

- Disseminate an English version of a document available on the NBP website that comprises, among others, claims on, and liabilities to, public non-financial corporations and accrued interest. The NBP will also consider dissemination of additional information on total financial derivatives as soon as the necessary methodological presentation principles are agreed.

In the area of balance of payments the work currently conducted in the NBP will result in fulfilling the high priority IMF mission recommendations.

- With reference to moving to transaction-based monthly balance of payments, the NBP plans to produce a transaction-based monthly balance of payments starting from 2004.
- Data on interest on an accrual basis cannot be presented before estimates for portfolio investments become available on a security-by-security basis. This is planned for 2005.

Other recommendations of the IMF mission will be implemented as soon as the human resources and time constrains allow.

### **III. THE COMMENTARY BY THE MINISTRY OF FINANCE**

Monthly data time series and information on applied methodology are disseminated on the Ministry of Finance (MoF) website. The preparations for the presentation of annual GFS data sets (in the time-series format) and their metadata are advancing and we intend to begin the dissemination of such information on our website in the near future. The link to a contact person has already been added.

The currently existing inconsistencies with other datasets (e.g. monetary statistics on net claims on government) may result from methodological differences and shall be clarified in the future.

Some of the recommendations presented by the IMF mission cannot be implemented immediately. The MoF is interested in adopting the GFSM 2001 standard as soon as possible. However, its actual implementation will need to be supported by the provision of the IMF technical assistance. Such assistance has already been requested. The introduction of the GFSM 2001 standard will require the establishment of new data compilation framework and procedures. At this time, only the social security funds and the central and local extra-budgetary units record data on their operations on an accrual basis. The implementation of the GFSM 2001 guidelines will thus depend on the availability of accrual-based data for the rest of the general government.

INTERNATIONAL MONETARY FUND

REPUBLIC OF POLAND

**Detailed Assessments Using the Data Quality Assessment Framework (DQAF)**

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This document contains a detailed assessment by dataset of the elements and indicators that underlie the data quality dimensions discussed in Poland's Report on the Observance of Standards and Codes (ROSC)—The DQAF generic framework Data Module includes appendices and the results of the users' survey.

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## ACRONYMS

<i>1993 SNA</i>	<i>System of National Accounts 1993</i>
<i>BPM5</i>	<i>Balance of Payments Manual, fifth edition</i>
BSIS	Bank Statistical Information System
BSU	Base of Statistical Units
COFOG	Classification of Functions of Government
COICOP	Classification of Individual Consumption by Purpose
CPI	Consumer Price Index
CSO	Central Statistical Office
DQAF	Data Quality Assessment Framework
DSBB	Dissemination Standards Bulletin Board
ECB	European Central Bank
EMU	European Economic and Monetary Union
<i>ESA 95</i>	<i>European System of Accounts 1995</i>
EU	European Union
Eurostat	Statistical Office of the European Communities
FPASD	Financial Policy, Analysis and Statistics Department of the MoF
GDP	Gross domestic product
<i>GFSM 1986</i>	<i>A Manual of Government Finance Statistics 1986</i>
<i>GFSM 2001</i>	<i>Government Finance Statistics Manual 2001</i>
HBS	Household Budget Survey
HICP	Harmonized Index of Consumer Prices
IAS	International Accounting Standards
IMF	International Monetary Fund
ISWGNA	Inter-Secretariat Working Group on National Accounts
ITRS	International Transactions Recording System
LFS	Labor Force Survey
MFI	Monetary Financial Institution
<i>MFSM</i>	<i>Monetary and Financial Statistics Manual</i>
MoF	Ministry of Finance
NACE, Rev .1	Statistical Classification of Economic Activities in the European Communities, first revision
NBP	National Bank of Poland
NPISH	Nonprofit Institutions Serving Households
NSDP	National Summary Data Page
ODC	Other Depository Corporations
OECD	Organisation for Economic Co-operation and Development
PPI	Producer Price Index
REGON	Register of Units in the National Economies
ROSC	Report on the Observance of Standards and Codes
SDDS	Special Data Dissemination Standard
SKOK	Cooperative Savings and Credit Institutions

## DETAILED ASSESSMENT USING THE DATA QUALITY ASSESSMENT FRAMEWORK (DQAF)

The following detailed information on indicators of statistical practices in the areas of the national accounts, prices, government finance, money and banking, and balance of payments statistics was gathered from publicly available documents and information provided by the Polish officials. This information, which is organized along the lines of the generic DQAF (see Appendix II), was used to prepare the summary assessment of data quality elements, based on a four-part scale of observance, shown in Poland's Report on the Observance of Standards and Codes (ROSC)—Data Module.

### I. NATIONAL ACCOUNTS

#### 0. Prerequisites of quality

##### 0.1 *Legal and institutional environment*

###### 0.1.1 *The responsibility for collecting, processing, and disseminating statistics is clearly specified*

Since 1989 the Polish authorities have screened their laws and institutional frameworks with regard to meeting the requirements of prospective accession to the European Union (EU). In the area of statistics Poland is considered to be fully compliant with EU requirements. The statistics chapter of the EU accession program has been closed and no transitional arrangements have been requested.

The Law on Official Statistics of June 29, 1995 (the "Statistics Law"), Article 3, specifies that official statistics shall provide "reliable, objective, and systematic" information for "society, the state and the public administration." Article 4 notes that "statistical surveys of official statistics shall refer to every aspect of social and economic life." Article 5 states that the "official statistics has a mandate to collect from all available sources." Article 23 specifies the Central Statistical Office (CSO) to be the central agency in the field of official statistics. Article 20 prescribes that, except for those carried out by specialized agencies, the National Bank of Poland (NBP), or local units, surveys are to be carried out by the CSO. Article 25 sets out the various responsibilities of the President of the CSO, including (paragraph 1) "recognizing the demand for statistical information and analyses and preparing on this basis draft programs of statistical surveys of official statistics and submitting them to the Council of Ministers"; (paragraph 3) "collecting... statistical data"; and (paragraph 7) "making available and disseminating statistical information..." Articles 36 and 37 specify the means of publication and dissemination.

Within this umbrella legal framework, the CSO's program for collecting, processing, and disseminating the national accounts is set out in the annual statistical program approved by the Council of Ministers upon the recommendation of the Statistical Council, the responsibilities and composition of which are set out in the Statistics Law, Articles 15 and 16, upon submission of the draft program by the President of the CSO. The

program is published as an attachment to the official program of laws of the Polish government. As stipulated in the Statistics Law, Article 20, the program sets out the scope, responsibilities, deadlines, and prospective costs of the prospective work program, which institution is to carry it out, as well the modalities of dissemination.

### *0.1.2 Data sharing and coordination among data producing agencies are adequate*

The Statistics Law, Article 13, specifies that public agencies maintaining official registers, or conducting surveys specified within the annual statistical programs, should provide the resulting information free of charge to the CSO.

Although no formal coordination committees between the CSO and other data producing agencies are in place, there is extensive consultation between the CSO and other data producing agencies during the preparation of the draft annual program. The Statistical Council, in reviewing the draft program of statistics, takes on board also the views of the agencies that are represented by the membership of the Council. The CSO considers that data sharing and coordination is effective and that there is no duplication of effort. Preparation of the national accounts involves the headquarters of the CSO, its regional offices, the NBP, and the Ministry of Finance (MoF). However, there are no formal arrangements for exchange of data between the CSO, the NBP and the MoF, for the compilation of the national accounts statistics.

### *0.1.3 Respondents' data are to be kept confidential and used for statistical purposes only*

The Statistics Law, Article 10, specifies that data are to be kept confidential and used for statistical purposes only. Article 38 precludes the CSO from publishing individual data or statistical information which can identify individual persons or business entities. Thus there is no separate publication of any information generated by less than three respondents or where a single respondent accounts for more than three quarters of the total figure being reported. There are no exceptions to this confidentiality requirement, and no processes to seek concurrence for publication of information that is protected by the confidentiality requirement. Survey forms indicate clearly the confidentiality provisions and that survey results will be used for statistical purposes only.

The CSO has procedures in place to protect confidentiality of data, through its internal *Green Book* of procedures. There is no access to individual data for staff other than those directly involved in compilation. Individual workstations are password protected.

Article 54 prescribes that anyone who violates statistical confidentiality should be subject to imprisonment of up to three years, but this provision has reportedly never been applied.

*0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response*

The Statistics Law, Article 13 (paragraphs 5 and 6) stipulates that the President of the CSO informs public entities as to the information that CSO requires from them. The Statistics Law, Article 18, makes it mandatory for persons and business entities to participate in official registers and to respond to surveys approved in the national program. Results of surveys must include also details of response rates and, insofar as possible, explain reasons for nonresponse.

Article 56 specifies that anyone who submits false data shall be subject to a fine or imprisonment of up to two years. However, this provision has never been applied; the CSO prefers to rely on the goodwill of its respondents, the high esteem of the agency, and full assurance of its adherence to the confidentiality provisions; it therefore uses, for instance, high level telephone calls to follow up on nonresponse. The CSO considers that the high response rate of the recent census is evidence of the success of this strategy. There remain, however, some issues of nonresponse, particularly amongst small enterprises.

**0.2 Resources**

*0.2.1 Staff, financial, and computing resources are commensurate with statistical programs*

The Statistical Council, in reviewing the annual draft statistics program, seeks to ensure that the program balances the demands for statistical information with the resources available. The program sets out the costs of each proposed element; when approved, the costs of the program are included in the state budget.

Total staff of the CSO are around 7,600, of whom around 800 are employed at headquarters. The National Accounts and Finance Division at headquarters has a staff of 50; it is responsible for the overall national accounts methodology. Regional accounts are compiled by the CSO's regional office in Katowice. The national accounts staff are well trained in the *European System of Accounts 1995 (ESA 95)* through the Training of European Statisticians Program provided by the Statistical Office of the European Communities (Eurostat), internal training, and on-the-job training.

All professional staff have their individual personal computers, although rapid obsolescence means that they need to be replaced frequently. There are adequate IT systems and support staff in place.

There is little difficulty in obtaining high quality recruits. However, there is stiff competition for fully trained staff from banks and other parts of the public sector, because of the limited availability of the expertise held by the staff, so retention is something of a problem. Salaries are not fully competitive with those at, for instance, banks and the MoF, so there is substantial rotation of staff into and out of the CSO. The need to follow civil service recruitment procedures means that it can take six months or more to fill staff positions.

The need to comply with EU requirements has not led to an overall increase in staff resources, but rather to higher requirements for newly recruited staff and encouragement for existing staff to enhance their expertise. Around 200 staff within the CSO are working on aspects of integration with EU requirements; the CSO considers that it was because of the efforts of its staff that the statistics chapter of the EU accession program was able to be closed so quickly. Relevant CSO staff have ongoing contacts with EU counterparts.

### *0.2.2 Measures to ensure efficient use of resources are implemented*

Overall resources are stipulated in the annual statistical program approved by the Council of Ministers and the parliament. Within this total each unit of the CSO is responsible for the efficient use of its resources. Each unit has an annual budget; it has to supply monthly and quarterly reports to the Finance and Human Resources Division on the execution of its budget.

The contents of surveys are devised by specialist units, whilst the organization and timetabling of the surveys is prepared by the Coordination of Statistical Surveys Division, which also collects information on the completeness of the surveys and documents the results of each survey. These reports, however, are not published in full.

Efficiency in the preparation of the national accounts is enhanced by internal CSO documents stipulating that all departments cooperate fully with the National Accounts Division.

## **0.3 Quality awareness**

### *0.3.1 Processes are in place to focus on quality*

Management's awareness of quality is evidenced by the priority that was attached to achieving compliance with the statistical requirements for EU accession, and the early closing of the statistics chapter in the Poland's EU accession program.

The draft annual statistical program prepared by the CSO for the Council of Ministers under the Statistics Law includes references to quality in setting out the proposals for statistical work. Similarly, the CSO's *Annual Report* includes references to quality considerations; it examines issues of statistical accuracy and methodology, as well as other aspects of quality. Moreover, the regular reports monitoring the execution of the CSO's surveys cover a range of quality issues. In the event of major changes in, for instance, methodologies, the CSO commissions outside academics to offer comments.

The CSO is working on meeting remaining EU quality requirements. A formal report in this regard is under preparation.



*0.3.2 Processes are in place to monitor the quality of the collection, processing, and dissemination of statistics*

The quality of the collection, processing, and dissemination of statistics has been monitored in the context of Eurostat's work with the CSO in preparing the statistics chapter for Poland's forthcoming accession into the EU. The early closure of this chapter is evidence of quality being observed in these regards. Continued monitoring of compliance with EU requirements is seen as ensuring the quality of the statistics.

As noted above, the quality of surveys is monitored on an ongoing basis in the reports of the CSO's Coordination of Statistical Surveys Division.

Given the range of backgrounds of its membership, the Statistical Council also provides a monitoring function on the quality of the CSO's statistical processes, in the context of its review of the draft annual program submitted by the President of the CSO. There is, however, neither regular users' committee, nor any formal procedures (such as a system of questionnaires) through which views regarding quality could be ascertained from outside users in general.<sup>1</sup> CSO staff indicate that they are nevertheless broadly aware of users' views, through, for instance, personal and telephone contacts, media reports, reviews of the various surveys that it conducts, and through monthly press conferences. Regional offices of the CSO have information desks for direct links with users. Written documentation is collected from trade unions, regional and local governments, and other interested parties on their views on statistics.

*0.3.3 Processes are in place to deal with quality considerations, including trade-offs within quality, and to guide planning for existing and emerging needs*

The draft annual program reflects the CSO's assessment of trade-offs within quality as it seeks to balance statistical demands against available resources. The various stages of review of the program before approval, by the Statistical Council and the Council of Ministers, give further opportunity for making trade-offs within quality in order to guide planning for existing and emerging needs.

Trade-offs are also recognized in the design and the monitoring of the surveys conducted by the CSO's Coordination of Statistical Surveys Division.

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<sup>1</sup> Users responding to the questionnaire sent out by IMF staff as part of the preparation of this report indicated that they had never, or hardly ever, been contacted by the authorities with a view to giving their views on the quality of Polish statistics.

## 1. Integrity

### 1.1 Professionalism

#### 1.1.1 *Statistics are compiled on an impartial basis*

The impartiality of the statistics compilation is outlined in the Statistics Law. Article 1 of the Law “determines the principles and creates the basis for reliable, objective, professional, and independent conducting of statistical surveys” and clearly specifies impartiality and objectivity of the compiled statistics. Article 26 discusses the role of the Statistical Council, which operates as an advisory and opinion-making body in the field of methodology of statistical surveys.

Professionalism plays an important role in recruiting and promoting staff. Staff are encouraged to promote professionalism through participation in conferences, meetings, and seminars. The national accounts staff participate actively in several Eurostat Task Forces. They also prepare methodological papers for international meetings on national accounts topics organized by Eurostat, the Organisation for Economic Co-operation and Development (OECD), and the United Nations Economic Commission for Europe.

Regular internal reviews of the methods used by the CSO are carried out by the Program and Methodological Commission of the CSO. Members of that commission include directors of departments in the CSO and external experts.

#### 1.1.2 *Choices of sources and statistical techniques are informed solely by statistical considerations*

The choice of the data sources and the methods for the compilation of the national accounts is based on the consideration of the national accounts compilers. The reasoning determining the choice of methodologies is made public through the annual statistical program.

#### 1.1.3 *The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics*

The CSO Press Office, under the auspices of the president office of CSO, has the responsibility for responding to any erroneous interpretation and misuses of the national accounts data. Incidences of inappropriate interpretations and misuses of statistics are very rare. In these few instances, the misinterpretations and misuses are clarified immediately.

## **1.2 Transparency**

### *1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public*

The Statistics Law is publicly available, including on the CSO website, in Polish and in English. The principles of the official statistics are outlined in Article 3 of the Law. The address of the CSO, as well as the name, e-mail address, and telephone number of the CSO's dissemination unit, are provided on the website.

### *1.2.2 Internal governmental access to statistics prior to their release is publicly identified*

It is publicly identified that there is no government prerelease access to the national accounts statistics.

### *1.2.3 Products of statistical agencies/units are clearly identified as such*

All national accounts data releases are clearly identified as being produced by the CSO. In case of joint publications, the national accounts data are identified as being a product of the CSO.

### *1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques*

Major changes in the methodology, source data, and statistical techniques are announced through the annual statistical program one-two years in advance.

## **1.3 Ethical standards**

### *1.3.1 Guidelines for staff behavior are in place and are well known to the staff*

Ethical standards are laid out in the Code of Conduct for the Civil Service updated on October 11, 2002. The Statistics Law, Chapter 1, Article 12 states that “the staff of the official statistical services, the census enumerators, statistical interviewers, and other persons performing activities in the name and on the behalf of official statistics, having direct access to individual and personal data shall be obliged to observe without exceptions the statistical confidentiality and shall be allowed to perform those activities only after delivering an oath in a written form, at a statistical office or other units of official statistical services, of the following contents, ... *I hereby take summons that I shall perform my tasks on the behalf of the official statistics dutifully, in accordance with the professional ethics of a statistician and that I shall keep secret from the third parties the individual data known to me during performing those tasks.*”

## **2. Methodological Soundness**

### **2.1 Concepts and definitions**

#### *2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices*

The national accounts statistics are compiled in accordance with the guidelines of the *ESA 95*, which is based on, and is consistent with the concepts, definitions, and methodological framework of the *System of National Accounts 1993 (1993 SNA)*. Poland will enter the EU in 2004; as part of its pre-accession program it has adopted the *ESA 95* as the official standard for the compilation of national accounts statistics.

