

Special Edition on 2018
Strategy Developments
and Initiatives

2018

STATISTICS DEPARTMENT AT A GLANCE



I N T E R N A T I O N A L M O N E T A R Y F U N D



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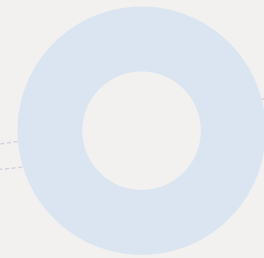
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APPENDIX: STA'S ORGANIZATION AND CONTACTS

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A MESSAGE FROM THE DIRECTOR



It is with great pleasure that I present to you the overview of the activities of the IMF's Statistics Department (STA) in 2018.

This year has been eventful for the Statistics Department and somewhat of a new start. Managing Director Christine Lagarde has expressed her confidence in the Department by enthusiastically welcoming the new IMF Data and Statistics Strategy as an important milestone for the future of the Fund. The Board too has expressed strong support for this venture and for STA projects generally, in particular on capacity development and emerging topics in surveillance like the digital economy. The Managing Director, in her March 15 message to all staff, recognized the role of economic data as a key institutional asset and a global public good, and decided to give STA primary responsibility for data management in the Fund. The Managing Director also unveiled the building blocks of the new data and statistics governance that was kicked off in the summer of 2018 with a new Data and Statistics Standing Committee and the creation of a Chief Statistician and Data Officer position.

This milestone represents the culmination of the collective efforts that started with the *Vision 2019* workplan four years ago. Now that proper foundations have been laid out by the strategy, our Department is ready to take up these new challenges. We have to adapt to this mission of supporting the new data and statistics governance effectively.

My priorities, as we embark on this journey, are the following. First, keep raising the bar on our engagement with the rest of the Fund. Much has been done to support surveillance through capacity development, methodology work, and data services. I want to build on these achievements to complete STA's transformation into a service-providing department for the rest of the Fund. The second is innovation. It is everywhere in the data world and also in statistical methodology as we must redefine concepts to adjust to globalization, digitalization, and a rapidly changing world economy. I want STA to be at the

cutting edge of innovation in data management services and innovation in methodological work and capacity development. My third priority is about delivering on our new strategy and, to this end, design and run an effective implementation framework. The strategy is an ambitious project, involving most Fund departments, and with far-reaching implications on how we all work together.

STA at a Glance this year outlines the key elements of the new Data and Statistics Strategy and reviews how it started shaping activities in our key business areas in 2018 (data function, support to surveillance, methodology, and capacity development). It will then describe our new departmental mandate and illustrate how this new roadmap will help attain the Fund's strategic goals. I would like to seize this opportunity to recognize the dedication and commitment of all our 190 headquarter-based colleagues and of all the experts representing STA on the ground in member countries. I would like to extend thanks and best wishes to Eduardo Valdivia-Velarde who retired recently. I am also pleased to welcome Christine Dieterich, Xavier Maret, and Kazuko Shirono who joined the management team recently. Working together, we will further advance our agenda to provide better statistics for better policies.

Louis Marc Ducharme
Chief Statistician and Data Officer, and Director
Statistics Department
International Monetary Fund



