finding that data provision has improved markedly over time. They agreed that the Statistics Department (STA) has served the membership well through its dissemination of high-quality methodological manuals and the technical assistance and training it provides to members. At the same time, Directors noted that there is scope to further enhance data quality and availability and re-examine institutional constraints. They noted the efforts already underway, including the reforms delivered by the Fund-wide data management governance structure, and expected the Common Surveillance Databases, once fully operational, to become a cornerstone of the Fund's new data infrastructure. Against this background, Directors welcomed the evaluation and recommendations of the IEO as supportive of continued improvements.

Directors endorsed Recommendation 1 to develop a long-term overarching strategy for data and statistics to provide a common institutional objective and acknowledge data as a strategic asset. The strategy would reinforce initiatives already underway on the development of a data management strategy. It will include a review of the Fund's data needs; ways to further improve data collection, transformation, and dissemination; the candid reporting of data shortfalls and remedial steps; and a view of how the Fund can stay at the forefront of data and statistical developments. Directors stressed that implementation of the strategy would need strong and consistent leadership from the management team, and

welcomed management's strong commitment to this task. They acknowledged that the decision on management oversight of STA and the new data management structure will be part of the strategic review.

Directors agreed with Recommendation 2 to define and prioritize the Fund's data needs and support data provision by members accordingly. They stressed that the Fund's minimum data requirements should be carefully prioritized taking into account the benefits and costs of additional data requests, as well as any budgetary implications for the Fund. They encouraged the staff to make full and more innovative use of data already publicly available, and to leverage data produced by other institutions. Directors noted that the Fund's existing confidentiality protocols are adequate but could be better communicated to member countries. Directors stressed that the Fund should continue to promote data provision by members by supporting capacity development and the publication of macroeconomic data under the Fund's data dissemination initiatives, particularly in resource-constrained, low-income countries.

Directors supported the thrust of Recommendation 3, to reconsider the role and mandate of STA to further support the Fund's core operations. They noted that STA is already devoting more attention to the provision of services to the Fund, and looked forward to continued progress and closer collaboration with area departments. Directors generally considered that a decision on whether to move the new data management structure into STA should be taken in the context of the long-term strategy.

Directors supported Recommendation 4 to reexamine staff incentives for data management. They welcomed the work underway to strengthen staff incentives and accountability for data management and the IEO's suggestions. Directors also supported a review of the incentives for staff to candidly assess and discuss data issues in Article IV and FSAP reports where weaknesses in data quality could significantly hamper surveillance. They agreed to consider this issue and whether to fully

integrate the statistical issues appendix into Article IV reports in the next Review of Data Provision to the Fund for Surveillance, scheduled for 2017.

Directors supported Recommendation 5 to clarify the limits of the Fund's responsibility for the quality of disseminated data, including for published data and metadata, given that their quality depends ultimately on the member country producing them. They agreed that the distinction should be clarified between "IMF data," used for Fund surveillance (such as Article IVs), and "official data," which are official statistics provided by authorities to STA that are not vetted by the Fund. A few Directors felt that such distinctions would do

little to change perceptions, underscoring the importance of building members' capacity to produce high-quality data. Directors generally saw merit in moving toward a more open data policy, while underscoring the importance of safeguarding confidentiality, and a few Directors urged caution in moving in this direction. The options and costs for moving toward more open data will be considered as part of the strategic review.

In line with established practices, management and staff will give careful consideration to today's discussion in formulating the implementation plan, including approaches to monitor progress.