### **2.2 Scope**

#### *2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices*

The national accounts statistics cover all tables and accounts that the Inter-Secretariat Working Group on National Accounts (ISWGNA) has defined as a minimum requirement for implementation of the *1993 SNA*, as well as those whose compilation the ISWGNA has recommended.

The minimum set refers to the following:

- annual value added and gross domestic product (GDP) at current and constant (previous year) prices by activity,
- annual expenditures of GDP at current and constant (previous year) prices,
- annual value added components at current prices by activity,
- sequence of accounts for the total economy with an annual frequency,
- annual rest of world accounts.

The recommended set refers to the following:

- quarterly value added and GDP at current and constant (previous year) prices by activity,
- quarterly expenditures of GDP at current and constant (previous year) prices,
- annual supply and use tables.

In addition to these tables and accounts, the CSO compiles and disseminates several extensions, in particular the following:

- input/output tables with a five-year frequency,
- regional accounts.

The delimitation of the constituent units of the economy is generally in accordance with the *1993 SNA*. The following are included as part of the economy:

- territorial enclaves in the rest of the world,
- free zones and bonded warehouses,
- workers who work part of the year in a foreign country.

However, due to data problems, construction activities of some resident enterprises abroad are included in the domestic output, instead of classifying them as nonresidents.

The production boundary is generally in accordance with the *1993 SNA*, but illegal activities are not included in the scope of the production. The CSO is currently compiling experimental estimates of the illegal activities, but these are not included in the official estimates of the output.

## **2.3 Classification/sectorization**

### *2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices*

The classification systems used for national accounts purposes are broadly consistent with internationally accepted standards, guidelines, and good practices, as detailed below:

- The *ESA 95* is followed for classifying institutional units, transactions, and other flows.
- The Polish Classification of Activities, which is a version of the Statistical Classification of Economic Activities within the European Communities (NACE, Rev. 1), is used to classify the economic activity of enterprises.
- The Polish Classification of Goods and Services, which is a version of Classification of Products by Activity, is used to classify products.
- The Classification of Functions of Government (COFOG) is used to classify the functions of government.
- The Classification of Individual Consumption by Purpose (COICOP) is used to classify household final consumption expenditure and expenditure of Nonprofit Institutions Serving Households (NPISH).
- The Polish Combined Nomenclature (based on the EU's combined nomenclature) is used to classify international transactions.

## **2.4 Basis for recording**

### *2.4.1 Market prices are used to value flows and stocks*

The valuation rules for recording flows and stocks are in accordance with the *1993 SNA*.

- Market output is valued at basic prices.
- Output for own-use is valued at equivalent market prices.
- Excise taxes are included in the valuation of intermediate consumption.
- Deductible value added tax is excluded from the valuation of final uses.
- Imports and exports are valued on an f.o.b. basis and data on insurance and freight costs are available.
- Transactions in foreign currency (for the foreign trade data) are converted to Polish zloty using the average mid-point exchange rate for each currency at the time they take place.
- Value added tax is included in intermediate consumption, excluding the deductible part of the value added tax.

#### *2.4.2 Recording is done on an accrual basis*

The rules for recording are in accordance with the *1993 SNA*:

- Transactions and flows are recorded on an accrual basis.
- Work in progress is recorded in the period when it is produced.
- General government data are recorded on an accrual basis.

#### *2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices*

Grossing and netting procedures are in accordance with the *1993 SNA*. Transactions between establishments within the same enterprise are recorded on a gross basis.

### **3. Accuracy and Reliability**

#### **3.1 Source data**

##### *3.1.1 Source data are collected from comprehensive data collection programs that take into account country-specific conditions*

Source data are collected through: (i) annual, quarterly, and monthly surveys of enterprises; (ii) household surveys; (iii) census surveys; and (iv) administrative data sources.

#### Surveys of Enterprises

The sample frame for the surveys of enterprises is the statistics register called Base of Statistical Units (BSU). It is based on the administrative register of units in the national economy (REGON), which covers all registered legal units and physical persons, including the general government units. The BSU contains administrative information from REGON, data from the statistical surveys and taxpayers' data about enterprises and local units. The BSU is currently maintained by the Business Statistics and Registers Division. The BSU

contains about 2 million units; however, not all of them are active. The type of economic activity and status (active or inactive) of the units is reviewed once a year. The process of updating the status of the units follows the EU Regulation 2186/93 on the maintenance of business registers.

The units from the register are stratified into three groups:

- Small-sized units—with up to 9 employed persons.
- Medium-sized units—with 10 to 49 employed persons.
- Large-sized units—with more than 50 employed persons.

The basic annual surveys of enterprises are the following:

- Annual report of economic activity of enterprises.
- Annual report of economic activity of natural persons.
- Annual financial report of enterprises.
- Annual report on fixed assets and investment.
- The report of NPISH (every three years).
- Structural business reports for agriculture.

Annually, the medium and large units are surveyed exhaustively, while the small units are surveyed by a sample survey covering about 100,000 units. The sample is stratified by regions and by activity. Scientific random sampling techniques are used. The CSO uses proper imputation methods to handle nonresponse (such as using respondents from the same sector of economic activity, size class, and region as the missing firm), and grossing up factors are derived scientifically.

The coverage of the total economic activities (in terms of value added) in the annual surveys is good. By activities, the coverage is the following:

### Production Approach

NACE, Rev. 1	Main source	Assessment of coverage
Agriculture, hunting, and forestry	Agricultural structural surveys, Annual financial report of enterprises (F-02)	Good
Fishing	Annual report of economic activity of enterprises (SP), Annual report of economic activity of natural persons (SP-3)	Good
Mining and quarrying	Annual report of economic activity of enterprises (SP), Annual report of economic activity of natural persons (SP-3)	Good
Manufacturing	Annual report of economic activity of enterprises (SP), Annual report of economic activity of natural persons (SP-3)	Good
Electricity, gas, and water supply	Annual report of economic activity of enterprises (SP), Annual report of economic activity of natural persons (SP-3)	Good
Construction	Annual report of economic activity of enterprises (SP), Annual report of economic activity of natural persons (SP-3)	Good
Wholesale and retail trade, repair of motor vehicles, and personal and household goods	Annual report of economic activity of enterprises (SP), Annual report of economic activity of natural persons (SP-3)	Satisfactory
Hotels and restaurants	Annual report of economic activity of enterprises (SP), Annual report of economic activity of natural persons (SP-3)	Satisfactory
Transport, storage, and communication	Annual report of economic activity of enterprises (SP), Annual report of economic activity of natural persons (SP-3)	Satisfactory
Real estate, renting, and business activities	Annual report of economic activity of enterprises (SP), Annual report of economic activity of natural persons (SP-3)	Satisfactory
Other sections (M,N,O)	Annual report of economic activity of natural persons (SP-3), Annual financial report of enterprises (F-02)	Satisfactory

The main quarterly and monthly surveys of enterprises are the following:

- Quarterly report on financial results and investment of enterprises, and
- Monthly report on sales and employment.

The large enterprises are surveyed exhaustively. The medium enterprises are surveyed exhaustively for the second and fourth quarter and through a sample survey for the first and the third quarter. The coverage of the large and medium units is good. The small units are not surveyed quarterly.



### Household Surveys

The Household Budget Survey (HBS) is a monthly sample survey. Each month about 2,700 households are surveyed by interviewers employed by the regional statistical offices. The survey covers all geographic areas and socio-economic groups. A two-stage stratified random sampling technique is applied, and proper imputation methods are used to deal with the nonresponse. The grossing-up factors are derived scientifically. Detailed data on the income and the expenditures of households are collected through the survey and aggregated by socio-economic groups, by size of households, by decile groups, by urban/rural regions, etc. Data on the purchases of consumption goods, production for own-consumption, purchases of valuables as well as own-account fixed-capital formation are collected too.

One important source of data for the national accounts is the Labor Force Survey (LFS), which has been conducted since May 1992 on a quarterly basis. The concepts and the definitions of the survey are in accordance with the International Labour Organisation guidelines. A special module for the purpose of measuring the hidden economy is attached to the LFS once every three years.

### Census Surveys

The CSO conducted in 2002 a Population Census and an Agricultural Census. The preliminary results of both censuses were disseminated in November 2002. No industrial census has been conducted.

### Administrative data sources

The MoF compiles statistics of central and local government, and extra-budgetary funds revenue and expenditure. Data are available quarterly by government function and economic classification. Data include all defense-related expenditure and are sufficiently detailed to measure output, intermediate consumption, fixed-capital formation, and final consumption of government services.

The CSO receives from the NBP quarterly data for the commercial banks and balance of payments.

The CSO receives quarterly from the Commission for Insurance and Pension Funds Supervision data on insurance institutions.

The CSO receives monthly data on imports and exports of goods from the Customs Office.

### *3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required*

Generally, the source data are consistent with the definitions, scope, and classifications of national accounts estimates. However, the monthly and quarterly reports request data from enterprises on a cumulative, rather than discrete, basis.

### *3.1.3 Source data are timely*

There are no major problems with the timeliness of the source data. The enterprise data, the price statistics data, the foreign trade statistics, the balance of payments data, and the general government data are obtained on timely basis.

## **3.2 Statistical techniques**

### *3.2.1 Data compilation employs sound statistical techniques*

#### Production approach procedures

The output estimates are made in sufficient detail covering 60 groups of activities. The estimates for the annual accounts are made on a three-digit level of NACE, Rev. 1 for industry, construction and transport, and on a two-digit level for the remaining activities. The quarterly estimates of output are derived on a two-digit level of NACE, Rev. 1.

Annual intermediate consumption estimates are compiled at the same level of detail as output, that is, between the two- and three-digit levels of NACE, Rev.1. More detailed data on intermediate consumption are collected and compiled once in five years, for the input/output tables. The quarterly estimates of intermediate consumption are derived on a two-digit level of NACE, Rev.1.

The quarterly estimates of agriculture are derived from forecasts of value added for the whole year. The forecast value is distributed by quarter according to the labor inputs following the allocation by quarter of the annual labor input.

Fixed ratios of costs/revenues are used for deriving intermediate consumption for the medium units in the first and the third quarters. Apart from these, fixed ratios are not used in the estimation process.

Quarterly estimates for small units are based on the labor productivity in similar medium-sized units.

The output of owner-occupied dwellings is valued as the estimated costs for maintenance. The estimation is done externally, by the Institute for Housing Management, based on a survey of dwellings every six months. The CSO has some plans for improving of the valuation of owner-occupied dwelling output through participating in the relevant Eurostat

Task Force and using data from the recent Population Census. Intermediate consumption is estimated as a fixed ratio of output (about 20 percent).

The work in progress data are derived from the enterprise surveys to estimate large construction projects and the output of large equipment. Growing crops, stocks of fish, and livestock reared for food are derived from agricultural surveys data. Work in progress is valued by the total input costs incurred during the period.

Both the annual and the quarterly data on output and intermediate consumption are adjusted for holding gains/losses on inventories. Estimates are based on data on stock levels, the structure of inventories from the recent input/output tables, and price indices compiled by the CSO.

Since 2000, the estimates of consumption of fixed capital are based on the value of the fixed assets revalued at purchasers' prices of the current year. The estimation method was proposed by Eurostat and was conducted within the Eurostat Task Force on the consumption of fixed capital.

The primary method used for deriving constant price estimates is the double deflation method. Output at current prices is deflated using price indices for goods and services compiled by the CSO prices unit. The main deflators are the producer price indices, the consumer price indices, and other price indices. For intermediate consumption, implicit deflators are compiled for each activity (estimated on the basis of the data from the recent input/output tables matched with the appropriate price indices).

Double deflation is used in industry, construction, transport and communications, and market services. In trade, the trade margin is deflated using the consumer price index (CPI) for goods, which is a deviation from best practices. In agriculture, output is extrapolated by volume indicators, and intermediate consumption is deflated by an implicit price index. For nonmarket services, the value added is extrapolated using employment data assuming constant labour productivity. Volume measures of taxes on products are estimated by applying base-year tax rates to the volume of transactions subject to tax.

The constant price GDP estimates are compiled in average prices of the previous year.

#### Expenditure approach procedures

The GDP estimate by expenditure components (annual and quarterly) is derived independently, including independent estimates of household final consumption expenditure and gross-fixed capital formation. The data on household final consumption expenditure are compiled at the six-digit level of COICOP. Government final consumption expenditure is compiled at the one-digit COFOG level. Gross-fixed capital formation is compiled by 60 industries and four types of assets—machinery, transport equipment, buildings and other constructions, and others. Changes in inventories are estimated by activity, by types of

inventories and by size of units (small, medium, large). No fixed ratios that are more than five years old are used in the compilation of the expenditure approach components.

Government final consumption expenditure excludes incidental sales. Expenses of residents abroad are included in household final consumption expenditure, and expenditures of nonresidents in the domestic economy are excluded from private final consumption expenditure and are included in exports.

Components of household final consumption expenditure are deflated using the relevant subgroups of the CPI (about 150 commodities). Government final consumption expenditure is deflated using the implicit deflators derived from the estimates of producers of government services. Estimates of exports and imports of goods in constant prices are obtained by deflating the current values by unit value indices of exports and imports. However, the constant price estimates of exports and imports of services are obtained by deflating the current values by the total CPI.

#### Specific quarterly compilation techniques

Benchmarking is done using a prorate technique, therefore resulting in a step problem between the quarterly and the annual estimates. Seasonally adjusted quarterly estimates are compiled only on an experimental basis. The CSO is currently waiting for an assessment by Eurostat of the experimentally compiled quarterly national accounts seasonally adjusted data (using the Eurostat's Demetra software) and will start disseminating the new series in 2003.

#### *3.2.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques*

The national accounts compilers use a large number of procedures to adjust data sources to improve the coverage, definitions, classifications, and valuation in conformity with international guidelines. The CSO has participated in the Eurostat Task Force on the exhaustiveness of the GDP estimates, and has received a very good assessment for the work done in this area. The CSO is currently compiling and including in its official estimates the estimates for concealed production. Estimates for illegal activities are compiled on an experimental basis, but they are not included in the official GDP estimates. The estimates for exhaustiveness are incorporated in both the production and the expenditure approaches. For GDP by activity, adjustments for exhaustiveness include for nonresponse, underreporting, and units not registered. The share of the adjustments in GDP was about 14 percent in 2000. For the expenditure based GDP, adjustments have been made for almost all components: final consumption of households, NPISH, gross-fixed capital formation, changes in inventories and imports and exports of goods.

### **3.3 *Assessment and validation of source data***

*3.3.1 Source data—including censuses, sample surveys and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide planning*

Source data are assessed for their accuracy on a routine basis. Information is available about sampling and nonsampling errors for all surveys. The Coordination of Statistical Surveys Division keeps archives for internal purposes on problems encountered (for example, issues of misclassification or measurement), to avoid similar problems in the future. Information is available about imputations made in the basic statistics. Outliers in basic statistics are evident in the provisional figures, but they are mostly removed from the final results. High-value transactions are confirmed with respondents. The household surveys (HBS and LFS) are audited to verify the accuracy of the individual survey data. The source data are validated for temporal consistency, for consistency with national accounts definitions, valuation, and classifications.

The national accounts staff routinely review the budgetary data, foreign trade data, price indices, and other data sources used to compile national accounts statistics. These secondary data are also checked for consistency with the national accounts definitions, valuation rules, reference periods, and classifications.

### **3.4 *Assessment and validation of intermediate data and statistical outputs***

*3.4.1 Main intermediate data are validated against other information where applicable*

Data derived through the enterprise surveys are cross-checked against data on output derived from administrative sources, as well as merchandise trade statistics.

*3.4.2 Statistical discrepancies in intermediate data are assessed and investigated*

The potential discrepancies in intermediate data are investigated and adequately addressed.

*3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated*

The supply-use framework is used to make GDP estimates by activity and expenditure components consistent. The balancing process involves the comparison of the detailed data in a supply-use framework at current prices.

The CSO does not undertake an evaluation of data against unofficial estimates.

### **3.5 Revision studies**

#### *3.5.1 Studies and analyses of revisions are carried out routinely and used to inform statistical processes*

The magnitude of revisions between preliminary and revised GDP data is investigated. Analysis of the revision of the preliminary GDP estimates is not available; usually it is made only as part of the compilation process.

## **4. Serviceability**

### **4.1 Relevance**

#### *4.1.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored*

The relevance of national accounts statistics is recognized mainly in the context of EU accession. There is no user advisory group in national accounts representing the needs of the general public. The CSO does not conduct regular user surveys; therefore the relevance and practical utility of the data are not monitored on a regular basis. The primary users of national accounts statistics are seen to be Eurostat, the NBP, the MoF, and other government bodies and academic institutions.

### **4.2 Timeliness and periodicity**

#### *4.2.1 Timeliness follows dissemination standards*

The national accounts statistics meet the Special Data Dissemination Standard (SDDS) requirement on timeliness. Quarterly estimates of GDP are disseminated within 90 days after the end of the reference quarter.

#### *4.2.2 Periodicity follows dissemination standards*

The national accounts statistics are disseminated with quarterly periodicity as prescribed under the SDDS.

### **4.3 Consistency**

#### *4.3.1 Statistics are consistent within the dataset*

The national accounts are internally consistent. Consistency of the national accounts is established through balancing procedures in which consistent GDP estimates by activity and expenditure components are derived using the supply-use framework. The constant price estimates are also consistent. The estimates at current prices, volume measures, and implicit

deflators are consistent within the “value = volume × price” framework. The quarterly GDP estimates add up to the annual estimates.