STRATEGIC DEVELOPMENTS

A. OVERARCHING STRATEGY FOR DATA AND STATISTICS IN THE DIGITAL AGE

The cornerstone of the Fund's new data and statistics framework is the overarching **Data and Statistics Strategy in the Digital Age***. It encompasses six priorities: (i) agility in the identification of data needs; (ii) building the global data commons—an integrated network of member country websites publishing data essential for surveillance on a pre-announced schedule; (iii) supporting the use of Big Data and other innovations; (iv) securing seamless access and sharing of data within the Fund; (v) promoting the production of data that are comparable across countries; and (vi) addressing weaknesses in official data. These priorities highlight the growing integration of STA in the mainstream of the Fund's activities. Key milestones underpinning these strategic priorities are underway. The global data commons will represent the climax of our data dissemination efforts and of the work undertaken with data dissemination standards, including more recently with the **e-GDDS***. Other priorities like data sharing and cross-country comparability straddle nicely between the improvement of data management standards STA will take up for the whole Fund and our methodological work. Lastly, the work identifying data needs will be at the core of STA's engagement to support surveillance through deliverables like the review of the data provision framework next year and of the data standards later in 2020. The creation of trust funds like the **Data For Decisions (D4D) Fund*** and **Financial Sector Stability Fund (FSSF)*** will go a long way towards delivering fit-for-purpose capacity development (CD) to address data weaknesses and support the provision of better data for effective policymaking, including through innovative delivery modalities (like online learning).

*All blue-shaded labels tagged in the text are available as hypertext links in the digital version of this document, available at www.imf.org/STAataGlance.

B. NEW MANDATE FOR STA

The new mandate integrates two important facets of STA: its mission as provider of statistical services to the mainstream of Fund operations (surveillance, Use of Fund Resources) and its traditional role vis-a-vis the Fund membership and the world statistical community. The mandate re-asserts STA's role of global leader and standard setter for statistical methodology and provider of statistical services to all Fund business areas and of CD to the Fund membership. It also states a clear intention to promote innovation and technological change which is accelerating, and STA aims to keep pace. The new mandate recognizes the important mission given to STA by management of integrating data management resources in the Fund. This primary responsibility for data management means that STA will, under the overarching strategy and the guidance of the new data governance framework, collaborate with other departments to improve data management outcomes.



C. NEW ROLE FOR STA IN THE FUND DATA AND STATISTICS GOVERNANCE

This new governance framework will be the central building block implementing the new strategy. STA's Director will serve as Chief Statistician and Data Officer for the Fund, and will provide secretarial support to its two bodies: the Standing Committee on Data and Statistics, a high-level group in charge of the stewardship and implementation of the overarching Strategy for Data and Statistics, and the Data Governance Group whose mission will be to develop and monitor the implementation of good data management policies, practices, and guidelines applying to the Fund's ecosystem of data and statistics. One cannot stress enough the importance of this new governance for the successful implementation of the strategy.

D. REORGANIZATION OF STA'S DATA FUNCTION

STA is taking steps to adapt to the new strategy. First, STA's data management field is broadening substantially and extends now to all data used in the Fund for surveillance, beyond the official data we collect and re-disseminate. This entails a broader community of users, more diverse needs, and constraints. Innovation and technological change is another motivation. Leveraging new technologies will help achieve a better outcome in data quality, timeliness of collections, and data documentation (quality and consistency of metadata and coding conventions). Addressing these issues requires better documenting and designing data management processes throughout the data life cycle.

To achieve these goals, the data function will be organized in two divisions, a data governance and services division, and a data operations and technical support division. The former will help define data management standards and processes for the ecosystem of the Fund's data, support end-users' engagement, and serve as secretariat to new data and statistics governance bodies. The latter division will handle database management operations. The new set-up of the data function will give a greater role to data owners in STA topical divisions and area departments to ensure that data products continuously meet final users' needs. Job families will be updated and a data scientist professional stream will be created to start building internally the skillset necessary to apply Big Data, and artificial intelligence techniques to our work.

E. WORKPLAN GOING FORWARD

Strategy implementation will be at the center of STA's work this year and next. A project management office will be set up to oversee and coordinate the implementation of the numerous projects underlying strategy implementation. Surveillance-related work will also be substantial. STA needs to gear up to deliver the update of the data provision to the Fund framework and the 10th review of data standards, and lay the foundations of the global data commons. In the area of statistical methodology, the focus will be on the measurement of economic welfare, the informal economy, and on Big Data as a new promising data source. For CD, our plan is to expand the coverage of Regional Capacity Development Centers (RCDCs), roll out the new CD trust funds, improve targeting of bilateral projects, and implement key reforms like completing the transition to the new technical assistance documentation formats.

