

Foreword

Data issues have long been a source of concern for the IMF. Since the 1980s, IMF staff has presented more than 150 papers on data issues for the Executive Board’s consideration. However, many of the problems raised in the earlier papers remain largely unresolved. Moreover, each of those earlier papers tended to look at just a small slice of the picture regarding data—that is, a piecemeal approach. This report tries to look at data in a holistic manner.

In particular, we try to look at data from the perspective of the Fund’s role as a global macroeconomic risk manager, that is, its role in (i) crisis prevention/mitigation (surveillance) and (ii) crisis response (lending). Data are essential in discharging these responsibilities, leading to a seemingly simple, yet complex question: “Are data adequate for surveillance and lending?”

Indeed, problems with data or data practices—missing data, misleading data, or ignoring available data—have at times hampered the Fund’s ability to respond effectively to imminent challenges. As a result, for a time after each crisis, data issues are front and center, resulting in major changes in the Fund’s statistical arsenal. But this attention to data tends to wane after a while, as data become, once again, an afterthought.

The roots of these problems are diverse, ranging from external (e.g., member country capacity constraints) to internal (e.g., lack of appropriate staff incentives, entrenched work practices). While most of these have been recognized for decades, they are now cast in a different light due to the proliferation of data sources, technological advances, and a surge in demand for multilateral and financial surveillance and cross-country analyses. This presents greater challenges for the Fund, but also greater opportunities for change.

This evaluation found that noteworthy progress has been made—particularly with external data provision and internal data management—but important obstacles to reform have yet to be tackled. The report thus advocates, first and foremost, that the IMF should design and implement a long-term overarching data strategy, one that goes well beyond data management and recognizes data as a strategic institutional asset. Our other recommendations are important elements of such a strategy, but their implementation could begin in parallel: define and prioritize the IMF’s data needs; reconsider the role and mandate of the IMF’s Statistics Department; reexamine staff incentives; and make clear the IMF’s responsibility regarding the quality of the data it disseminates.

I am encouraged by the broad agreement, expressed by the Managing Director and the Executive Board, with the findings and recommendations of this report. It is our hope that this report will help catalyze the efforts to address remaining data problems and thereby better support the Fund in delivering on its evolving and more challenging role in today’s increasingly interconnected global economy.

Moises J. Schwartz
Director
Independent Evaluation Office