#### 4.3.2 *Statistics are consistent or reconcilable over a reasonable period of time*

Consistent annual and quarterly time series are available for the period 1995–2000 and for 2000–2001 (plus the first three quarters of 2002). A major change in the methodology was introduced in 2000: the general government data are now compiled on accrual basis; the measurement of the consumption of fixed assets is based on the revalued value of the fixed assets; and the sectorization of the units of the nonfinancial sector, the household sector and the general government sector, was revised. The data for 2000 were compiled using both the old and the new methodologies, and the breaks in the series in 2000 are explained in short methodological notes. The CSO plans to reconstruct back its historical series as far as 1995.

#### 4.3.3 *Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks*

The national accounts statistics are consistent and reconcilable with merchandise trade statistics and the data on general government. The national accounts are also consistent with the balance of payments, with the exception of the treatment of the construction activities (see also 2.2.1).

### 4.4 *Revision policy and practice*

#### 4.4.1 *Revisions follow a regular, well-established, and transparent schedule*

The annual and the quarterly estimates follow the revisions cycle as described in the table below:

Estimates	Timetable for:	
	Annual estimates	Quarterly estimates
Preliminary estimate	1 month	3 months
First revised estimate	May 15	6 months
Second revised estimate	10–11 months	12 months
Final estimate	18 months	18 months

The revisions cycle is predetermined and published in the annual statistical program. Revised data are published with accompanying short notes.

#### 4.4.2 *Preliminary data are clearly identified*

The CSO national accounts publications alert users that the data have been revised. Preliminary data are not clearly identified.

Revised data are disseminated with the same or greater level of detail as previously published for the data being revised.

#### 4.4.3 *Studies and analyses of revisions are made public*

The magnitude of revisions is measured, but the results are used for internal purposes and are not made available to the general public.

## 5. **Accessibility**

### 5.1 **Data accessibility**

#### 5.1.1 *Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)*

The annual and the quarterly national accounts publications contain charts and tables, as well as analysis of current-period developments. Charts and tables are provided also in the press release of quarterly national accounts and posted on the CSO website. The presentation of the national accounts statistics is clear. The data are published with various levels of detail. No time series are published that contain recent quarterly national accounts data.

#### 5.1.2 *Dissemination media and formats are adequate*

The quarterly national accounts data are first released through the CSO press release, and later through the monthly *Statistical Bulletin*. A comprehensive publication for the quarterly national accounts data is issued each year: *Gross Domestic Product by Quarters*, in Polish. The most recent issue of the quarterly publication contains data for 1995–2001.

The annual national accounts data are released through the press release in January (the annual preliminary estimates) and through the following hard copy publications:

- *Concise Statistical Yearbook*—first revised estimates of GDP, gross output, intermediate consumption, gross value added;
- *Statistical Yearbook*—second revised estimates of GDP, Production and Generation of Income Accounts by institutional sector and by activity;
- *National Accounts by Institutional Sector*—a full set of nonfinancial accounts by sector and subsector; and
- *Financial Accounts by Institutional Sector*—the latest data are for 2000.

Annual data are also available in the monthly *Statistical Bulletin*. The web page of the CSO reproduces the data from the monthly *Statistical Bulletin* and the *Statistical Yearbook*. Longer time series cannot be accessed electronically. Quarterly national accounts data in a time series format are available only in hard copy publications.



### *5.1.3 Statistics are released on a preannounced schedule*

The CSO publishes quarterly a release calendar giving the precise release dates for the quarter for all datasets, including the national accounts. The same schedule is also available on the IMF's Dissemination Standards Bulletin Board (DSBB). However, the calendar is not accurate, as there are sometimes missing data releases (e.g., the annual preliminary national accounts data for 2002). Also, the calendar is not always strictly followed.

### *5.1.4 Statistics are made available to all users at the same time*

The national accounts data are released simultaneously to all users.

### *5.1.5 Nonpublished (but nonconfidential) subaggregates are made available upon request*

Nonpublished subaggregates are made available to users upon request. However, the terms and conditions on which they are made available are not publicized.

## **5.2 Metadata accessibility**

### *5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated*

Detailed documentation on the definitions, concepts, and methodology used in compiling the estimates is made available in the hard copy publications *National Accounts by Institutional Sector* and *Gross Domestic Product by Quarters* (in Polish). A comprehensive document detailing the quarterly sources and methods has been compiled and disseminated in collaboration with the OECD (in Polish and English). Detailed methodological notes are published also in the *Statistical Yearbook* (in Polish and English). For the annual national accounts, a comprehensive description of the sources and methods was compiled in 2001 in cooperation with Eurostat, but it is not available for the general public. Information on data biases, response rates to the main surveys, linkages with other data systems is not disseminated.

A summary of national accounts methodology is posted on the DSBB. It is reviewed and updated regularly.

### *5.2.2 Levels of detail are adapted to the needs of the intended audience*

The exhaustive description of the sources and methods of the annual accounts in the hard copy publication *National Accounts by Institutional Sector* is updated annually. The quarterly national accounts sources and methods are also updated annually in the hard copy publication *Gross Domestic Product by Quarters*.

### **5.3 Assistance to users**

#### *5.3.1 Contact person for each subject field is publicized*

Information about the contact person for the national accounts statistics is not publicized. The CSO publications give the contact information for the Statistical Publishing Unit from where further information can be obtained. The CSO website gives as a contact point the Press Office. Assistance to users is not monitored through periodic surveys of users of national accounts.

#### *5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available*

The CSO produces a catalogue of publications, which is updated annually and contains a listing of publications that the CSO will be releasing during the year. The catalogue provides a brief description of the data contained in the publication, the price, periodicity, expected month of release, the publication format, and the languages of dissemination.

Table 1. Poland: Data Quality Assessment Framework—Summary of Results for National Accounts

*(Compiling Agency: Central Statistical Office)*

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
<b>0. Prerequisites of quality</b>						
0.1 Legal and institutional environment			X			No formal arrangements to facilitate data sharing.
0.2 Resources		X				
0.3 Quality awareness		X				
<b>1. Integrity</b>						
1.1 Professionalism		X				
1.2 Transparency		X				
1.3 Ethical standards		X				
<b>2. Methodological soundness</b>						
2.1 Concepts and definitions		X				Construction activities of resident units abroad included in domestic production.
2.2 Scope			X			
2.3 Classification/sectorization		X				
2.4 Basis for recording		X				
<b>3. Accuracy and reliability</b>						
3.1 Source data			X			Sub-annual data collected from units on cumulative basis. No seasonal adjustment of quarterly national account data, no proper benchmarking technique.
3.2 Statistical techniques			X			
3.3 Assessment and validation of source data		X				Magnitude of revisions investigated but analysis unavailable.
3.4 Assessment and validation of intermediate data and statistical outputs		X				
3.5 Revision studies			X			
<b>4. Serviceability</b>						
4.1 Relevance			X			No user advisory group.
4.2 Timeliness and periodicity		X				
4.3 Consistency			X			Consistent times series available only since 2000. Documentation of revisions limited.
4.4 Revision policy and practice			X			
<b>5. Accessibility</b>						
5.1 Data accessibility			X			Longer time series not easily accessible. Advance release calendar incomplete and not always strictly observed.
5.2 Metadata accessibility		X				
5.3 Assistance to users			X			Contact persons not identified.

## II. PRICE STATISTICS (CONSUMER PRICE INDEX)

### 0. Prerequisites of quality

#### 0.1 *Legal and institutional environment*

##### 0.1.1 *The responsibility for collecting, processing, and disseminating statistics is clearly specified*

Since 1989 the Polish authorities have screened their laws and institutional frameworks with regard to meeting the requirements of prospective accession to the European Union (EU). In the area of statistics, Poland is considered to be fully compliant with EU requirements. The statistics chapter of the EU accession program has been closed and no transitional arrangements have been requested.

The Law on Official Statistics of June 29, 1995 (the “Statistics Law”), Article 3, specifies that official statistics shall provide “reliable, objective, and systematic” information for “society, the state and the public administration.” Article 4 notes that “statistical surveys of official statistics shall refer to every aspect of social and economic life.” Article 5 states that the “official statistics has a mandate to collect from all available sources.” Article 23 specifies the Central Statistical Office (CSO) to be the central agency in the field of official statistics. Article 20 prescribes that, except for those carried out by specialized agencies, the National Bank of Poland (NBP), or local units, surveys are to be carried out by the CSO. Article 25 sets out the various responsibilities of the President of the CSO, including (paragraph 1) “recognizing the demand for statistical information and analyses and preparing on this basis draft programs of statistical surveys of official statistics and submitting them to the Council of Ministers”; (paragraph 3) “collecting...statistical data”; and (paragraph 7) “making available and disseminating statistical information...” Articles 36 and 37 specify the means of publication and dissemination.

Within this umbrella legal framework, the CSO’s program for collecting, processing, and disseminating the Consumer Price Index is set out in the annual statistical program approved by the Council of Ministers upon the recommendation of the Statistical Council, the responsibilities and composition of which are set out in the Statistics Law, Articles 15 and 16, upon submission of the draft program by the President of the CSO. The program is published as an attachment to the official program of laws of the Polish government. As stipulated in the Statistics Law, Article 20, the program sets out the scope, responsibilities, deadlines, and prospective costs of the prospective work program, which institution is to carry it out, as well the modalities of dissemination.

##### 0.1.2 *Data sharing and coordination among data producing agencies are adequate*

The Statistics Law, Article 13, specifies that public agencies maintaining official registers, or conducting surveys specified within the annual statistical programs, should provide the resulting information free of charge to the CSO.

Although no formal coordination committees between the CSO and other data producing agencies are in place, there is extensive consultation between the CSO and other data producing agencies during the preparation of the draft annual program. The Statistical Council, in reviewing the draft program of statistics, takes on board also the views of the agencies that are represented by the membership of the Council. The CSO considers that data sharing and coordination is effective and that there is no duplication of effort. Preparation of the Consumer Price Index (CPI) involves the headquarters of the CSO and its regional offices.

*0.1.3 Respondents' data are to be kept confidential and used for statistical purposes only*

The Statistics Law, Article 10, specifies that data are to be kept confidential and used for statistical purposes only. Article 38 precludes the CSO from publishing individual data or statistical information that can identify individual persons or business entities. Thus, there is no separate publication of any information generated by less than three respondents or where a single respondent accounts for more than three quarters of the total figure being reported. There are no exceptions to this confidentiality requirement, and no processes to seek concurrence for publication of information that is protected by the confidentiality requirement. Survey forms indicate clearly the confidentiality provisions and that survey results will be used for statistical purposes only.

The CSO has procedures in place to protect confidentiality of data, through its internal *Green Book* of procedures. There is no access to individual data for staff other than those directly involved in compilation. Individual workstations are password protected.

Article 54 prescribes that anyone who violates statistical confidentiality should be subject to imprisonment of up to three years, but this provision has reportedly never been applied.

*0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response*

The Statistics Law, Article 13 (paragraphs 5 and 6) stipulates that the President of the CSO informs public entities as to the information that CSO requires from them. The Statistics Law, Article 18, makes it mandatory for persons and business entities to participate in official registers and to respond to surveys approved in the national program. Results of surveys must include also details of response rates and, insofar as possible, explain reasons for nonresponse.

Article 56 specifies that anyone who submits false data shall be subject to a fine or imprisonment of up to two years. However, this provision has never been applied; the CSO prefers to rely on the goodwill of its respondents, the high esteem of the agency, and full assurance of its adherence to the confidentiality provisions; it therefore uses, for instance, high level telephone calls to follow up on nonresponse. The CSO considers that the high

response rate of the recent census is evidence of the success of this strategy. There remain, however, some issues of nonresponse, particularly amongst small enterprises.

## **0.2 Resources**

### *0.2.1 Staff, financial, and computing resources are commensurate with statistical programs*

The Statistical Council, in reviewing the annual draft statistics program, seeks to ensure that the program balances the demands for statistical information with the resources available. The program sets out the costs of each proposed element; when approved, the costs of the program are included in the state budget.

Total staff of the CSO are around 7,600, of whom around 800 are employed at headquarters. Prior to 2002, the CPI had its own department; however, the organizational structure has changed and the CPI is now a unit within the Retail Prices Section. There are currently 11 staff members working in the Retail Prices Section.

All professional staff have their individual personal computers, although rapid obsolescence means that they need to be replaced frequently. Of the eleven computers for each staff, four of the computers are new. However, there is still a lack of more technologically advanced computers and software. There are adequate IT systems and support staff in place.

There is little difficulty in obtaining high quality recruits. Ten of the current staff of the Retail Prices Section have a university degree and two secondary level of education. However, there is stiff competition for fully trained staff from banks and other parts of the public sector, because of the limited availability of the expertise held by the staff, so retention is something of a problem. Salaries are not fully competitive with those at, for instance, banks and the Ministry of Finance, so there is substantial rotation of staff into and out of the CSO. The need to follow civil service recruitment procedures means that it can take six months or more to fill staff positions.

The need to comply with EU requirements has not led to an overall increase in staff resources, but rather to higher requirements for newly recruited staff and encouragement for existing staff to enhance their expertise. Around 200 staff within the CSO are working on aspects of integration with EU requirements; the CSO considers that it was because of the efforts of its staff that the statistics chapter of the EU accession program was able to be closed so quickly. Relevant CSO staff have ongoing contacts with EU counterparts.

### *0.2.2 Measures to ensure efficient use of resources are implemented*

Overall resources are stipulated in the annual statistical program approved by the Council of Ministers and the parliament. Within this total, each unit of the CSO is responsible for the efficient use of its resources. Each unit has an annual budget; it has to supply monthly and quarterly reports to the Finance and Human Resources Division on the execution of its budget.

The contents of surveys are devised by specialist units, whilst the organization and timetabling of the surveys is prepared by the Coordination of Statistical Surveys Division, which also collects information on the completeness of the surveys and documents the results of each survey. These reports, however, are not published in full.

Efficiency in the preparation of the CPI is enhanced by internal CSO documents, stipulating that all departments cooperate fully on this area of statistics.

### **0.3 Quality awareness**

#### *0.3.1 Processes are in place to focus on quality*

Management's awareness of quality is evidenced by the priority that was attached to achieving compliance with the statistical requirements for EU accession, and the early closing of the statistics chapter in the Poland's EU accession program.

The draft annual statistical programs prepared by the CSO for the Council of Ministers under the Statistics Law include references to quality in setting out the proposals for statistical work. Similarly, the CSO's *Annual Report* includes references to quality considerations; it examines issues of statistical accuracy and methodology, as well as other aspects of quality. Moreover, the regular reports monitoring the execution of the CSO's surveys cover a range of quality issues. In the event of major changes in, for instance, methodologies, the CSO commissions outside academics to offer comments.

The CSO is working on meeting remaining EU quality requirements, such as those set out in the *European System of Accounts 1995 (ESA 95)*. A formal report in this regard is under preparation.

#### *0.3.2 Processes are in place to monitor the quality of the collection, processing, and dissemination of statistics*

The quality of the collection, processing, and dissemination of statistics has been monitored in the context of the Statistical Office of the European Communities' (Eurostat) work with the CSO in preparing the statistics chapter for Poland's forthcoming accession into the EU. The early closure of this chapter is evidence of quality being observed in these regards. Continued monitoring of compliance with EU requirements is seen as ensuring the quality of the statistics.

As noted above, the quality of surveys is monitored on an ongoing basis in the reports of the CSO's Coordination of Statistical Surveys Division.

Given the range of backgrounds of its membership, the Statistical Council also provides a monitoring function on the quality of the CSO's statistical processes, in the context of its review of the draft annual program submitted by the President of the CSO. There is,

however, neither regular users' committee, nor any formal procedures (such as a system of questionnaires) through which views as regards quality could be ascertained from outside users in general.<sup>2</sup> CSO staff indicate that they are nevertheless broadly aware of users' views, through for instance personal and telephone contacts, media reports, reviews of the various surveys that it conducts, and through monthly press conferences. Regional offices of the CSO have information desks for direct links with users. Written documentation is collected from trade unions, regional and local governments, and other interested parties on their views on statistics.

*0.3.3 Processes are in place to deal with quality considerations, including trade-offs within quality, and to guide planning for existing and emerging needs*

The draft annual program reflects the CSO's assessment of trade-offs within quality as it seeks to balance statistical demands against available resources. The various stages of review of the program before approval, by the Statistical Council and the Council of Ministers, give further opportunity for making trade-offs within quality in order to guide planning for existing and emerging needs.

Trade-offs are also recognized in the design and the monitoring of the surveys conducted by the CSO's Coordination of Statistical Surveys Division.

**1. Integrity**

**1.1 Professionalism**

*1.1.1 Statistics are compiled on an impartial basis*

Article 1 of the Statistics Law clearly specifies impartiality and objectivity of the compiled statistics. Article 26 discusses the role of the Statistical Council, which operates as an advisory and opinion-making body in the field of methodology of statistical surveys.

In regards to professionalism, all job descriptions are transparent, detailed and have a specified level of qualification, especially for CPI staff. The price collectors and staff of regional statistical offices are given specialized training on the collection of retail prices. In addition, these staff are also trained in other subjects, such as psychology and sociology. Long-term training programs are reviewed annually. Moreover, staff are allowed to attend and present papers at external training, conferences, and meetings on methodological issues.

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<sup>2</sup> Users responding to the questionnaire sent out by IMF staff as part of the preparation of this report indicated that they had never, or hardly ever, been contacted by the authorities with a view to giving their views on the quality of Polish statistics.