METHODOLOGY

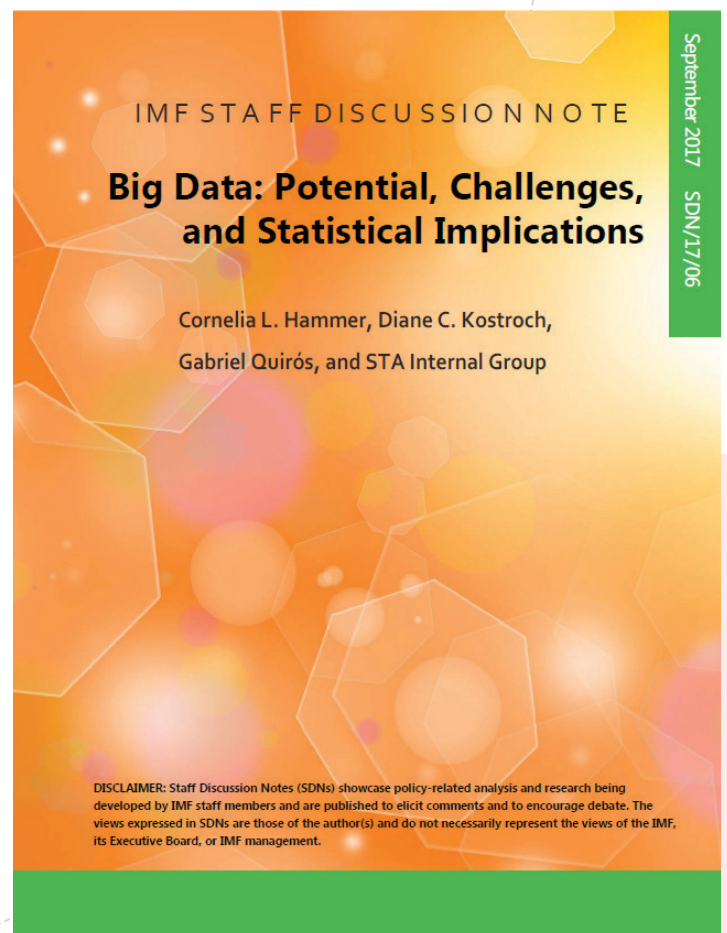
On the methodology front, STA continues to put an emphasis on frontier issues, including supporting the use of Big Data and measuring the digital economy, as part of its efforts in implementing the Data and Statistics Strategy of the Fund. STA is also stepping up its work on balance sheet statistics to support the Fund's surveillance, and advance its efforts in implementing the G-20 data gaps initiative.

A. SUPPORTING THE USE OF BIG DATA

One of the key priorities of the Data and Statistics Strategy of the Fund is to support the use of Big Data for policymaking. STA started to investigate the potential and challenges of Big Data for macroeconomic and financial statistics in 2016. The findings were publicized in the IMF staff discussion note (SDN) on *Big Data: Potential, Challenges and Statistical Implications** that identified three main features through which Big Data can directly or indirectly benefit macroeconomic and financial statistics and, ultimately, policymaking. Challenges, such as data quality concerns, difficulties in accessing data, and new required skills and technologies are also elaborated upon. The SDN laid the groundwork for a structured discussion within and outside the IMF on this topic.

Gaining momentum through successful outreach activities during the IMF-World Bank Annual Meetings, STA has started to build partnerships with organizations at the forefront of using Big Data for policymaking. The Fund has signed memoranda of understanding with Statistics Netherlands and the U.K. Office for National Statistics with the intent to conduct joint pilot projects in member countries to use Big Data sources in macroeconomic and financial statistics. To facilitate peer learning, STA,

in collaboration with the Fiscal Affairs Department (FAD) and the Information Technology Department (ITD), organized a workshop at the 2018 Spring Meetings on *Big Data and Economics: Lessons from the Frontier**. Main takeaways of the discussion are the urgency for government agencies to build capacity to take advantage of Big Data and the opportunity to build public-private sector partnerships to foster Big Data for policy analysis.



