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Session 7 - Case studies: Developing a complete system of NA; quality of basic data – Statistical problems

Title: Data quality evaluation tools developed by the International Monetary Fund and their use in evaluating basic national accounts data

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I. Introduction: need to adopt a quality approach

As far as users are concerned, it is not enough just to have statistics. They have to provide a true reflection of the phenomenon to which they relate. For this reason, users need to have all the information allowing them to evaluate the quality of the statistics.

Until recently, the efforts of the national statistical offices of the member countries of AFRITAC West were primarily geared to providing users with statistics they could use. The issue of the quality of the statistics was not given any systematic consideration.

For some years now, however, as part of the ongoing implementation of the basic principles of public statistics, the issue of quality has become an explicit part of the concerns of national statistical institutes (NSIs) and bodies interested in the development of statistics.

Improving the quality of statistical information to ensure user satisfaction is the second of the four main objectives of the strategic reference framework for statistical capacity-building in Africa, which was drawn up in February 2006 under the coordination of the Economic Commission for Africa.

In the case of the actions undertaken by the IMF, several AFRITAC West countries were the subject of ROSC missions (Report on Observance of Standards and Codes), which allowed them to make an accurate diagnosis and to devise programmes to improve the data for some of their statistics: national accounts and consumer prices, public finance statistics, monetary statistics and balance-of-payment statistics.

For its part, Eurostat in 2005 adopted a "code of best practices" for European statistics. Based on 15 main principles, it has the primary aim of providing the producers of statistics with a reference framework to help them produce harmonised and quality statistics and to show users that the statistics which are disseminated are reliable, objective and trustworthy.

There are other systems to evaluate or promote quality (FAO, United Nations, etc), and efforts to approximate these different reference frameworks are currently being considered.

II. Quality evaluation tools developed by the International Monetary Fund

Faced with the need for reliable data in order to make sound diagnoses, the IMF developed various data quality evaluation tools, broadly based on the fundamental principles of official statistics adopted by the United Nations.

The first of these is the Data Quality Assessment Framework (DQAF). The main purpose of the DQAF is to provide a flexible structure which allows a qualitative evaluation of certain statistics: national accounts, price indices (production, consumption), public finance statistics, balance-of-payment statistics and monetary statistics.

In practice, evaluations using the DQAF have been carried out primarily by the IMF, but they can also be used by statistical bodies themselves (self-evaluation) or by other bodies. The DQAF covers the whole process of statistical production, from collection through processing to dissemination. It has a tree structure, progressing from more general considerations (common to all frameworks) to more concrete or detailed elements (specific to each set of statistics). Six different quality aspects are analysed: quality prerequisites, guarantee of integrity, methodological strictness, accuracy and reliability, usefulness, accessibility. DQAF evaluations result in data improvement plans.

The General Data Dissemination System (GDDS) is a structured framework in which the member countries aim to develop their production of economic and sociodemographic statistics. It encourages the application of sound methods and suitable techniques for data collection, the adoption of good dissemination practices and compliance with procedures of a professional standard. The main principles of the GDDS concern improving data quality, focusing on users, transferring responsibility to those involved, coordinating departments, improving data dissemination and ensuring transparency. Here, too, analyses are based on four aspects: data, quality, integrity, accessibility. As part of their accession procedure, the member countries prepare a description of their current statistical practices (metadata), including the improvement plans which they intend to implement. These improvement plans are an integral part of the National Statistics Development Strategies (NSDSs) which the countries draw up and implement.

The thinking behind the Special Data Dissemination Standard (SDDS) is similar to that of the GDDS, which antedates it, and it is based on the same aspects. However, the SDDS is directed more at countries which have, or which want to have, access to international capital markets. In this regard, it is prescriptive in nature and it is binding on the country involved, which must satisfy certain precise and specific conditions concerning the field of application of the data, their frequency and the deadlines for their dissemination.

As of now (March 2008), 91 countries have signed up to the GDDS and 64 to the SDDS.

III.. Use of IMF quality evaluation tools to evaluate the quality of basic data

In theory, the DQAF, the GDDS and the SDDS apply only to a well defined and specifically restricted field of statistics and indicators. Some of these statistics are basic statistics for the national accounts: index of prices, production indices, public finance statistics or external trade statistics. It is possible, however, to use these tools in contexts other than those for which they were specifically defined. The approach which underlies the application of these

tools can in fact be perfectly adapted to other categories of statistical indicators and data. This is particularly true in the case of sectoral statistics, which are not covered by the IMF data quality evaluation tools.

Some ventures along these lines have already taken place. For example, when Mauritania joined the General Data Dissemination System – and thus prepared a set of metadata to describe national statistical practices and data improvement plans – it opted to apply the tool not only to the data categories which were laid down but also to statistics in other fields which it considered to be of particular importance for the country's economy: agriculture, fisheries and mining and quarrying.

The statistical department of UNESCO has developed, in collaboration with the World Bank, a special DQAF for education statistics. Lastly, in Burkina Faso the DQAF has been used as a means of evaluating the quality of the system for the production of health statistics, and this evaluation has served as the basis for preparing a programme to develop and improve these statistics.

IV. Conclusions

Quality is primarily a state of mind, and of approach. It is often tackled as a result of pressure from users, and it can often become a major concern of departments for the production of statistics.

In this regard, the quality evaluation tools developed by the IMF are adapted to evaluate the quality of certain basic data and subsequently to prepare improvement plans. They can also be extended to cover other data categories, not specifically covered as part of their normal use.