*1.1.2 Choices of sources and statistical techniques are informed solely by statistical considerations*

A methodological commission approved by CSO, with representatives of various government agencies, regional specialists, institutions, and professional centers, is involved in the assessment of methodologies. When a new pricing methodology is developed, methodological papers are circulated among various organizations and ministers.

The methods for compiling the CPI are fully under the control of the CSO.

*1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics*

The CSO Press Office, under the auspices of the president's office of CSO, has the responsibility for responding to any erroneous interpretation and misuses of the CPI data. Incidences of inappropriate interpretations and misuses of statistics are very rare. In these few instances, the misinterpretations and misuses are clarified immediately.

All contacts by the media are made only through the Press Office.

**1.2 Transparency**

*1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public*

The Statistics Law is publicly available, including on the CSO website. Further information on these surveys, including the deadlines for making the results available, is given in the Annual Statistical Program.

Some CSO publications provide the telephone number and e-mail address of the CSO sales department.

*1.2.2 Internal governmental access to statistics prior to their release is publicly identified*

It is publicly identified that there is no prerelease access to the CPI.

*1.2.3 Products of statistical agencies/units are clearly identified as such*

The CSO estimates and releases all CPI data. All CPI publications display the CSO logo. Requests are made to researchers and other users of the CPI data to provide acknowledgment of the CSO as the data source. Moreover, in cases of joint publication, the CSO is clearly identified as the data producing agency.

#### *1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques*

Major changes in methodology are announced about six months in advance in the Annual Statistical Program that is available on request from the CSO. Methodological changes also appear in the *Statistical Yearbook*.

In the cases of new surveys, users are warned well in advance (one-two years) that there will be changes. This occurred when the CSO changed its classification system to meet the European standards. Training was provided to the price collectors, as well as press releases describing the differences between the old and the new forms.

### **1.3 Ethical standards**

#### *1.3.1 Guidelines for staff behavior are in place and are well known to the staff*

Ethical guidelines for staff behavior are stipulated in the Code of Conduct of the Civil Service updated on October 11, 2002. The Statistics Law, Chapter 1, Article 12 states that “the staff of the official statistical services, the census enumerators, statistical interviewers and other persons performing activities in the name and on the behalf of official statistics, having direct access to individual and personal data shall be obliged to observe without exceptions the statistical confidentiality and shall be allowed to perform those activities only after delivering an oath in a written form, at a statistical office or other units of official statistical services, of the following contents, ... *I hereby take summons that I shall perform my tasks on the behalf of the official statistics dutifully, in accordance with the professional ethics of a statistician and that I shall keep secret from the third parties the individual data known to me during performing those tasks.*”

In addition to the oath that the staff members are required to sign, they also have to attend a preparatory service for public administration where a formal examination is given. For the CPI in particular, very detailed procedures on ethics and code of conduct are available, which are different from the general procedures.

## **2. Methodological Soundness**

### **2.1 Concepts and definitions**

#### *2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices*

The concepts and definitions of the CPI are generally in line with specifications recommended in the *ESA 95* and the EU regulations. However, the concepts and definitions deviate from the *ESA 95* in respect to the imputation of rents for owner-occupied housing. Nevertheless, this deviation does not violate the specific EU regulations for price statistics in regards to the requirements for the Harmonized Index of Consumer Prices (HICP).

The weights for the CPI are obtained from the average annual expenditures primarily taken from the national Household Budget Survey (HBS). Commencing in 1997, the CPI generally follows Eurostat's requirements for the HICP.

## **2.2 Scope**

### *2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices*

All private households residing permanently in Poland, excluding institutional households and foreign households, are included in the CPI weights.

Prices are collected in 309 price survey regions, from about 28,000 sales outlets. The region may be a town or a part of a large city. A purposive selection of regions is based on the size of population, density of a shop network, and price behavior of goods and services.

All goods and services bought within the domestic territory by the reference population for the purposes of consumption are covered in the CPI. Expenditures for cash gifts, life insurance, imputed rents, and illegal activities are excluded. For services such as hospitals, schools and college institutions, only the portion paid by households is included. Private schools are included. The CPI has 12 divisions; 39 groups; 93 classes; 301 elementary groups (the lowest level of the weights); and 1,800 items.

## **2.3 Classification/sectorization**

### *2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices*

Before 1999, the national classification of expenditures was applied in the consumer price survey. From 1999 onwards, the national classification is based on the Classification of Individual Consumption by Purpose (COICOP).

## **2.4 Basis for recording**

### *2.4.1 Market prices are used to value flows and stocks*

Prices reflect those that the consumer would pay on the day of the survey, including value added and excise taxes. Sale prices are recorded in case of temporary reductions. Money-off coupons, loyalty cards, and free gifts are ignored. Rents are included net of electricity, gas, water, and heating charges.

Price determining characteristics for specifications and transactions are taken into consideration in order to support pricing of constant quality; the data collector is free to

change the specifications for substitutability, but is instructed to record explicitly any reasons for changes.

#### *2.4.2 Recording is done on an accrual basis*

Personal visits and paper collection forms are used to collect prices in most retail outlets. Some prices are collected by telephone or using price lists sent by mail to the CSO. There are plans to equip price collectors with hand-held computers.

The collection is spread over the first 25 days (Monday-Friday) of the month. Fresh fruit and vegetables prices are collected three times a month (1–9; 10–19; and 20–25) to account for seasonal changes and volatility of prices. Prices of other foods, nonalcoholic and alcoholic beverages, and tobacco are collected twice a month, and the other goods and services are collected once a month.

#### *2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices*

Weights are applied to the net purchases of used cars available in the secondary market.

### **3. Accuracy and Reliability**

#### **3.1 Source data**

##### *3.1.1 Source data are collected from comprehensive data collection programs that take into account country-specific conditions*

The CPI survey is based on the purposively selected sample. On average, 500,000 prices are collected each month from around 28,000 outlets in 309 price survey regions. This sample changes annually, and is updated on an ongoing basis to account for new goods and services.

The selected items represent price movements of the commodity group, and should be available for reasonable length of time. The number of items per group depends on its weight and the variability of price movements of items in the group. The basket of items is updated each January. Selection of products/varieties is also purposive. Within the item specification, price collectors, in cooperation with outlets' staff, select specific products with a significant market share.

The CSO supplies general specifications for most of the items to price collectors (e.g., women's jackets), who record (in forms) detailed descriptions covering characteristics, such as brand, size, fabric/material, etc. However, fairly narrow descriptions for some items are also supplied by the CSO.

The outlets are selected by purpose, and are made by regional statistical offices' staff. The selection is based mainly on the popularity of the outlet, consistency and completeness of the

range of products, permanency of outlet, and the cooperation of price informants. New shopping centers are reviewed regularly for potential inclusion.

The household expenditure statistics are collected through the HBS, which is based on a scientific random sample in which 62 percent of the households are covered.

The CPI weights are derived from the HBS, which is based on a sample of approximately 32,000 households per year, using the method of monthly rotation with a quarterly cycle. Some adjustments for expenditures on alcoholic beverages, tobacco and catering are made using retail trade data and national accounts estimates.

The current weights are based on consumer expenditure of the previous calendar year, and are updated annually.

Working reports are compiled quarterly, and official reports are compiled quarterly to monitor the speed of change in consumer purchasing patterns.

Data are not collected for the value of goods produced for own consumption at market prices, although these are included in the national accounts estimates.

Imputations are generally not necessary for the determination of nonresponse rates, since participation in the CPI is mandatory, although there are a very few cases of nonresponse for instance, when an outlet has been liquidated, gone out of business, or been misclassified into another sector.

### *3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required*

All data are collected specifically for the CPI. The CPI is not obtained from other surveys. However, some adjustments to the weights for expenditures on alcoholic beverages, tobacco, and catering are made using retail trade data and national accounts estimates.

### *3.1.3 Source data are timely*

The national accounts data for alcoholic beverages, tobacco, and catering that are used to supplement the weight data are available with a one-year lag. Trade data are available on a timely basis, although their scope is limited.

Source data are also obtained from price lists, regulations and decisions applying uniform prices throughout the country or part of the country.

The CPI price sample is timely, which enables the CSO to release the CPI within two weeks of the reference date, exceeding SDDS requirements of one month.

## 3.2 *Statistical techniques*

### 3.2.1 *Data compilation employs sound statistical techniques*

The CPI data compilation employs sound statistical techniques and largely complies with international best practices.

For the HICP, the COICOP is required to be classified down to the fourth level of its classification, but some classes of Polish commodities and services are further broken down into the fifth and sixth levels. Individual price relatives are first calculated for each price quotation in each survey region using the current month price and the reference period price (the previous year). The national indices of each item and of elementary groups are calculated using an unweighted geometric mean. The Laspeyres formula is then applied for calculating price indices to higher levels of aggregation using weights from the previous year.

Both expenditure weights and prices have the same reference period, i.e., previous year. Historical series are constructed using a chain method. Due to the introduction of the new classification in 1999, historical series are available only for the total CPI and for some narrow goods and service groups.

Indices are presented with various reference periods (e.g., previous year, previous period, corresponding period of previous year, 1990 and 1995). The reference base is available with 1990 and 1998.

Missing prices are carried forward no more than two months, as recommended by Eurostat. Some cases of missing prices are treated on a case-by-case basis, including imputation. For seasonal products such as fruits and vegetables, the Rothwell method is applied with seasonal monthly ranging weights. Quality adjustments are carried out experimentally for goods that have significant changes in quality, using the explicit quality adjustment method. Imputed rents for owner-occupied housing are not included in the CPI. The Retail Prices Section is currently undertaking a study to examine the possibility of including the costs of owner-occupied dwellings.

The Retail Prices Section does not conduct any other seasonal adjustment of the CPI series.

### 3.2.2 *Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques*

Special staff monitor the press and research papers on price developments. In addition, trade unions, industries and businesses are consulted on product specification as they relate to costs and prices.

### **3.3 Assessment and validation of source data**

*3.3.1 Source data—including censuses, sample surveys and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide planning*

At the regional statistical office, the CPI sample is first manually verified and checked for misclassification, measurement problems, and nonresponse, and then checked with the use of computers.

### **3.4 Assessment and validation of intermediate data and statistical outputs**

*3.4.1 Main intermediate data are validated against other information where applicable*

The CPI data are regularly compared to other price index series such as the producer price index (PPI).

*3.4.2 Statistical discrepancies in intermediate data are assessed and investigated*

Any unusual price movements are investigated at all stages of compilation. From the regional price collectors to the CSO office, all CPI staff are informed. The regional price collectors have a close relationship with their external sources from which price data are obtained.

*3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated*

Statistical discrepancies and other potential indicators of problems in the CPI estimation are recognized and investigated early and quickly.

### **3.5 Revision studies**

*3.5.1 Studies and analyses of revisions are carried out routinely and used to inform statistical processes*

The CPI data are final when first released, and are not revised.

However, there are two types of information monitored and studied: prices and weights.

#### Prices:

- For nonresponses where a price collector is not able to register any price (an outlet is closed, the management of the outlet refuses to cooperate) a price collector has to choose another outlet with a similar range of products. However, such cases have recently been happening rarely.

- Possible misclassification and other errors (such noncompleteness of the prices) are monitored in the regional statistical offices using special software before the data are sent to the CSO.
- For some foodstuffs where there is substantial price volatility, the following statistical measures are published in *Prices in the National Economy*: the lowest average price, the highest average price, the arithmetic mean, the median and the variability coefficient.

## Weights

- Revisions studies are conducted in the context of the annual weights update.
- Households' expenditure patterns, derived from the HBS, are the subject of very detailed control before they are used as the basis for constructing CPI weights; this includes analyses of nonresponse rates and misclassification. There are also calculations of absolute and relative errors of estimates. All of this information is published in an annual publication of Household Budget Survey.

## **4. Serviceability**

### **4.1 *Relevance***

#### *4.1.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored*

There are monthly press meetings, as well as meetings with ministers, NBP officials, commercial banks, and trade unions. All proposals, questions and/or problems are presented to the Press Office, who will inform the public via the Internet and the press of any change in the CPI methodology.

### **4.2 *Timeliness and periodicity***

#### *4.2.1 Timeliness follows dissemination standards*

The CPI is published two weeks after the end of the reference month, within the requirements of the SDDS.

#### *4.2.2 Periodicity follows dissemination standards*

The CPI is published every month, in conformity with the requirements of the SDDS.



### **4.3 Consistency**

#### *4.3.1 Statistics are consistent within the dataset*

There are no discrepancies in the CPI aggregation.

#### *4.3.2 Statistics are consistent or reconcilable over a reasonable period of time*

Time series data are available for the index with reference periods of 1990 and 1998.

When changes in methodological and statistical techniques are introduced, historical series for the main aggregates are reconstructed, for instance, in 1999 when the CSO began using the COICOP instead of the national HBS classifications.

The methodological notes do not clearly identify and explain the main breaks and discontinuities in time series. If a data user needs this information, a special request needs to be made to the CPI office.

#### *4.3.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks*

Checks with the relevant elements of the PPI ensure that the two series are consistent. The CPI and the PPI are compared to determine the reasons for, and the results of, relative price changes.

### **4.4 Revision policy and practice**

#### *4.4.1 Revisions follow a regular, well-established, and transparent schedule*

The revision policy is not to revise the CPI data.

#### *4.4.2 Preliminary data are clearly identified*

Since the CPI is not revised, there is no need to identify preliminary data.

#### *4.4.3 Studies and analyses of revisions are made public*

Revision studies are made available in *Prices in the National Economy* and an annual publication of Household Budget Survey (see 3.5.1).

## **5. Accessibility**

### **5.1 Data accessibility**

#### *5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)*

The CPI is published in a clear manner; charts are disseminated with the data to facilitate the analysis.

Datasets are published with various levels of detail. Each publication contains an analysis of current-period developments. The estimates are disseminated at a detailed level and with time series.

#### *5.1.2 Dissemination media and formats are adequate*

There are numerous publications on the CPI which cover the overall index, and the indices categorized according to various sectors of the economy. These are both published and posted on the CSO's website.

However, the CPI information and indices posted on the CSO website are not properly formatted, and there are inconsistencies between the publications and what is posted on the website. The structure and organization of the web page are not such that data users can easily obtain the information they are seeking. Labeling and descriptions of contents on the home page could be improved.

#### *5.1.3 Statistics are released on a preannounced schedule*

A release calendar for the next year is published on the CSO website and also on the Dissemination Standards Bulletin Board (DSBB).

#### *5.1.4 Statistics are made available to all users at the same time*

The CPI is made available to all users at the same time. CPI data are embargoed until 4:00 p.m. on the date of release.

#### *5.1.5 Nonpublished (but nonconfidential) subaggregates are made available upon request*

All information on the results of a survey is published in the Annual Statistical Program available both in paper version and on the Internet. Nonpublished time series data are available and are supplied to users on request as long as they are not confidential.

## **5.2 *Metadata accessibility***

*5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated*

The metadata are on the DSBB, hyperlinked to the CSO's website, which is reviewed and updated regularly. However, some information is inconsistent with that given on the home page. For example, on the website, under "Electronic publications 2002," there are no CPI data for 2002. Also on the website, under "Electronic publications—Prices in the National Economy—August 2002," data are provided only for the first quarter of 2002. In the handbound publications, on the other hand, all data for 2002 are presented.

*5.2.2 Levels of detail are adapted to the needs of the intended audience*

CPI methodologies are contained in the monthly *Statistical Bulletin*, as well as other publications, which are designed to satisfy the needs of the target audience.

## **5.3 *Assistance to users***

*5.3.1 Contact person for each subject field is publicized*

Some CSO publications provide the telephone number and e-mail address of the CSO Sales Department. But the name of the appropriate person in the Retail Prices Section is not clearly specified.

*5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available*

The CSO website produces a list of publications, some of which are electronically available free of charge, and some electronic versions that charge a fee.

Table 2. Poland: Data Quality Assessment Framework—Summary of Results for Consumer Price Index  
(Compiling Agency: Central Statistical Office)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
<b>0. Prerequisites of quality</b>						
0.1 Legal and institutional environment		X				
0.2 Resources		X				
0.3 Quality awareness		X				
<b>1. Integrity</b>						
1.1 Professionalism		X				
1.2 Transparency		X				
1.3 Ethical standards		X				
<b>2. Methodological soundness</b>						
2.1 Concepts and definitions		X				
2.2 Scope		X				
2.3 Classification/sectorization		X				
2.4 Basis for recording		X				
<b>3. Accuracy and reliability</b>						
3.1 Source data		X				
3.2 Statistical techniques		X				
3.3 Assessment and validation of source data		X				
3.4 Assessment and validation of intermediate data and statistical outputs		X				
3.5 Revision studies		X				
<b>4. Serviceability</b>						
4.1 Relevance			X			No user advisory group.
4.2 Timeliness and periodicity		X				
4.3 Consistency		X				
4.4 Revision policy and practice		X				
<b>5. Accessibility</b>						
5.1 Data accessibility			X			Not all available series posted, and posted series not current.
5.2 Metadata accessibility		X				
5.3 Assistance to users			X			Contact persons not identified.

### III. PRICE STATISTICS (PRODUCER PRICE INDEX)

#### 0. Prerequisites of quality

##### 0.1 *Legal and institutional environment*

###### 0.1.1 *The responsibility for collecting, processing, and disseminating statistics is clearly specified*

Since 1989 the Polish authorities have screened their laws and institutional frameworks with regard to meeting the requirements of prospective accession to the European Union (EU). In the area of statistics Poland is considered to be fully compliant with EU requirements. The statistics chapter of the EU accession program has been closed and no transitional arrangements have been requested.