B. MEASURING THE DIGITAL ECONOMY

STA accelerated its work on measuring the digital economy in macroeconomic and financial statistics on two fronts. First, this topic was selected as the theme of the [Fifth Statistical Forum*](#), which brought together tech company executives, academic experts, leading statisticians, and policymakers to discuss the statistical issues posed by digitalization. Second, STA prepared a Policy Paper on [Measuring the Digital Economy*](#) for discussion by the IMF Executive Board. The paper assesses the recent debate over the adequacy of the conceptual framework of GDP and productivity statistics for measuring the digital economy and identifies data dissemination needs for understanding the digitalized economy. It also examines the compilation challenges and state of play in measuring the digital economy in price statistics, national accounts, balance of payments and monetary and financial statistics, and recommends improvements in compilation practices and in compilers' access to needed source data for capturing new digital products and businesses in the statistics.



Louis Marc Ducharme with Keynote Speaker at the 5th Statistical Forum, Peter Smith, CEO and co-founder of Blockchain.

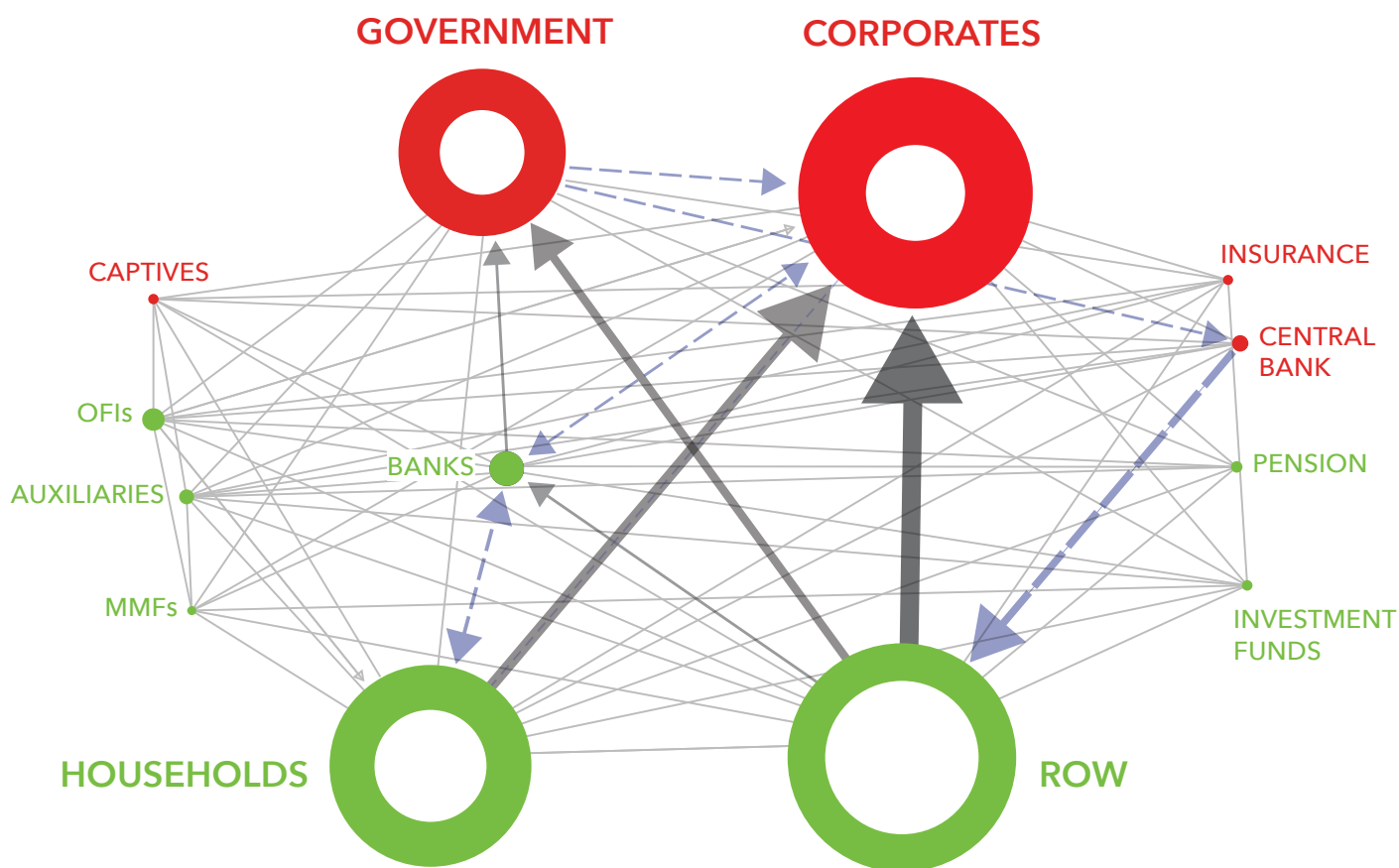
C. ADVANCING THE WORK ON BALANCE SHEET STATISTICS

STA completed the rollout to Fund departments of the newly developed [Balance Sheet Analysis \(BSA\)*](#) tool. Users who wish to embed BSA in their macro-financial analysis are now guided through the construction of the BSA matrix, which can be done almost instantly for about 120 countries using this BSA tool. STA will provide ongoing support to country teams wishing to use the BSA and collect feedback to prepare future versions of the template. Future functionalities of the BSA tool will include the automatic preparation of network maps showing intersectoral balance sheet exposures, as well as the construction of macro stress-testing scenarios for balance sheet exposures.

STA stepped up the support of analytical work based on balance sheets. STA continued providing support to country teams that wished to use BSA in their macro-financial analysis, and more recently extended the use of the analysis to [Financial Sector Assessment Programs \(FSAPs\)*](#) and Financial Sector Stability Reviews. For example, the recently concluded Romania FSAP used the BSA to analyze potential balance sheet vulnerabilities (See Figure 1: Romania Intersectoral Linkages). Next steps will include the development of a training course for Fund staff, featuring both compilation issues and analytical use of BSA.

