

February 29, 2016

**Statement by the Managing Director
on the Independent Evaluation Office Report on
Behind the Scenes with Data at the IMF: An IEO Evaluation**

I would like to thank the Independent Evaluation Office (IEO) for this timely report that highlights the importance of data as a strategic asset of the Fund. I endorse the first and foremost recommendation of the report, which is to develop a long-term overarching data strategy for the Fund. I also broadly support the other four recommendations. However, I offer only qualified support for Recommendation 3 and a few of the specific measures included in the other recommendations. The qualified support is to avoid prejudging the outcome of the strategic planning exercise called for under the first recommendation. As the report notes, the actions to address data challenges have already been set in motion and noteworthy progress has been made. This IEO report thus provides a welcome opportunity to accelerate and consolidate our efforts in this important area.

Data are at the core of much of our work, thus I was particularly pleased by the IEO overall finding that the IMF's statistics and data management activities are done to a high professional standard and are highly valued by the membership. I also welcome the finding that data provision has improved markedly over time—in part owing to the IMF's "well-respected" capacity-building activities—which allowed the institution to keep abreast of the growing complexity and interconnectedness of the world economy. I also believe that our Statistics department (STA) has served the membership and the institution well; as noted in the report, the methodological manuals developed by STA have become the "world standard" that countries seek to adopt and implement, while over 90 percent of surveyed beneficiaries noted that our technical assistance and training are of high quality and effective forces for the improvement of data. I agree with the report that we cannot be complacent and that we need to continue improving our management of data and statistics.

Important efforts are under way in this regard. This includes the introduction of a new Fund-wide data management governance structures in 2012, which have delivered key reforms in the past three years. Some of their recent achievements include moving country work data from spreadsheets to structured databases, with associated gains in organizational clarity and improving the use of metadata, the consistency of processes, data validation and data sharing, and the ease of transfer of knowledge. The Economic Data Registry—a single access point for all IMF internal databases—is being developed, and the Common Surveillance Databases (CSD)—a repository with all data used for bilateral and multilateral surveillance—are already in use and, once fully operational, will be a cornerstone of the Fund's new data infrastructure in support of the Fund's ability to address our evolving surveillance challenges. In addition, STA has been revamped to make the department more customer-oriented so as to better serve the institution and its membership. These initiatives provide a stepping stone for future and more ambitious actions.

It is in that spirit that I broadly endorse what is cited, correctly in my view, as the first and foremost recommendation of the report, to develop a long-term strategy for data and statistics at the IMF. This recommendation will reinforce, and importantly, reinvigorate all the initiatives already underway and provide them with a common institutional objective. For example, the Fund-wide data governance structures have already initiated work on a data management strategy. I agree that the implementation of a long-term strategy for data and statistics would need strong and consistent leadership, and my management team and I are committed to complete this important task. In principle, I believe that all members of the Management team have a role to play in advancing the Fund's strategy on data and statistics since data are integral to all core Fund operations—such as Article IV consultations, program work, FSAPs, and technical assistance—that fall under the purview of different members of the Management team. Therefore, I consider that it is premature to discuss whether to integrate Management oversight of STA and the new data management structure. This is an aspect that should be taken up as part of the over-arching strategic review.

I also broadly support Recommendation 2 to define and prioritize the Fund's data needs and support data provision by members accordingly. I agree that the Fund's minimum data requirements should be prioritized carefully, staff should make full use of data already publicly available, and our existing confidentiality protocols could be better communicated to member countries. I do not support, however, more frequent Board review of the minimum data necessary for surveillance. The practice of conducting such reviews on a five year cycle, if needed, was judged to be adequate by the Board during last year's streamlining discussions given high resource costs and limited gains in performing reviews on a higher frequency. The Fund will also continue to support data provision by members, which I see as an important role of the Fund and one that contributes to a valuable global public good of ensuring availability of better data. STA, in consultation with other departments, will continue to provide capacity building and support for countries to publish macroeconomic data under the *Fund's data dissemination initiatives*, with particular attention to resource-constrained low-income countries; encourage the adoption of international standards, including for data reported to the Fund; evaluate the design and current application of the Data ROSC; and work with the Inter-Agency Group (IAG) on data sharing initiatives.

While I support the thrust of Recommendation 3 to reconsider the role and mandate of STA, I offer only qualified support as I believe the decision whether to move the new data management structure and integrated databases to STA should be taken in the context of the long-term strategy. In addition, I would add that I already consider the work by STA to be critical for supporting core operations of the Fund and as having substantial direct value-added to the Fund's mandate. Indeed, STA's standard setting and capacity development is integral to the provision of data that is core to Fund's surveillance. At the same time, as recommended by the report, STA has been and will continue to focus more attention on provision of services to the Fund. For example, STA has recently created a specific division to focus on this area and has added more staff with Fund operational experience.

I support Recommendation 4 to reexamine staff incentives for data management. On data management practices, we will continue to build on the work underway to strengthen staff incentives and accountability and the IEO's suggestions on how this could be done are

welcome. I also support a review of the incentives for staff to candidly assess and discuss data in issues in Article IV and FSAP reports. This issue, together with whether we should fully integrate the Statistical Issues Appendix into Article IV reports, could be included in the next *Review of Data Provision to the Fund for Surveillance*, scheduled for 2017. Our African department, for example, has been collaborating with STA in these areas, and their experience will provide useful inputs into how best to proceed.

I agree with Recommendation 5 to make clear the limits of IMF responsibility regarding the quality of disseminated data, together with clarifying the distinction between “IMF data” and “official data.” In particular, there is scope to clarify the limits of IMF responsibility regarding the quality of published data and metadata, recognizing that the quality of data depends ultimately on the member country producing the data. Clarifying such limits depend on a distinction between responsibilities for data used for Fund surveillance (such as Article IVs) and official statistics provided by authorities to STA (that are not vetted by the Fund). I welcome the recommendation to move toward more open data, and options, including the cost, for proceeding along these lines will be considered as part of the strategic review noted in Recommendation 1.

I look forward to the discussion of the report’s findings. Subsequently, I will work with staff to implement the recommendations endorsed by the Executive Board.

Table 1. The Managing Director’s Position on IEO Recommendations

| Recommendation | Position |
|--|-------------------|
| 1) Develop a long-term strategy for data and statistics in the IMF | Support |
| 2) Define and prioritize the Fund’s data needs and support data provision by members accordingly | Support |
| 3) Reconsider the role and mandate of STA | Qualified Support |
| 4) Reexamine staff incentive in the area of data management | Support |
| 5) Make clear the limits of IMF responsibility regarding the quality of disseminated data, together with clarifying the distinction between “IMF data” and “official data.” | Support |