The Law on Official Statistics of June 29, 1995 (the “Statistics Law”), Article 3, specifies that official statistics shall provide “reliable, objective, and systematic” information for “society, the state and the public administration.” Article 4 notes that “statistical surveys of official statistics shall refer to every aspect of social and economic life.” Article 5 states that the “official statistics has a mandate to collect from all available sources.” Article 23 specifies the Central Statistical Office (CSO) to be the central agency in the field of official statistics. Article 20 prescribes that, except for those carried out by specialized agencies, the National Bank of Poland (NBP), or local units, surveys are to be carried out by the CSO. Article 25 sets out the various responsibilities of the President of the CSO, including (paragraph 1) “recognizing the demand for statistical information and analyses and preparing on this basis draft programs of statistical surveys of official statistics and submitting them to the Council of Ministers”; (paragraph 3) “collecting... statistical data”; and (paragraph 7) “making available and disseminating statistical information...” Articles 36 and 37 specify the means of publication and dissemination.

Within this umbrella legal framework, the CSO’s program for collecting, processing, and disseminating the Producer Price Index (PPI) is set out in the annual statistical program approved by the Council of Ministers upon the recommendation of the Statistical Council, the responsibilities and composition of which are set out in the Statistics Law, Articles 15 and 16, upon submission of the draft program by the President of the CSO. The program is published as an attachment to the official program of laws of the Polish government. As stipulated in the Statistics Law, Article 20, the program sets out the scope, responsibilities, deadlines, and prospective costs of the prospective work program, which institution is to carry it out, as well the modalities of dissemination.

###### 0.1.2 *Data sharing and coordination among data producing agencies are adequate*

The Statistics Law, Article 13, specifies that public agencies maintaining official registers, or conducting surveys specified within the annual statistical programs, should provide the resulting information free of charge to the CSO.

Although no formal coordination committees between the CSO and other data producing agencies are in place, there is extensive consultation between the CSO and other data producing agencies during the preparation of the draft annual program. The Statistical Council, in reviewing the draft program of statistics, takes on board also the views of the agencies that are represented by the membership of the Council. The CSO considers that data sharing and coordination is effective and that there is no duplication of effort. Preparation of the PPI involves the headquarters of the CSO, and its regional offices.

### *0.1.3 Respondents' data are to be kept confidential and used for statistical purposes only*

The Statistics Law, Article 10, specifies that data are to be kept confidential and used for statistical purposes only. Article 38 precludes the CSO from publishing individual data or statistical information that can identify individual persons or business entities. Thus, there is no separate publication of any information generated by less than three respondents or where a single respondent accounts for more than three quarters of the total figure being reported. There are no exceptions to this confidentiality requirement, and no processes to seek concurrence for publication of information that is protected by the confidentiality requirement. Survey forms indicate clearly the confidentiality provisions and that survey results will be used for statistical purposes only.

The CSO has procedures in place to protect confidentiality of data, through its internal *Green Book* of procedures. There is no access to individual data for staff other than those directly involved in compilation. Individual workstations are password protected.

Article 54 prescribes that anyone who violates statistical confidentiality should be subject to imprisonment of up to three years, but this provision has reportedly never been applied.

### *0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response*

The Statistics Law, Article 13 (paragraphs 5 and 6) stipulates that the President of the CSO informs public entities as to the information that CSO requires from them. The Statistics Law, Article 18, makes it mandatory for persons and business entities to participate in official registers and to respond to surveys approved in the national program. Results of surveys must include also details of response rates and, insofar as possible, explain reasons for nonresponse.

Article 56 specifies that anyone who submits false data shall be subject to a fine or imprisonment of up to two years. However, this provision has never been applied; the CSO prefers to rely on the goodwill of its respondents, the high esteem of the agency, and full assurance of its adherence to the confidentiality provisions; it therefore uses, for instance, high level telephone calls to follow up on nonresponse. The CSO considers that the high response rate of the recent census is evidence of the success of this strategy. There remain, however, some issues of nonresponse, particularly amongst small enterprises.

## **0.2 Resources**

### *0.2.1 Staff, financial, and computing resources are commensurate with statistical programs*

The Statistical Council, in reviewing the annual draft statistics program, seeks to ensure that the program balances the demands for statistical information with the resources available. The program sets out the costs of each proposed element; when approved, the costs of the program are included in the state budget.

Total staff of the CSO are around 7,600, of whom around 800 are employed at headquarters. In the Producer Price Section there are 12 staff members, of which 4 staff deal with the PPI; that is, the producer price index in industry. The other staff members deal with price surveys in forestry, construction, transport, foreign trade, and cooperation with international organizations; assistance works—informatics. Until the end of 2001, the section was situated in the Price Division. After reorganization, the Producer Price Section is now a part of the Economic Statistics Division.

All professional staff have their individual personal computers, although rapid obsolescence means that they need to be replaced frequently. There are adequate IT systems and support staff in place.

There is little difficulty in obtaining high quality recruits. However, there is stiff competition for fully trained staff from banks and other parts of the public sector because of the limited availability of the expertise held by the staff, so retention is something of a problem. Salaries are not fully competitive with those at, for instance, banks and the Ministry of Finance, so there is substantial rotation of staff into and out of the CSO. The need to follow civil service recruitment procedures means that it can take six months or more to fill staff positions.

The need to comply with EU requirements has not led to an overall increase in staff resources, but rather to higher requirements for newly recruited staff and encouragement for existing staff to enhance their expertise. Around 200 staff within the CSO are working on aspects of integration with EU requirements; the CSO considers that it was because of the efforts of its staff that the statistics chapter of the EU accession program was able to be closed so quickly. Relevant CSO staff have ongoing contacts with EU counterparts.

### *0.2.2 Measures to ensure efficient use of resources are implemented*

Overall resources are stipulated in the annual statistical program approved by the Council of Ministers and the parliament. Within this total each unit of the CSO is responsible for the efficient use of its resources. Each unit has an annual budget; it has to supply monthly and quarterly reports to the Finance and Human Resources Division on the execution of its budget.

The contents of surveys are devised by specialist units, whilst the organization and timetabling of the surveys is prepared by the Coordination of Statistical Surveys Division, which also collects information on the completeness of the surveys and documents the results of each survey. These reports, however, are not published in full.

Efficiency in the preparation of the PPI is enhanced by internal CSO documents stipulating that all departments cooperate fully with the Producer Price Index Division.

### **0.3 Quality awareness**

#### *0.3.1 Processes are in place to focus on quality*

Management's awareness of quality is evidenced by the priority that was attached to achieving compliance with the statistical requirements for EU accession, and the early closing of the statistics chapter in the Poland's EU accession program.

The draft annual statistical programs prepared by the CSO for the Council of Ministers under the Statistics Law include references to quality in setting out the proposals for statistical work. Similarly, the CSO's *Annual Report* includes references to quality considerations; it examines issues of statistical accuracy and methodology, as well as other aspects of quality. Moreover, the regular reports monitoring the execution of the CSO's surveys cover a range of quality issues. In the event of major changes in, for instance, methodologies, the CSO commissions outside academics to offer comments.

The CSO is working on meeting remaining EU quality requirements, such as those set out in the *European System of Accounts 1995 (ESA 95)*. A formal report in this regard is under preparation.

#### *0.3.2 Processes are in place to monitor the quality of the collection, processing, and dissemination of statistics*

The quality of the collection, processing, and dissemination of statistics has been monitored in the context of the Statistical Office of the European Communities (Eurostat) work with the CSO in preparing the statistics chapter for Poland's forthcoming accession into the EU. The early closure of this chapter is evidence of quality being observed in these regards. Continued monitoring of compliance with EU requirements is seen as ensuring the quality of the statistics.

As noted above, the quality of surveys is monitored on an ongoing basis in the reports of the CSO's Coordination of Statistical Surveys Division.

Given the range of backgrounds of its membership, the Statistical Council also provides a monitoring function on the quality of the CSO's statistical processes, in the context of its review of the draft annual program submitted by the President of the CSO. There is, however, no regular users' committee, or any formal procedures (such as a system of



questionnaires) through which views as regards quality could be ascertained from outside users in general.<sup>3</sup> CSO staff indicate that they are nevertheless broadly aware of users' views, through for instance personal and telephone contacts, media reports, reviews of the various surveys that it conducts, and through monthly press conferences. Regional offices of the CSO have information desks for direct links with users. Written documentation is collected from trade unions, regional and local governments, and other interested parties on their views on statistics.

### *0.3.3 Processes are in place to deal with quality considerations, including trade-offs within quality, and to guide planning for existing and emerging needs*

The draft annual program reflects the CSO's assessment of trade-offs within quality as it seeks to balance statistical demands against available resources. The various stages of review of the program before approval, by the Statistical Council and the Council of Ministers give further opportunity for making trade-offs within quality in order to guide planning for existing and emerging needs.

Trade-offs are also recognized in the design and the monitoring of the surveys conducted by the CSO's Coordination of Statistical Surveys Division.

## **1. Integrity**

### **1.1 Professionalism**

#### *1.1.1 Statistics are compiled on an impartial basis*

Article 1 of the Statistics Law clearly specifies impartiality and objectivity of the compiled statistics. Article 26 discusses the role of the Statistical Council which operates as an advisory and opinion-making body in the field of methodology of statistical surveys.

In regards to professionalism, all job descriptions are transparent, detailed, and have a specified level of qualification. In addition, staff are also trained in other subjects such as psychology and sociology. Long-term training programs are reviewed annually. Moreover, staff are allowed to attend and present papers at external training, conferences, and meetings on methodological issues.

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<sup>3</sup> Users responding to the questionnaire sent out by IMF staff as part of the preparation of this report indicated that they had never, or hardly ever, been contacted by the authorities with a view to giving their views on the quality of Polish statistics.

*1.1.2 Choices of sources and statistical techniques are informed solely by statistical considerations*

A methodological commission approved by CSO, with representatives of various government agencies, regional specialists, institutions, and professional centers is involved in the assessment of methodologies. When a new pricing methodology is developed, methodological papers are circulated among various organizations and ministers. Development of a price series for a particular task depends on the technicality and complexity of the pricing methodology, and can take from one to two years or more.

The methods for compiling the PPI are fully under the control of the CSO.

*1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics*

The CSO Press Office, under the auspices of the president's office of CSO, has the responsibility for responding to any erroneous interpretation and misuses of the PPI data. Incidences of inappropriate interpretations and misuses of statistics are very rare. In these few instances, the misinterpretations and misuses are clarified immediately.

All contacts by the media are made only through the Press Office, and there is no direct contact with the Producer Price Section.

**1.2 Transparency**

*1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public*

The Statistics Law outlining the compilation and dissemination of statistics by CSO is publicly available, including on the CSO website. Further information on these surveys, including the deadlines for making the results available, is given in the Annual Statistical Program.

Some CSO publications provide the telephone number and e-mail address of the CSO Sales Department.

*1.2.2 Internal governmental access to statistics prior to their release is publicly identified*

It is publicly identified that there is no prerelease access to the PPI. On an occasion where a minister requested the PPI in advance of its release, this request was denied and the CSO took additional steps to ensure that its rules on no prior access for internal governmental would be followed.

### *1.2.3 Products of statistical agencies/units are clearly identified as such*

The CSO estimates and releases all PPI data. All PPI publications display the CSO logo. Requests are made to researchers and other users of the PPI data to provide acknowledgment of the CSO as the data source. Moreover, in cases of joint publication, the CSO is clearly identified as the data producing agency.

### *1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques*

Major changes in methodology are announced about six months in advance in the Annual Statistical Program, which is available on request from the CSO. Methodological changes also appears in the Methodological Notes of each publication.

In the cases of new surveys, users are warned well in advance (one-two years) that there will be changes. This occurred when the CSO changed its classification system to meet the European standards. Training was provided to the enterprise, as well as press releases describing the differences between the old and the new forms.

## **1.3 Ethical standards**

### *1.3.1 Guidelines for staff behavior are in place and are well known to the staff*

Ethical guidelines for staff behavior are stipulated in the Code of Conduct of the Civil Service, updated on October 11, 2002. The Statistics Law, Chapter 1, Article 12 states that “the staff of the official statistical services, the census enumerators, statistical interviewers and other persons performing activities in the name and on the behalf of official statistics, having direct access to individual and personal data shall be obliged to observe without exceptions the statistical confidentiality and shall be allowed to perform those activities only after delivering an oath in a written form, at a statistical office or other units of official statistical services, of the following contents, *...I hereby take summons that I shall perform my tasks on the behalf of the official statistics dutifully, in accordance with the professional ethics of a statistician and that I shall keep secret from the third parties the individual data known to me during performing those tasks.*”

In addition to the oath that the staff members are required to sign, they also have to attend a preparatory service for public administration where a formal examination is given.

## **2. Methodological Soundness**

### **2.1 Concepts and definitions**

*2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices*

The PPI, reference period 1995, was developed using the *System of National Accounts 1993 (1993 SNA)*, and *ESA 95* national accounts concepts for the recording and valuation of product prices and weights. These weights are derived from net annual sold production data obtained from the industrial survey, which covers all enterprises in sections C (Mining and Quarrying), D (Manufacturing) and E (Electricity, Gas and Water Supply) of the Statistical Classification of Activities in the European Communities, first revision (NACE, Rev. 1), based on reports of all enterprises with more than 49 employees and a 10 percent sample of enterprises with 9–49 employees in NACE, Rev. 1, sections C, D, and E. For the current weighting net average monthly sold production data obtained from both the price survey and the industrial survey are used. The index measures price movements for both industries and products.

### **2.2 Scope**

*2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices*

The industrial coverage includes mining and quarrying, manufacturing and electricity, gas and water supply.

Output price indices are also calculated for agriculture and construction activities, and business services such as transport, storage, and communications. The entire area of the country is covered.

The sample represents about 9.8 percent of the total number of enterprises with more than nine employees. The product coverage includes products selected by enterprises from those sold in a given month. There are about 19,000 individual product representatives being observed monthly for their price movements (around 98,000 price levels). Products within both primary and secondary activities of enterprises can be covered in the survey.

### **2.3 Classification/sectorization**

*2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices*

Until 1999, the data were classified by the NACE, Rev 1. Since 2000 the data have been classified by the Polish Classification of Activities based on NACE, Rev. 1, the Polish

Classification of Products and Services based on the Classification of Products by Activity, and List of Products of the European Communities.

## **2.4 Basis for recording**

### *2.4.1 Market prices are used to value flows and stocks*

The survey includes net transaction prices received by producers for products sold within the reference month. The prices, excluding the value-added tax, are available both with excise tax (the so-called producer prices) and without excise tax but with subsidies (the so-called basic prices). Producer prices were used to compile indices for 1993–1995, but from 1996 onwards basic prices have been used.

In the construction industry registered prices for work that has been done but not necessarily sold in the month covered by the survey are included. The price for this work is obtained on either a cost-price basis or a current cost calculation.

### *2.4.2 Recording is done on an accrual basis*

Prices of all products are collected every month. There is no set date in the month for data collection. Normally, average monthly prices are collected from producers and serve only the price index calculation for the individual product that is representative of the group. Enterprises send their data to the CSO by the 14<sup>th</sup> day after the reporting month, and price indices are calculated between the 26<sup>th</sup> and the 30<sup>th</sup> day after the reporting month. Final data are released about 50 days after the reporting month. Moreover, the CSO calculates preliminary price indices using preliminary information from enterprises sent to regional statistical offices about the 5<sup>th</sup> day after the reporting month. These preliminary indices are released about 20 days after the reporting month and verified about 50 days after the reporting month.

### *2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices*

Work in progress is not covered by the price survey, but it does include transactions between establishments for all types of industries in the C, D, and E classifications of NACE, Rev. 1, and even classification I for transportation.

### **3. Accuracy and Reliability**

#### **3.1 Source data**

##### *3.1.1 Source data are collected from comprehensive data collection programs that take into account country-specific conditions*

The sample frame for all types of units and activities is the Register of Units in the National Economies (REGON). Purposive selecting and updating is undertaken by the CSO in cooperation with regional statistical offices on the basis of the REGON. The main criteria are the annual values of sold production of enterprises, and their share of production in the respective NACE class.

The purposive selection of product groups and products themselves is made by reporting enterprises in cooperation with regional statistical offices. The criteria are defined by the CSO: volume and value of sales are the most important.

Price lists and tariffs of passenger railways, buses, and air transport, postal and telecommunication services are used to supplement the source data.

The current sample size is about 3,200 units, i.e., 9.6 percent (in 2000) of the total number of enterprises with more than nine employees. The total sales value of these 3,200 units exceeds 60 percent of the total sold production of enterprises with more than nine employees. This sample is earmarked at the regional level, and changes once a year.

##### *3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required*

All source data are collected specifically for the PPI. Regional staff are given clear guidance on the collection and compilation of the PPI statistics.

##### *3.1.3 Source data are timely*

All source data are timely. Preliminary data are obtained from enterprises by the 5<sup>th</sup> day after the reporting month, and final data are obtained from enterprises by the 14<sup>th</sup> day after the reporting month. There are agreements with enterprises to submit their price lists within seven days after the reference month.

#### **3.2 Statistical techniques**

##### *3.2.1 Data compilation employs sound statistical techniques*

For the Dutot index, or the arithmetic mean, the lowest level index is calculated as the ratio of the average price of an individual representative product of the current month to the average price of this product for the previous month, multiplied by 100.