STA continues to work on the future improvements of balance sheet statistics (BSS) availability. STA's Internal Group on BSS is preparing a medium-term strategy to improve the availability of balance sheets for the financial, external, and fiscal sectors. Good quality data and greater granularity will better inform BSA in the future and its use for surveillance. CD in the field of BSS is also supported by one of the statistical modules of the Financial Sector Stability Fund (FSSF). The priorities for future development of BSS will be closely aligned to those in the upcoming Comprehensive Surveillance Review.

FIGURE 1. ROMANIA INTERSECTORAL LINKAGES (END OF 2016)



1/ Red nodes represent net borrowers and green nodes net lenders. The diameter of nodes and thickness of arrows show the relative size of imbalances and exposures, respectively.

Source: [Romania FSAP 2018 Technical Note on BSA*](#).

Data Gaps Initiative (DGI): Countdown to 2021

The second phase of the G-20 DGI (DGI-2) is midway to the completion date. Launched in September 2015, the DGI-2 aims, within the five-year horizon for completion, to facilitate compilation and dissemination of reliable and timely statistics for policy use. To support the participating economies' efforts in implementing the most challenging recommendations, the 2018 DGI work program encompassed three thematic workshops: residential and commercial property price indices, institutional sector accounts, and securities statistics. Furthermore, the annual Global Conference for senior-level representatives during May 30–31, 2018 devoted particular attention to assessing where the implementation of the DGI targets stands, given that the deadline of the initiative—2021—is getting closer. The Conference highlighted considerable progress made by the participating economies, clarified those targets that remain very challenging, and helped shape the 2019 DGI work program. The progress during 2018 will be reported to the G-20 Finance Ministers and Central Bank Governors in September 2018 through the Third Progress Report of the DGI-2.

[Previous progress reports are available on the IMF website*](#).

CAPACITY DEVELOPMENT

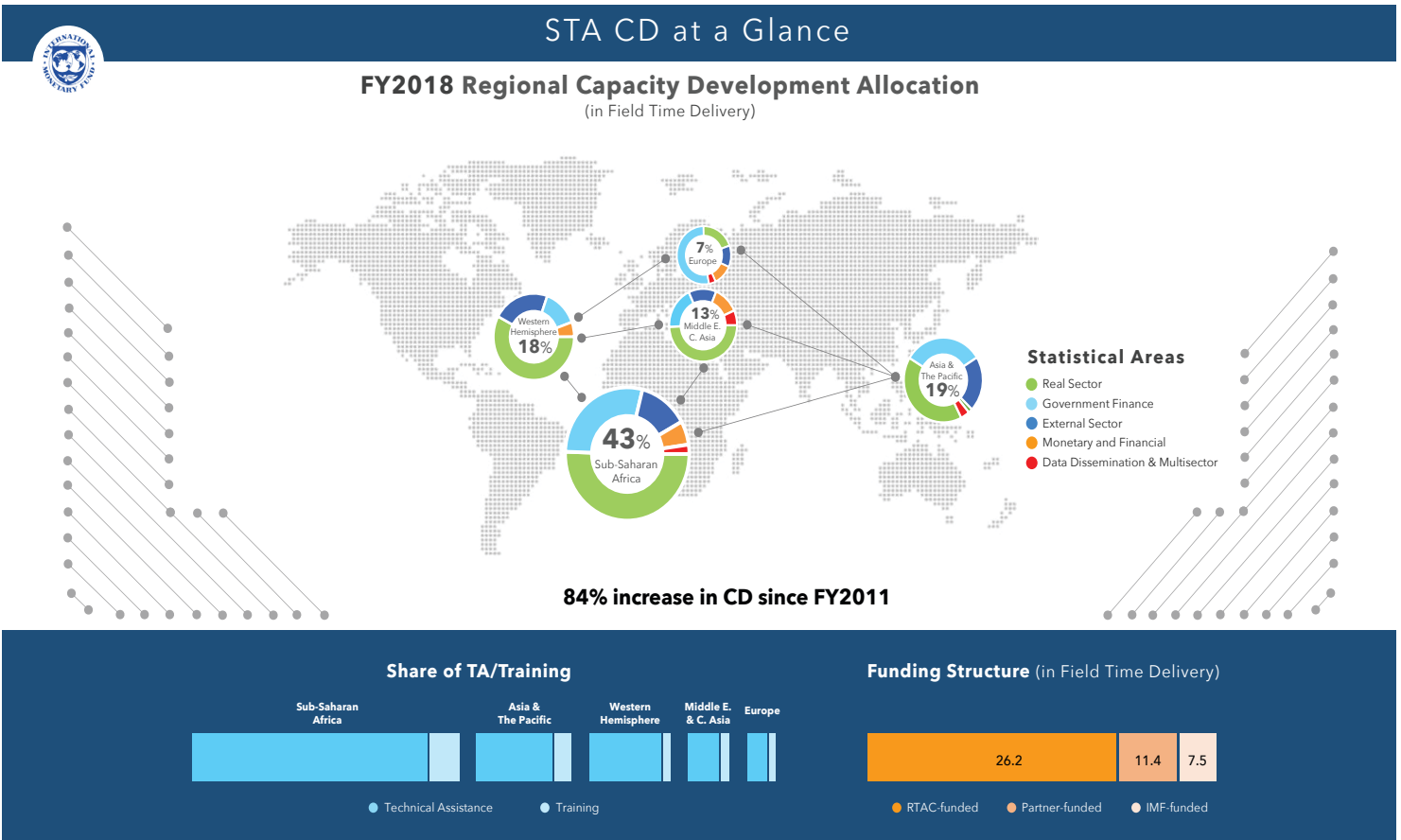
A. EXPANDING CAPACITY DEVELOPMENT TO BENEFIT IMF MEMBER COUNTRIES

Statistical capacity development—the transfer of technical knowledge and best practices through TA and training—has been met with strong demand from member countries.