At the first stage, individual product indices are combined using the Paasche formula and current weights (monthly sales values) to obtain monthly price indices (previous month equal to 100) for enterprises and for groups, divisions, and sections of NACE. At the second stage (after updating the price weights) a modified Laspeyres (chain linking method) is used for obtaining the other price indices, such as for the corresponding period of the previous year, or on the basis of reference period 2000. The linking of the reweighted index to the historical index is done by using a chain method. The reference period for the PPI is 1995.

Product price indices are aggregated into enterprises, then are calculated for 119 groups, 30 divisions, 3 sections of NACE, Rev. 1, and for the industry in total.

At the first stage of aggregation, the weights refer to the current month, and prices to the current and the previous month (Paasche). At the second stage, weights refer to 2000.

The weight reference period is updated every five years. The price chain with reference period 2000 covers not only the weight structure from the base period, but also price and sale structure changes in subsequent months.

The Producer Price Section does not impute missing prices. When a price observation is unavailable in a given month, its price is not imputed, and this item is removed from index calculation. Its replacement is selected during the next month's survey. When a previous missing price observation reappears after one or more months, then the enterprise estimates its price from the previous month. According to the CSO, prices of products that are not sold in a given month cannot be surveyed and are not treated in the survey methodology as a deflator, so PPI is closely connected with actually realized production.

No quality adjustments of the PPI are conducted. The staff are not trained in this regard. Products with a quality change are treated as totally new ones, so the change in product quality does not influence the price index level. New products are introduced into the sample upon the recommendations of the regional staff.

The above aggregations seem to indicate that there is no consistency in aggregation formulas. The Dutot index is not consistent in aggregation if the Paasche and the Laspeyres methods are used for higher-level indices. However, it was noted by the technical expert groups on the producer price index in the *Producer Price Manual* that consistency in aggregation should not be a defining criterion. Nevertheless, aggregations using the Paasche index enable the Producer Price Section to calculate the gross domestic product (GDP) deflators.

The calculation of GDP deflators should not be the main use of the producer price index; this index must reflect price change over time and not just between periods. Therefore, a Laspeyres formula is necessary at the first stage of aggregation. This will enable a fix or constant product to be repriced over the pricing period. Also, the weight for this product should be held constant. Using this Laspeyres methodology, imputation for missing prices, and quality adjustments for this fixed or constant product can be estimated.

With the current practice of using the Paasche formula and current weights (monthly sales values) to obtain monthly price indices, there is no control for the product, or no product specification; that is, the product is not held fixed. Also, this method estimates both price and quantity change and not pure price change. This method is prone to errors, particularly from the current quantity data used in the calculation of the price index. This method is not internationally comparable, and cannot be considered best practice.

### *3.2.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques*

In linking previous versions of the PPI to the reference period 1995, the back data for activity groups were reclassified to agree with the new NACE, Rev. 1.

### **3.3 Assessment and validation of source data**

*3.3.1 Source data—including censuses, sample surveys and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide planning*

Because of the good relationships established with the producers, there are few problems of nonresponse. PPI staff from the CSO first verify large price changes by contacting the regional staff, who then confirm the large price changes with the producer.

### **3.4 Assessment and validation of intermediate data and statistical outputs**

*3.4.1 Main intermediate data are validated against other information where applicable*

The CSO staff analyze every item in the index to ensure that the index movements are consistent with information available from other statistical surveys such as the consumer price index (CPI) and trade statistics.

*3.4.2 Statistical discrepancies in intermediate data are assessed and investigated*

The Analysis Department at the CSO investigates and analyzes all PPI data. This department conducts aggregate analysis in order to make economic estimations using the data provided by the PPI.

*3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated*

The accuracy and reliability of collected price information are under the responsibility of the staff at the regional statistical offices. Special software is used to identify extremely high or



low prices and their dynamics. In such cases, they are clarified by contacting the relevant enterprises.

### **3.5 Revision studies**

#### *3.5.1 Studies and analyses of revisions are carried out routinely and used to inform statistical processes*

The data are preliminary when first released, and final data are published one month later, that is seven weeks after the end of the reference month. Preliminary data are identified as such, and changes to previously released data are marked with an asterisk.

The time period between the release of the preliminary data and the release of the final data is spent investigating and studying issues such as nonresponse, misclassification, low-cell weight, low-index weight, incorrect-base change, and price outliers.

## **4. Serviceability**

### **4.1 Relevance**

#### *4.1.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored*

Users' needs for the PPI generally are not monitored. There are a few occasions when the Producer Price Section has worked with certain industries on the index; however, no formal user advisory committee has been established.

### **4.2 Timeliness and periodicity**

#### *4.2.1 Timeliness follows dissemination standards*

The PPI is published within three weeks after the end of the reference month for preliminary data, and within seven weeks for final data.

#### *4.2.2 Periodicity follows dissemination standards*

The PPI is published every month, in conformity with the requirements of the Special Data Dissemination Standard (SDDS).

### **4.3 Consistency**

#### *4.3.1 Statistics are consistent within the dataset*

The PPI aggregates and components are consistent.

#### *4.3.2 Statistics are consistent or reconcilable over a reasonable period of time*

Consistent time series data are available with reference period 1995.

Due to the introduction of methodological changes during 1992–1995, the indices for the current periods are not comparable with those for earlier dates. Detailed methodological notes are provided in the *2002 Statistical Bulletin*, and on the CSO website.

#### *4.3.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks*

For analytical purposes, the PPI statistics are compared with the CPI. The comparison focuses largely on specifying reasons for, or results of, relations of price changes. Assessments are conducted at the level of working out survey methodology and controls on source data. Reports of completeness of the surveys are worked out in the Coordination of Statistical Surveys Division and disseminated within the CSO.

### **4.4 Revision policy and practice**

#### *4.4.1 Revisions follow a regular, well-established, and transparent schedule*

Data are preliminary when first released, and final data are published one month later, which is seven weeks after the end of the reference month.

#### *4.4.2 Preliminary data are clearly identified*

Preliminary data are identified as such, and changes to previously released data are marked with an asterisk.

#### *4.4.3 Studies and analyses of revisions are made public*

*Prices in the National Economy, Statistical Bulletin, Poland—Quarterly Statistics*, and *Statistical Yearbook of the Republic of Poland* provide information on methodological changes, and these major changes in methodology are announced about six months in advance in the Annual Statistical Program and “Polish Official Statistics” that is available on request from the CSO, but there are no published revision studies available to the public.

## **5. Accessibility**

### **5.1 Data accessibility**

#### *5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)*

The PPI is published on the CSO website. Detailed and aggregate indices are provided with reference year the previous period, and the month of the previous year. Time series with reference period of 1995 is available, but at a cost to users; the Analysis and Dissemination Division is currently working on providing this series for free. The division is also working on hyperlinking this reference period 1995 series on to its National Summary Data Page for the IMF's Dissemination Standards Bulletin Board (DSBB).

#### *5.1.2 Dissemination media and formats are adequate*

There are numerous publications on the PPI, which include the overall index and the indices categorized according to various sectors of the economy. These indices are published in hard copy and are posted on the CSO's website.

However, the PPI information and indices posted on the CSO website are not properly formatted. The structure and organization of the web page are not such that data users can easily obtain the information they are seeking. Labeling and descriptions of contents on the home page could be improved.

#### *5.1.3 Statistics are released on a preannounced schedule*

A release calendar for the following year is published on the CSO website and also on the DSBB.

#### *5.1.4 Statistics are made available to all users at the same time*

The PPI data are embargoed until 4:00 p.m., at which time they are available to everyone.

#### *5.1.5 Nonpublished (but nonconfidential) subaggregates are made available upon request*

The Analysis and Data Dissemination Division is responsible for providing upon request nonpublished and nonconfidential data. However, the data that are distributed are very limited, and are released only under special considerations.

Generally, the scope of information/data available is indicated in the Survey Program for the given year, which includes the subject scope of the survey, the object and desegregation levels, and the date of availability.

## **5.2 Metadata accessibility**

*5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated*

The PPI metadata are on the DSBB, hyperlinked to the CSO's website, and are reviewed and updated regularly. However, there are inconsistencies between the home page and what is actually available.

*5.2.2 Levels of detail are adapted to the needs of the intended audience*

PPI methodologies are contained in the publications, *Prices in the National Economy 2001*, and monthly *Statistical Bulletin*, adjusted to satisfy the needs of the intended audience.

## **5.3 Assistance to users**

*5.3.1 Contact person for each subject field is publicized*

The CSO publications do not provide a contact person in the Producer Price Section who can assist users.

*5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available*

The CSO website produces a list of publications, some of which are electronically available free of charge, and some that charge a fee.

Table 3. Poland: Data Quality Assessment Framework—Summary of Results for Producer Price Index  
(Compiling Agency: Central Statistical Office)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
<b>0. Prerequisites of quality</b>						
0.1 Legal and institutional environment		X				
0.2 Resources		X				
0.3 Quality awareness		X				
<b>1. Integrity</b>						
1.1 Professionalism		X				
1.2 Transparency		X				
1.3 Ethical standards		X				
<b>2. Methodological soundness</b>						
2.1 Concepts and definitions		X				
2.2 Scope		X				
2.3 Classification/sectorization		X				
2.4 Basis for recording		X				
<b>3. Accuracy and reliability</b>						
3.1 Source data		X				No estimation for missing prices, no quality adjustment, no seasonal adjustment.
3.2 Statistical techniques			X			
3.3 Assessment and validation of source data		X				
3.4 Assessment and validation of intermediate data and statistical outputs		X				
3.5 Revision studies		X				
<b>4. Serviceability</b>						
4.1 Relevance			X			No user advisory group.
4.2 Timeliness and periodicity		X				
4.3 Consistency		X				
4.4 Revision policy and practice		X				
<b>5. Accessibility</b>						
5.1 Data accessibility			X			Data on the website not clearly labeled. Posted series not current.
5.2 Metadata accessibility		X				
5.3 Assistance to users			X			Contact persons not identified.

## IV. GOVERNMENT FINANCE STATISTICS<sup>4</sup>

### 0. Prerequisites of quality

#### 0.1 *Legal and institutional environment*

##### 0.1.1 *The responsibility for collecting, processing, and disseminating statistics is clearly specified*

Legal responsibility for collecting, processing, and disseminating government finance statistics rests with the Ministry of Finance (MoF). The general requirements are set out in the Public Finance Act of November 26, 1998 (the “Public Finance Act”), supplemented by the implementing regulations of the Minister of Finance. Specific work plans concerning government finance statistics are set out in the annual statistical program submitted by the President of the Central Statistics Office (CSO) to the Council of Ministers. The annual program derives from both the Public Finance Act and the Law on Official Statistics of 29 June, 1995 (the “Statistics Law”). Both the Public Finance Act and the annual statistical program include the requirement that the data collected be disseminated. Within the MoF, responsibility for government finance statistics falls on the Financial Policy, Analysis and Statistics Department (FPASD).

The MoF disseminates government finance statistics in the CSO’s monthly *Statistical Bulletin*, as well as in the CSO’s annual *Statistical Yearbook*. The CSO also disseminates some government finance statistics data that it obtains from the MoF on its website. The MoF posts major government finance statistics aggregates, and detailed government debt data on its website. The MoF, in preparing revisions to its website, is considering which additional data to post.

Under the terms of the program for Poland’s prospective accession into the EU, Poland is bound to provide specific government finance statistics (on government deficit and debt) using the classification of the *European System of Accounts 1995 (ESA 95)* to the European Commission (EC) and the Statistical Office of the European Communities (Eurostat).

##### 0.1.2 *Data sharing and coordination among data producing agencies are adequate*

The MoF cooperates with the CSO and the National Bank of Poland (NBP) in the compilation of government finance statistics, in particular with regard to consistent delineation of the boundaries of government sector. In addition, the MoF uses some source data from the reports submitted to the CSO, such as the reports on the operations of

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<sup>4</sup> This section assesses government finance statistics that are produced in line with international methodologies. In addition, Poland compiles and disseminates a range of fiscal statistics using national definitions.

universities. There are no formal committees to review data issues, although data issues sometimes arise during the monthly meetings of the MoF/NBP debt management committee. There are no formal agreements on the exchange of information among the agencies. Nevertheless, there is close cooperation on an informal basis, and the MoF staff consider that existing practices work well.

### *0.1.3 Respondents' data are to be kept confidential and used for statistical purposes only*

Confidentiality considerations pertain to only a part of the government finance statistics, since most data derive from the accounts of public agencies. Nevertheless, where applicable, the MoF applies the confidentiality criteria specified under the Statistics Law, Article 38, which precludes publication of individual data or statistical information that can identify individual persons or business entities.

The FPASD itself receives data only in aggregated form from other departments of the MoF, the CSO, and from reporting agencies. It has procedures in place to protect the confidentiality of government finance data. The Act on the Civil Service requires all staff not to disclose information learned in the course of their work. Also, there is no access to data related to government finance statistics to staff other than the compilers and their immediate superiors. Individual workstations are password protected. In the event that staff violate the secrecy provisions, they can be subject to dismissal as well as to the penalties specified in the Statistics Law, Article 55, which provides for imprisonment of up to three years. However, such penalties have reportedly never been applied.

### *0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response*

Under the Regulation of the Minister of Finance on Budgetary Reporting of March 13, 2001, government units have to supply regular reports on their finances. These are collected by the State Budget Department and the Local Government Finances Department. A variety of arrangements, including some that are voluntary, cover the reporting of other public entities.

## **0.2 Resources**

### *0.2.1 Staff, financial, and computing resources are commensurate with statistical programs*

Overall the FPASD has around 50 staff. Of these, three work exclusively on government finance statistics, narrowly defined. Other staff, both within the department and elsewhere in the MoF, are involved in preparing reports that are used in compiling government finance statistics.

Human resources are stretched, deriving largely from decisions made in the past by earlier management. The FPASD has recently requested an increase in staff, in part to be able to handle the additional work deriving from Poland's prospective EU accession.

Computer resources are considered to be adequate, with each staff member having access to their own personal computer. An upgrade program has recently been financed through the EC PHARE program.

Recruitment and rotation issues are comparable to elsewhere in the MoF. On the one hand, staff comprise those who have been in their present jobs for many years; on the other, they include recent graduates from the public administration school, who are obliged to work for at least five years in public administration. Staff working on government finance statistics are well trained. Staff have received training on some aspects of the *ESA 95*, and two of the three have been on training in Vienna and Washington, D.C. on the *Government Finance Statistics Manual 2001 (GFSM 2001)*.

### *0.2.2 Measures to ensure efficient use of resources are implemented*

There is no formal obligation to report on each activity, and it is not possible to assess the work put into government finance statistics separately from the other work of the FPASD. However, there are departmental work plans, and the director reports informally to the supervising deputy minister frequently. The process of compiling government finance statistics is highly computerized, nevertheless, because of the need to manually enter vast amount of source data for various units included in general government, the compilation of government finance statistics is tedious and time consuming. The authorities have plans to automate data entry as much as possible using the MoF's database, but any action in this direction has been postponed until after the new framework for compiling government finance statistics in accordance with the *GFSM 2001* has been implemented.

## **0.3 Quality awareness**

### *0.3.1 Processes are in place to focus on quality*

Management's awareness of quality is evidenced by the priority that was attached to achieving compliance with the statistical requirements of EU accession, and the early closing of the statistics chapter in Poland's European Union (EU) pre-accession program. It is also evidenced by plans to move forward toward fully adopting best practice methodologies, including those specified in the *ESA 95* and the *GFSM 2001*.

The draft Annual Statistics Program prepared by the CSO, in coordination with the MoF, for the Council of Ministers under the Statistics Law include references to quality in setting out the proposals for statistical work.

### *0.3.2 Processes are in place to monitor the quality of the collection, processing, and dissemination of statistics*

FPASD staff seek to monitor the quality of the collection, processing, and dissemination of statistics, although their ability in this regard is limited by the fact that collection and initial compilation of most source data are carried out within the existing procedures of budgetary



reporting and they only have access to the aggregate data supplied to them. These have already been checked by the relevant departments of the MoF, but are again checked for apparent anomalies and, where necessary, staff seek further information from the supplying agencies and departments. The FPASD feel that the supplying agencies understand quality issues well, and that they always receive appropriate responses when seeking follow-up information.

Insofar as the data for government finance statistics are those used for the budget, there is an explicit requirement to ensure quality. Under the Regulation on Budgetary Reporting, all budget data have to be signed off by the producing unit's chief accountant. Insofar as data are used that are not covered by this regulation, such as data from the social insurance agency, there is no problem in seeking further information to correct apparent anomalies, although in practice such instances are rare, and any resultant changes small.

The MoF does not conduct any regular meetings with users in order to solicit feedback on government finance statistics. It is, however, open to questions from users. Questions are often received, in particular, by the Special Data Dissemination Standard (SDDS) coordinator, both as regards data and methodology.

### *0.3.3 Processes are in place to deal with quality considerations, including trade-offs within quality, and to guide planning for existing and emerging needs*

FPASD staff are aware of the trade-offs among the various dimensions of quality. Thus, for instance, explicitly in order to enhance the timeliness and reduce the workload related to compiling monthly central government data, the coverage of the data has been reduced to include only four components: the state budget plus three nonbudgetary funds. It is estimated that the share of this in the total central government operations ranges approximately between 90 percent and 93 percent.

## **1. Integrity**

### **1.1 Professionalism**

#### *1.1.1 Statistics are compiled on an impartial basis*

Government finance statistics are compiled with a view to meeting the international statistical standards.