In order to provide the data necessary to develop reliable economic analysis that can guide economic decision making, STA supports CD in member countries in the following areas: national accounts, prices, external sector statistics, monetary and financial statistics, government finance and public debt statistics, Financial Soundness Indicators (FSIs), and data dissemination. By working closely with country authorities and Fund area departments, STA focuses CD on areas that are considered most important to reduce risks and vulnerabilities to economic stability and, therefore, improve conditions for sustainable economic

growth. This work has been met with strong demand from member countries, as evidenced in an average annual growth rate of 12 percent since FY 2011.

To improve the statistical capacities on the ground, STA is putting a lot of emphasis on training, making it the IMF's second-largest provider of training after the IMF Institute for Capacity Development. STA's training program is a major vehicle for bolstering the capacity of officials to handle the challenges of compiling and disseminating macroeconomic statistics based on internationally accepted statistical methodologies. The training program has a strong peer learning component to sustain the impact of CD.



B. LAUNCHING OF THE 'DATA FOR DECISIONS' (D4D) FUND

Multi-partner vehicles, like the **Data for Decisions (D4D) Fund*** and the **Financial Sector Stability Fund (FSSF)***, provide a flexible and well-targeted approach to help finance expanded CD. These trust funds are designed to be agile, integrated, and member-focused to help better align CD financing with member country needs and IMF surveillance priorities focusing in particular on addressing data gaps in low and low-middle income countries and fragile states.

With the launch of the D4D Fund in June 2018, STA will be able to respond flexibly to the rising prominence given in the global policy agenda to the urgent need for better data. This pertains also to supporting reporting of the Sustainable Development Goals (SDGs). The D4D Fund work plan for the next 18 months will focus on areas that have been identified as particularly urgent in view of rising vulnerabilities; for example, CD will focus on real estate property indicators to detect early on risks

to financial stability from real estate bubbles, and on debt data to ensure that risks to fiscal sustainability from rising public sector debt can be addressed speedily. All these efforts will also contribute to more transparency and accountability over the medium term.

STA's work under the FSSF is closely integrated into the IMF's mandate to assess and monitor financial stability.

Two work streams are targeted to assist countries in improving their monitoring of financial sector risks and vulnerabilities: First, targeted CD to enhance the availability of balance sheet statistics; and second, assisting countries in developing and using FSIs to gauge the health of their financial sectors.