#### *1.1.2 Choices of sources and statistical techniques are informed solely by statistical considerations*

Statistics staff are free to choose sources and statistical techniques based solely on statistical considerations. Indeed, under the Public Finance Act this is obligatory. For statistics being used by the international community, it is considered self-evident that sources and techniques

prescribed by the international standards should be used. Where necessary, guidance is sought from technical experts at the CSO, the EU institutions, or the IMF.

*1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics*

The FPASD has the authority to respond in the event of erroneous interpretation of government finance statistics although there is no evidence of any such misinterpretation as yet. In general, misinterpretations are to be answered by a letter sent by the ministerial press spokesman, to be published where the original interpretation appeared as well as on the MoF's website; where there is a more substantive discussion, this would be issued under the authority of the departmental director.

**1.2 Transparency**

*1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public*

The laws and regulations under which government finance statistics are collected, processed, and disseminated are all available to the public. Adjustments made to statistical data to ensure that they are in line with *ESA 95* are at present not explained or published, as these are considered to be still under development.

*1.2.2 Internal governmental access to statistics prior to their release is publicly identified*

Prior to their release, data are available only to the compilers and those checking the data. The data are approved by the supervising deputy minister, who releases them.

*1.2.3 Products of statistical agencies/units are clearly identified as such*

All products of the MoF, including those disseminated by other agencies, are identified as products of the MoF.

*1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques*

The FPASD consider that there have been no major changes in the methodology of the government finance statistics compiled in Poland. If there are small methodological changes, these are always reflected in the accompanying notes to the relevant tables. The prospective migration to *GFSM 2001* is likely to be the first major change. The MoF will be alerting users in advance that this will occur.

### **1.3 Ethical standards**

#### *1.3.1 Guidelines for staff behavior are in place and are well known to the staff*

Ethical guidelines for staff behavior are stipulated in the Code of Conduct of the Civil Service that has been issued as a Regulation of the Chairman of the Council of Ministers of October 11, 2002. Among its guidelines, the code mandates the impartiality of civil servants in performing their duties, and obliges them to respect the public's right of access to information, in accordance with the principle of transparency of public administration, with a due regard for the need to safeguard confidentiality whenever guaranteed by law.

## **2. Methodological Soundness**

### **2.1 Concepts and definitions**

#### *2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices*

The compilation of the government finance statistics by the MoF is fully based on the recommendations of the IMF's *A Manual of Government Finance Statistics 1986* (*GFSM 1986*).<sup>5</sup> Whenever the national concepts and definitions differ from those of the *GFSM 1986*, appropriate adjustments are carried out to comply with the *GFSM 1986*. The authorities have informal plans to implement the IMF's *GFSM 2001* as soon as practicable, although technical assistance will be necessary to establish the new data compilation framework and procedures. The implementation of the guidelines of the *GFSM 2001* will be facilitated by the availability of accounting records on an accrual basis for all general government operations.

In the context of Poland's accession to the EU, the MoF derived some fiscal aggregates, in particular on government deficit and debt, using an accrual basis of recording in accordance with the guidelines of *ESA 95*. Also, within the Pre-Accession Economic Program, the MoF compiled a prognosis of government revenue and expenditure for 2001–2005 in accordance with *ESA 95*. This prognosis expresses government revenue and expenditure in terms of GDP percentages. In compiling this prognosis, relevant data from existing budget reporting have been adjusted to accrual basis to comply with *ESA 95*. The methodology of these adjustments is considered by the authorities as preliminary and has not been publicized.

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<sup>5</sup> The assessment of the methodology applied by the authorities in compiling government finance statistics is based on the guidelines of the *GFSM 1986*.

## 2.2 *Scope*

### 2.2.1 *The scope is broadly consistent with internationally accepted standards, guidelines, or good practices*

The scope of the annual government finance statistics covers all institutional components of the general government sector. The boundaries of the general government have been established in coordination with the CSO and are adjusted on an ongoing basis as new agencies are created or liquidated.

The scope of the monthly government finance statistics compiled by the MoF is limited to the operations of the “core” central government and includes, on a consolidated basis, the accounts of the state budget and three major social security funds: the Social Insurance Fund, the Pension and Disability Fund, and the Labor Fund. This scope of the monthly government finance statistics is believed to provide a sufficiently reliable indication of fiscal developments at the central government level, given that the share of the combined expenditure of the “core” central government exceeds 90 percent of the total central government expenditure.

Beginning in 1999, data on government debt cover the liabilities of the entire general government. Through 1998, the scope of the debt data was limited to the so-called debt of the state treasury and covered the liabilities of the state budget. At the most detailed level, annual data compiled and disseminated in the national publications cover the entire set of tables envisaged in the *GFSM 1986* for the following sectoral groupings: central government budgetary accounts, central government extrabudgetary accounts, central government social security accounts, consolidated central government, local government budgetary accounts, local government extrabudgetary accounts, consolidated local government, and consolidated general government. The following tables are compiled and disseminated for these sectoral groupings:

- The Summary Table;
- Table A, Revenue and Grants;
- Table B, Expenditure by Function;
- Table B1, Lending minus Repayments by Function;
- Table B2, Capital Expenditure by Function;
- Table C, Expenditure and Lending minus Repayments by Economic Type;
- Table D, Financing by Type of Debt Holder;
- Table E, Financing by Type of Debt Instrument;
- Table F, Outstanding Debt by Type of Debt Holder;
- Table G, Outstanding Debt by Type of Debt Instrument;
- Table T, Intergovernmental Transfers by Function.

In addition, a detailed Derivation Table that records all adjustments made in the process of deriving annual government finance statistics data from national data sources is disseminated by the MoF.

Monthly data on the “core” central government operations are disseminated with the level of detail corresponding to that of the Government Finance Statistics Summary Table.

## **2.3 Classification/sectorization**

### *2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices*

The classification applied in the annual government finance statistics data follows the recommendations of the *GFSM 1986*, and country-specific item lines are provided in particular for government revenue. As prescribed in the *GFSM 1986*, the functional classification of government expenditure is based on the Classification of Functions of Government (COFOG). Data disseminated on government debt, in addition to the standard government finance statistics disaggregations by debt holder and debt instrument, include disaggregation by maturity. Sectoral groupings applied in Polish government finance statistics (as indicated in section 2.2.1) are fully consistent with those recommended in the *GFSM 1986*, but provide for an additional breakdown between budgetary and extrabudgetary accounts of local governments.

## **2.4 Basis for recording**

### *2.4.1 Market prices are used to value flows and stocks*

In accordance with the guidelines of the *GFSM 1986*, prices used in Polish government finance statistics to value stocks and flows reflect actual or expected cash payments. Government operations are valued on the basis of the amount of payments in cash, and government debt is valued on the basis of its face value, i.e., the amount that the government will have to pay at maturity. Flows (transactions) denominated in foreign currency are converted to national currency equivalents using the mid-point market exchange rates as of transaction date, and debt stocks denominated in foreign currency are converted using the same rates as of the end of the reporting period.

### *2.4.2 Recording is done on an accrual basis*

As Poland did not implement yet the *GFSM 2001* methodology, recording is done on a cash basis. Even though national data sources available for extrabudgetary funds, social security funds, and some other extrabudgetary activities are based on accrual accounting, they are adjusted to a cash basis in the process of compiling government finance statistics. Supplementary records on an accrual basis are available for budgetary operations of the central government and should greatly facilitate the implementation of the guidelines of the *GFSM 2001*.

### *2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices*

In line with the *GFSM 1986*, Polish government finance statistics are recorded on a gross basis, except for lending minus repayments and financing data that are recorded on a net basis. Also, auxiliary units are treated as departmental enterprises and their proceeds from sales and operating costs are included in the statistics on a net basis. In addition, corrective transactions in revenue and expenditure are netted out from the respective items, as recommended by the *GFSM 1986*.

The consolidation procedures applied in compiling Polish government finance statistics differ somewhat from those envisaged in the *GFSM 1986*. Data for the budgetary, extrabudgetary, and social security components of the central and local levels of government are compiled on an unconsolidated basis, and all consolidation adjustments are carried out only on the data for consolidated central, local, and general government. In the standard government finance statistics practice, consolidation adjustments are carried out at the component level. The consolidation procedures adopted in compiling government finance statistics in Poland are designed to enhance the analytical usefulness of data for budgetary, extrabudgetary, and social security components of central and local government.

## **3. Accuracy and Reliability**

### **3.1 Source data**

#### *3.1.1 Source data are collected from comprehensive data collection programs that take into account country-specific conditions*

Detailed annual budget reports prepared by the MoF are the principal data source for compiling government finance statistics. In addition to the operations of the state budget, these reports cover the operations of most extrabudgetary units (budget establishments, auxiliary units, and special units), as well as the accounts of a number of special purpose funds. Also, annual budget reports generated by the MoF include the operations of local governments. For the components of the general government not covered by the annual budget reporting, the compilers of government finance statistics obtain appropriate annual reports from the relevant departments of the MoF or from the CSO. In particular, reports on government extrabudgetary agencies, health funds, district environment protection funds, and the funds managed by the Board for Social Insurance of Farmers are available within the MoF, while data on the operations of universities are derived from their reporting to the CSO. Monthly government finance statistics data are also based on budget reports and additional reports provided by the Social Insurance Institution, the Board for Social Insurance of Farmers, and the Ministry of Economy, Labor, and Social Policy.

### *3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required*

Source data are based on national concepts and definitions. Although these concepts and definitions reasonably approximate those recommended in *GFSM 1986*, extensive adjustments are needed in the process of compiling government finance statistics to ensure compliance of the data with the methodological guidelines of the *GFSM 1986*. In particular, the accrual recording basis is applied in some extrabudgetary and social security funds, agencies, and universities, whereas budget accounts and accounts of some extrabudgetary units and funds are on a cash basis.

Source data used to compile domestic financing reflect primary market operations in government securities. As a result, domestic financing data by debt holder reflect primary placements of government debt (original flows of financing). This may account for the major part of differences between government finance statistics on bank financing and monetary statistics on changes in net claims of banks on government (see section 4.3.3). Source data reflecting secondary market operations are also available; however, they are based on the face (nominal) value of government securities and, therefore, are not directly usable for deriving data on domestic financing. Nevertheless, the authorities believe that, with appropriate adjustments, these data should permit the derivation of financing flows at issue price that would reflect transfers of government securities among holders.

### *3.1.3 Source data are timely*

In accordance with the Public Finance Act, final annual budgetary reports are available by the end of May. Annual reports on the accounts of units not covered by the budget reporting are available with lags frequently exceeding five months, in particular those for health funds and universities. Data sources for monthly government finance statistics compilation are available with a lag of one month, although the reports of the Social Insurance Fund are often provided to the MoF with a longer lag. Owing to the insufficient timeliness of the source data, the compilation of both annual and monthly government finance statistics does not meet the SDDS requirements. Poland uses its entitled flexibility option for the timeliness of this data category.

## **3.2 Statistical techniques**

### *3.2.1 Data compilation employs sound statistical techniques*

Given that the compilation of government finance statistics relies extensively on administrative records, estimates are generally not necessary. Nevertheless, in the compilation of monthly data, missing detailed components are occasionally estimated. The reasonableness of these estimates is subsequently verified on the basis of more detailed actual data available on a bi-annual basis. In consolidating intragovernmental and intergovernmental transactions and debt holdings, adjustments are made for any discrepancies between payments and receipts to ensure symmetry of consolidation.

### *3.2.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques*

All data adjustments and transformations carried out in compiling annual and monthly government finance statistics strictly follow recommended procedures. The MoF maintains detailed record of these adjustments and transformations in the form of the derivation table.

### **3.3 *Assessment and validation of source data***

#### *3.3.1 Source data—including censuses, sample surveys and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide planning*

Final budget reports used in compiling annual government finance statistics are verified for accuracy and reliability by the relevant departments of the MoF prior to their use for government finance statistics purposes. The possibility of using budget reports prior to their finalization to improve timeliness is not considered practicable because of the workload involved in the compilation of government finance statistics and lags in availability of other data sources (e.g., for universities and health funds). As a result, no preliminary government finance statistics data are produced.

### **3.4 *Assessment and validation of intermediate data and statistical outputs***

#### *3.4.1 Main intermediate data are validated against other information where applicable*

The detailed derivation table produced in the process of compiling government finance statistics permits full reconciliation of major government finance statistics aggregates for individual components of the central and local government levels with the data disseminated by the government using the national data presentation framework.

#### *3.4.2 Statistical discrepancies in intermediate data are assessed and investigated*

The behavior of intermediate series for individual components of the central and local government levels is crosschecked with related series produced by the MoF in the national data presentation framework.

#### *3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated*

Material differences between government finance statistics financing data and corresponding monetary data are not sufficiently investigated and addressed. The NBP and the MoF data in this regard are inconsistent. Although the inconsistencies may be due to legitimate



methodological differences, no reconciliation of fiscal and monetary data is at present available.

### **3.5 Revision studies**

#### *3.5.1 Studies and analyses of revisions are carried out routinely and used to inform statistical processes*

Both monthly and annual government finance statistics data are considered final when published, and are not subject to routine revisions. Sporadic revisions that result from occasional misclassifications of source data are analyzed and brought to the attention of the reporting units.

## **4. Serviceability**

### **4.1 Relevance**

#### *4.1.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored*

Although government finance statistics are not directly used in the budget process, they have an important role in the analysis of fiscal policy and decision making. They provide an important benchmark against which the reliability and relevance of fiscal data produced by the authorities using the national data presentation framework can be assessed. This benchmark function of government finance statistics compiled by the MoF is greatly enhanced and facilitated by the modification of the standard government finance statistics framework in Poland that permits producing data for the components of the general government on an unconsolidated—rather than consolidated—basis. Because of this modification, government finance statistics, particularly those for the central and local budgetary operations, can be directly compared with the data produced by the authorities in the national format on the operations of the state budget and budgets of local self-governments.

In addition, government finance statistics are used by the authorities for analytical purposes and in preparing projections. A recent example is the use of government finance statistics, and in particular data on expenditure classified by function according to COFOG, in the National Development Plan. Government finance statistics are also used in discussions with international organizations.

There are no institutionalized forms of monitoring users' needs; however, users' inquiries are analyzed with a view to improving the relevance of government finance statistics, in particular with regard to the level of detail and the layout in which the data are disseminated.

## **4.2 Timeliness and periodicity**

### *4.2.1 Timeliness follows dissemination standards*

The timeliness of government finance statistics compiled by the MoF does not meet SDDS requirements. Annual data on general government operations are available with a lag of about eight months rather than within six months, and monthly data on central government operations are produced with a lag of about seven weeks rather than within a month. Given the lags in the availability of the source data needed for compiling government finance statistics, the authorities do not see much room for improving the timeliness of the annual and monthly data on government operations.

The timeliness of government debt data, on the other hand, meets SDDS deadlines.

### *4.2.2 Periodicity follows dissemination standards*

Data on central government operations are disseminated on a monthly basis, and data on general government operations are annual. This periodicity complies with SDDS requirements. General government debt data are quarterly, which is also consistent with SDDS. In addition, data on the state treasury debt, which as of October 2002 amounted to about 94 percent of the total general government debt, are disseminated on a monthly basis. Data on debt guaranteed by the government are disseminated monthly.

## **4.3 Consistency**

### *4.3.1 Statistics are consistent within the dataset*

An extensive set of vertical checks and balances has been incorporated into the framework for compiling government finance statistics to ensure consistency among the relevant government finance statistics aggregates, and to verify the symmetry of consolidation adjustments. As a result, government finance statistics are internally consistent.

### *4.3.2 Statistics are consistent or reconcilable over a reasonable period of time*

Consistent time series of annual data are available from 1994, and monthly data from 1997. In addition, quarterly data are available for 1996. In infrequent cases of changes in classification or coverage, data for the past periods have been adjusted accordingly when possible to ensure consistency of time series. Monthly data on central government operations do not add up to corresponding annual aggregates because of the difference in scope.

### *4.3.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks*

Government finance statistics on bank financing are not fully consistent with the monetary statistics on the banking sector net claims on government because of methodological

differences in the statistics. For example, according to government finance statistics, bank financing of general government in 2001 was 34.9 billion zloty, whereas according to monetary statistics, net claims of the banking sector on general government increased during 2001 by only 17.2 billion zloty. As mentioned in section 3.1.2, the bulk of the difference is likely to be explained by the fact that government financing data are based on primary flows of financing, whereas the banking sector data reflect secondary market operations in government securities. Nevertheless, prior attempts of the MoF to reconcile both sets of data have not been successful. The cooperation in this regard between the MoF and the NBP needs to be enhanced.

#### **4.4 Revision policy and practice**

##### *4.4.1 Revisions follow a regular, well-established, and transparent schedule*

Data on government operations are considered final when published. This policy is publicized in notes to tables published in the *Statistical Bulletin* and on the MoF website. Government debt data for the most recent period are preliminary, and are finalized when data for the following period are disseminated.

##### *4.4.2 Preliminary data are clearly identified*

The status of government finance statistics is clearly identified in the notes to tables disseminated in the *Statistical Bulletin* and on the MoF website.

##### *4.4.3 Studies and analyses of revisions are made public*

Given that revisions are infrequent and result from incidental errors in the source data, no formal analyses of revisions are prepared and disseminated.