D4D Overview

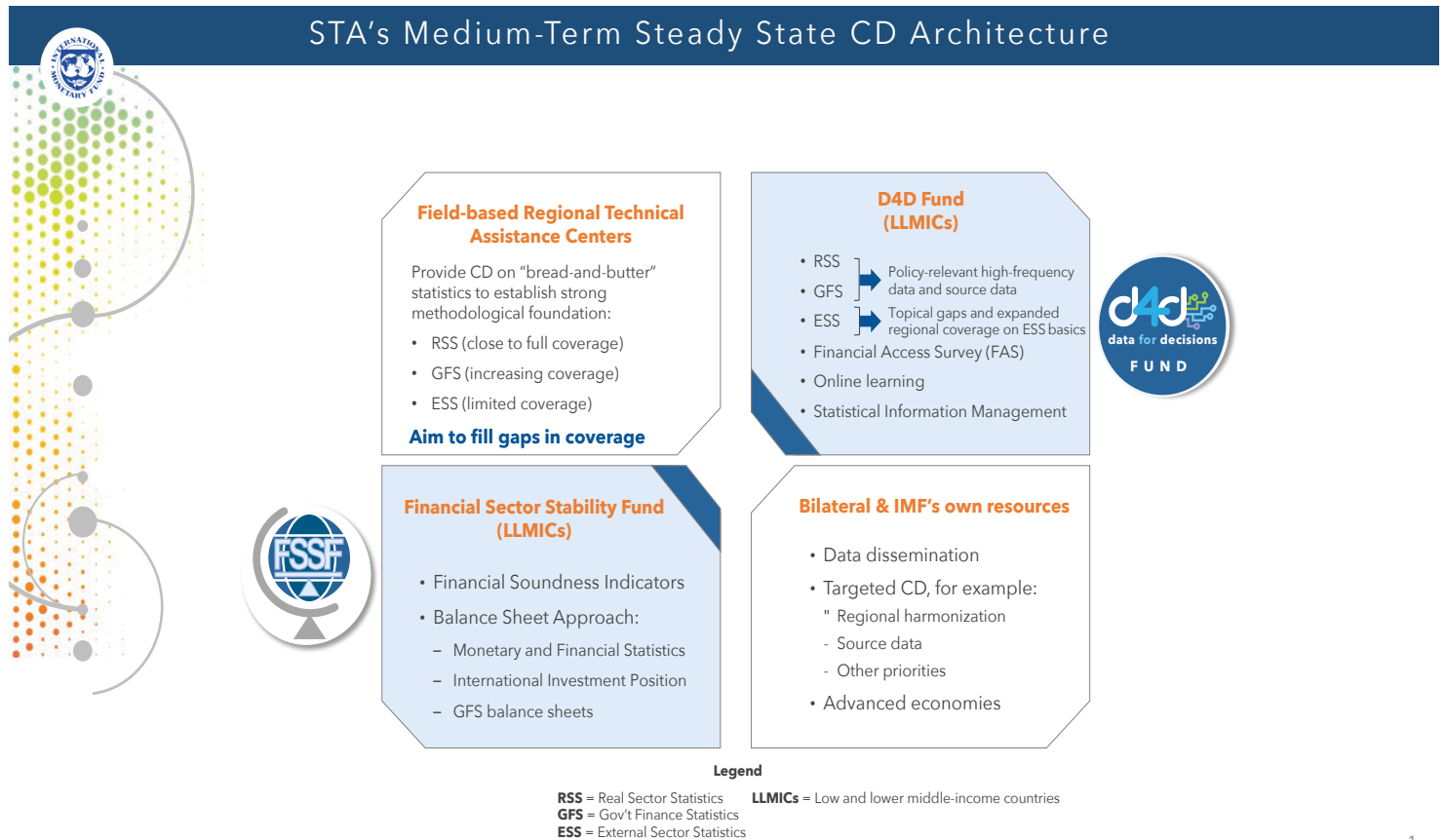


C. IMPLEMENTING CD REFORMS

STA has also continued to advance CD reforms on other fronts. This is to help foster achievement of outcomes and enhance the efficiency in, and impact of, CD delivery.

- STA is enhancing its field presence through RCDCs, especially in the real sector and government finance statistics areas. This is accompanied by the enhanced CD through the D4D Fund and FSSF to reap synergies and provide longer CD planning horizons, while the use of bilateral projects will be limited to select cases.
- Modernization of the CD governance structure and intensified engagement with Fund area department country teams ensures that CD activities are aligned with the needs of data users.
- STA has rolled out a new format for technical assistance reports, with the objective to convey the main reform needs and their relevance for economic decision making to a broader audience. Separating the part of the report aimed at a broader audience from the technical part prepared for the statistical compilers also makes STA technical assistance reports better suited for publication, if the country authorities consent.
- With the Results-Based Management (RBM) framework now fully rolled out to all CD activities, STA is using these findings to further improve the efficiency and impact of CD.

STA's Medium-Term Steady State CD Architecture



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