### **5. Accessibility**

#### **5.1 Data accessibility**

##### *5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)*

In the most detailed presentation, annual government finance statistics data are disseminated by the MoF in an enhanced government finance statistics framework that shows how data of various components of general government were combined to produce consolidated data. These data are shown on a year-by-year basis. Although this presentation is very useful for analytical purposes, no additional presentation in the format of time series is provided. Similarly, the presentation of government finance statistics data in the *Statistical Yearbook* and on the website of the MoF is limited to no more than two or three observations and does not provide longer time series that would facilitate intertemporal analysis of fiscal developments. Monthly government finance statistics data on central government operations,

on the other hand, are published in the *Statistical Bulletin* in a time series format that includes the 15 most recent months. Also data on government debt are available on the website of the MoF in a time series format.

#### *5.1.2 Dissemination media and formats are adequate*

Major aggregates of annual government finance statistics are published in the CSO's *Statistical Yearbook* and on the MoF's website, and the monthly data on central government operations and debt are published in the CSO's *Statistical Bulletin* and also on the MoF's website. In addition, the MoF publishes an annual publication *Poland: Government Finance Statistics* (the most recent covering the period 1994–2001) that is distributed free of charge and is available to users on request.

#### *5.1.3 Statistics are released on a preannounced schedule*

Monthly and annual government finance statistics data are released in accordance with an advance release calendar that is published in the *Statistical Bulletin*, on the website of the CSO, and on the Dissemination Standards Bulletin Board (DSBB).

#### *5.1.4 Statistics are made available to all users at the same time*

Statistics are made available to all users simultaneously. Internal access to data prior to their release is limited to the MoF compilers and their managers who clear the data for release.

#### *5.1.5 Nonpublished (but nonconfidential) subaggregates are made available upon request*

All detailed data generated within the government finance statistics are included in the MoF publication that is available to users on request. The availability of this publication is publicized in the annual statistical program and on the DSBB.

### **5.2 Metadata accessibility**

#### *5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated*

Methodological and explanatory notes are published in the *Statistical Bulletin* and the *Statistical Yearbook*, and the websites of the CSO and the MoF provide hyperlinks to the metadata posted on the DSBB. In addition, the MoF's publication *Poland: Government Finance Statistics 1994–2001* includes the most recent institutional tables that specify the coverage and basis of recording. Detailed derivation tables for each of the published years are also included.

### *5.2.2 Levels of detail are adapted to the needs of the intended audience*

Documentation published in the *Statistical Bulletin* and the *Statistical Yearbook* is limited to major aggregates of government operations, whereas the institutional tables and the derivation tables published in the MoF's *Poland: Government Finance Statistics 1994–2001* are intended for users who analyze fiscal statistics in greater detail.

## **5.3 Assistance to users**

### *5.3.1 Contact person for each subject field is publicized*

Contact persons are available from the MoF website through the hyperlink to DSBB metadata. However, no national publication provides information to users on the relevant contact persons at the MoF.

### *5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available*

A list of statistical publications is provided in the *Statistical Bulletin* and in the annual statistical program.

Table 4. Poland: Data Quality Assessment Framework—Summary of Results for Government Finance Statistics

(Compiling Agency: Ministry of Finance)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
<b>0. Prerequisites of quality</b>						
0.1 Legal and institutional environment			X			Responsibility for compiling and disseminating fiscal data compiled in accordance with international standards not clearly identified. Data sharing with other agencies not formalized. Limited staff resources.
0.2 Resources			X			
0.3 Quality awareness		X				
<b>1. Integrity</b>						
1.1 Professionalism		X				
1.2 Transparency		X				
1.3 Ethical standards		X				
<b>2. Methodological soundness</b>						
2.1 Concepts and definitions			X			Plan for migration to <i>GFSM 2001</i> to be developed.
2.2 Scope		X				
2.3 Classification/sectorization		X				
2.4 Basis for recording		X				
<b>3. Accuracy and reliability</b>						
3.1 Source data		X				Data considered final when released.
3.2 Statistical techniques		X				
3.3 Assessment and validation of source data		X				
3.4 Assessment and validation of intermediate data and statistical outputs		X				
3.5 Revision studies	X					
<b>4. Serviceability</b>						
4.1 Relevance			X			No meetings of user advisory group Timeliness not in line with SDDS. Flexibility option used. Government finance and monetary data inconsistent; and regular reconciliation not carried out.
4.2 Timeliness and periodicity			X			
4.3 Consistency			X			
4.4 Revision policy and practice		X				
<b>5. Accessibility</b>						
5.1 Data accessibility			X			Annual data on government operations not disseminated in time series format.
5.2 Metadata accessibility		X				Contact persons identified only on the MOF website, but not in national publications
5.3 Assistance to users			X			

## V. MONETARY STATISTICS

### 0. Prerequisites of quality

#### 0.1 *Legal and institutional environment*

##### 0.1.1 *The responsibility for collecting, processing, and disseminating statistics is clearly specified*

The National Bank of Poland (NBP) is responsible for compiling and disseminating the analytical accounts of the central bank and of the banking sector. The legal authority to collect information from the banking sector is specified in the Act on the National Bank of Poland of August 29, 1997 (the “NBP Act”). According to Article 23 of this Act as well as the Resolution No. 3/2002 of the Management Board of the NBP (March 14, 2002), the banks are required (paragraph 2) to submit the necessary information to the NBP for monetary policy purposes and for the NBP to assess the monetary situation of the country, as well as (paragraph 3) for assessing banks’ financial condition and risks present within the banking sector. The Act does not explicitly provide a requirement for the NBP to disseminate the data.

The NBP may also conduct surveys either solely or together with the Central Statistics Office (CSO) as part of the Annual Statistics Program submitted by the President of the CSO and approved by the Council of Ministers in line with Article 20 of the Law of June 29, 1995 on official statistics (the “Statistics Law”), with the conditions of the surveys following the requirements of that Law. Dissemination of completed surveys is mandated under Article 36 of the Statistics Law.

No legal amendments are envisaged to meet European Union (EU) requirements for Polish accession, as Poland will enter the EU with a derogation from participation in the European Economic and Monetary Union (EMU). The European Central Bank (ECB) has finalized arrangements with Poland as regards the exchange of information between the NBP and the ECB; this will become effective on the day of accession. Further legal amendments will, however, be needed, before Poland can participate in EMU.

##### 0.1.2 *Data sharing and coordination among data producing agencies are adequate*

The NBP cooperates with the CSO, for instance in the conduct of enterprise surveys on bank credits and research on core inflation. The NBP and the CSO are bound by the requirements of the Statistics Law (Articles 13 and 44), as regards the exchange of information. Each institution is entitled to request information from the other free of charge, insofar as the data requirements are specified within the annual program submitted by the President of the CSO and approved by the Council of Ministers. For information from the CSO not specified under the annual program, the NBP may have to pay the CSO, in line with Article 51 of the Statistics Law. The NBP has the right to appoint a representative to the Statistical Council

that recommends approval of the draft annual program of the President of the CSO to the Council of Ministers.

The NBP has regular meetings with the Ministry of Finance (MoF), including monthly meetings of the public debt committee. During these meetings sometimes statistical issues are addressed. There are additional informal meetings, both to discuss statistical issues for internal purposes and for public dissemination.

The NBP considers that coordination arrangements with other data producing agencies are satisfactory. There does not appear to be any significant duplication of effort in collecting or compiling statistics.

### *0.1.3 Respondents' data are to be kept confidential and used for statistical purposes only*

The NBP does not disclose data on individual banks. Article 23 of the NBP Act (paragraph 5) indicates that the information collected from banks may be utilized solely for carrying out studies and assessments and shall not be made available to third parties. The Amendment to Article 23 of the NBP Act issued on July 27, 2002 (paragraph 6) prevents the NBP from disseminating any data from which information provided by an individual bank can be inferred. Thus the NBP follows the prescription of the Statistics Law, Article 38, precluding the publication of data derived from less than three respondents.

Staff outside the Statistics Department of the NBP generally have no access to data on individual banks. In the event that a staff member seeks such access, authorization has to be sought from one of the deputy presidents. Individual workstations are password protected, and management of the Statistics Department can monitor which files are accessed. Article 55 of the NBP Act stipulates that staff of the NBP are bound by confidentiality provisions regarding their work in the NBP. Staff violating this provision would be subject to penalties under the Penal Code. The Statistics Law, Article 54, stipulates that such violations may be penalized by up to three years' imprisonment. Staff are well trained and fully understand the requirements of confidentiality, and there have reportedly been no cases of prosecution in this regard.

An exception with regard to the general nondisclosure of individual data is made with respect to the Bank Guarantee Fund. Article 38 of the Law on the Bank Guarantee Fund of December 14, 1994 gives the Bank Guarantee Fund the right to request data, including individual data, from the banks. An additional agreed exception will be with regard to the exchange of confidential information with the ECB as from the day of Poland's accession into the EU. The Amendment to Article 23 of the NBP Act issued on July 27, 2002 (paragraph 7) amends the confidentiality provisions in the Act, giving the President of the NBP the authority to disclose individual data "...taking into consideration the objective and purpose of activity of subjects to which data are to be made available..." Such authority has never been used in practice.



*0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response*

Article 23 (paragraph 2) of the NBP Act stipulates that banks shall "...file, at the request of the NBP, such information as is necessary to develop monetary policy and develop periodic assessments of the monetary conditions in the country..."

**0.2 Resources**

*0.2.1 Staff, financial, and computing resources are commensurate with statistical programs*

The Statistics Department of the NBP has 83 staff. Within this total, monetary statistics has two divisions dealing with the compilation, checking, and processing of data from banks. The Banks' Balance Sheet Division, comprising 11 staff, is responsible for the monthly reports, handling data collection for statistical as well as supervisory purposes, using the integrated database that handles both functions. The Preliminary Information Division, comprising 5 staff is responsible for the 10-day reporting of preliminary information on basic monetary aggregates and counterparts. In addition, the Analysis Department, comprising 8 staff, is responsible for statistical methodologies, adjusting methodologies to international standards, and the compilation and dissemination of such data to international financial organizations.

Overall, staff resources are commensurate with statistical programs. There is little loss of staff, so management rotate staff amongst the various divisions. Recruitment of well-educated staff is not a problem; only candidates with master's degrees are now recruited to professional posts. Staff resources are likely to have to be augmented in the context of prospective EU accession and more particularly the eventual participation in the EMU and the enhanced requirements of the ECB.

Computer resources are adequate, with each staff member having access to their own personal computer. The quality of the equipment is linked to the individual's responsibilities.

The presence of the Director of the Statistics Department on the Board of the NBP enables him to make presentations on the needs of the department during Board meetings.

*0.2.2 Measures to ensure efficient use of resources are implemented*

The Office of the President of the NBP undertakes occasional reviews of staff resources; this generally takes the form of direct discussions with the department's director regarding existing resources and future needs. Each department also prepares an annual report on the state of the department's equipment resources, and the needs for the future. These would then be included in the budget that the bank's management approves.

In addition, every six months each department makes a performance report to the President's office, and the President's office in turn makes a report to the Board. The Statistics

Department also used to make monthly reports to its supervising deputy president; as from February 2003 these reports are being prepared on a quarterly basis.

### **0.3 Quality awareness**

#### *0.3.1 Processes are in place to focus on quality*

Management is aware of the need for quality in statistics. In recent years such awareness has been evidenced by contacts with the ECB as well as the high priority attached to meeting the requirements of the ECB and to harmonize statistics with those of the ECB. Staff have periodic contacts with international counterparts, in particular those from the EU institutions.

Preparation for EU accession has meant that substantial revisions to practices have had to be introduced, enhancing data quality. The NBP is aware that, when data are disseminated widely to international users, its prestige depends upon the quality of these data.

There are no formal meetings with data users. However, the department is open to suggestions from users; these are provided through a variety of means, such as personal contacts, telephone, e-mail, and the media. The public is aware that the NBP is open to requests and suggestions, and therefore makes many of these. Indeed, it is a significant burden on the staff to respond to them.

In addition, several members of the department serve on external bodies, and receive feedback on statistics through these bodies. The NBP has a separate Department of Information and Public Relations that is responsible for external communications.

#### *0.3.2 Processes are in place to monitor the quality of the collection, processing, and dissemination of statistics*

The whole system of bank reporting contains built-in algorithms that facilitate the checking of data. In the event that errors are detected, the data cannot be processed any further. In addition, staff perform analyses of the data, and seek to investigate irregularities (see 3.3.1). Additional checks occur through the links with the supervisors, who use their inspections as opportunities to control the quality of the data being submitted. Banks are informed by letter from the Director of the Statistics Department or by the Supervising Deputy President when major mistakes have been detected.

In practice, there are two types of events that have led to errors: extensive changes in methodologies, including changes in banks' information technology systems, and bank mergers, which have been quite extensive. Prior to any extensive changes in methodology, the NBP organizes meetings for the banks to explain the changes. Also, such changes are posted in detail on the NBP's website, and banks are encouraged to raise any questions they may have.

There is no separate report prepared to management on data quality issues, although management is informed immediately if serious problems are detected.

*0.3.3 Processes are in place to deal with quality considerations, including trade-offs within quality, and to guide planning for existing and emerging needs*

Deadlines for data reporting reflect a trade-off between seeking timeliness and accuracy. The trade-off may emerge more in the future as the deadlines for reporting to the ECB are very short, especially given that Poland has an integrated system involving the production of statistical and supervisory data together.

In order to deal with these concerns, banks have been informed in advance that deadlines will be tight, so that they can begin preparations. The NBP meanwhile is seeking not to increase the burden on banks excessively, including for instance by identifying data that no longer need to be collected.

## **1. Integrity**

### ***1.1 Professionalism***

#### *1.1.1 Statistics are compiled on an impartial basis*

Under the Constitution of the Republic of Poland dated April 2, 1997 (Article 227), the NBP is an independent central bank.

Professionalism of the staff involved in compiling monetary statistics is ensured through a rigorous recruitment process, as well as by the assignment structure. To be a regular staff member of the Statistics Department of the NBP, the new recruits, who are predominantly university graduates, undergo a multiple screening and interview process. Once they are selected, they are appointed on a three-month probationary period. During this period, they undergo intensive hands-on training on compiling monetary statistics (called ABC of Banking) and orientation with lectures from various other departments of the NBP. At the end of the initial three-month period, they are either appointed as regular staff of the NBP or given another probationary period and may become regular staff later depending on their performance.

The assignment structure encourages the staff to participate in other activities of the Statistics Department, attend internal training organized by the Personnel Department or seminars provided by various other departments of the NBP. The staff also attend courses and participate in working groups, and conferences on monetary and financial statistics organized by the international organizations such as the ECB, the Statistical Office of the European Communities (Eurostat), and the IMF. Some staff also attend classes or conduct lectures in local universities. The staff prepare internal working papers of the Statistics Department on methodological issues. They are also encouraged to publish papers in the NBP's monthly publication of *Bank and Credit*.

### *1.1.2 Choices of sources and statistical techniques are informed solely by statistical considerations*

The choice of source data and statistical techniques is based solely on statistical considerations, of which meeting the ECB statistical requirements is an important issue. The Statistics Department prepares internal papers—for information and discussion within the NBP—on reasons for the choice of methodological approach, but these papers are not released to the public.

### *1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics*

The NBP's Department of Information and Public Relations usually monitors the information published by the press. In instances when the statistics have been misinterpreted by the media and if deemed to be significant, the NBP releases an official response to the media the next day commenting on their erroneous interpretation. Usually the Director of Statistics Department prepares the official response, obtains approval from the President of the NBP or the Supervising Deputy President, and forwards it to the Department of Information and Public Relations for release to the media. Such incidences are not common.

## **1.2 Transparency**

### *1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public*

The laws, decrees that set the terms and conditions for the compilation and dissemination of monetary statistics, and mission statements are available to the public. The compilation of monetary statistics is governed by the NBP Act published in Polish in the *Journal of Polish Law of the Republic of Poland*, No. 140 of 1997, Item 938. It is also disseminated on the NBP website.

### *1.2.2 Internal governmental access to statistics prior to their release is publicly identified*

No official outside the NBP has access to the data prior to publication or dissemination on the NBP website.

### *1.2.3 Products of statistical agencies/units are clearly identified as such*

The Statistics Department of the NBP is explicitly identified as the source of the monetary statistics published in the *Information Bulletin*. The NBP does not explicitly request attribution when its statistics are used or reproduced.

#### *1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques*

For any major changes (such as the changes introduced in monetary statistics beginning from March 2002 to meet the ECB requirements), advance notice would be posted on the website announcing changes in methodology underlying the data that would be posted in the future. Minor changes in methodology are presented currently under the “Methodological Notes” section of the *Information Bulletin* or “News” portion of the NBP website after the changes are introduced.

### **1.3 Ethical standards**

#### *1.3.1 Guidelines for staff behavior are in place and are well known to the staff*

Guidelines for staff behavior, covering, inter alia, conflicts of interest and ethical issues, are set out in two primary documents: Regulations of the Management Board 54/2002 of October 14, 2002 on the Introduction of the Code of Conduct in the NBP (which cover all NBP employees) and Internal Regulations of the Statistics Department (specifically for staff in the Statistics Department). The former document sets out regulations on professional secrecy and staff conduct, while the second document provides procedures to address inappropriate behavior on the part of staff in the Statistics Department. In addition, all staff of the NBP are covered by Article 55 of the NBP Act, which states that revealing information, acquired by the NBP as part of its mandate, is punishable under the Penal Code.

All new recruits participate in extensive training courses. These courses give the participants information on the NBP’s responsibilities, activities, and banking secrecy, as well as provide guidance on staff behavior and ethical standards expected of staff of the NBP. All staff are required to sign an oath of secrecy, which remains in effect even after they have left the NBP’s employ.

## **2. Methodological Soundness**

### **2.1 Concepts and definitions**

#### *2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices*

As a pre-accession country to the EU, Poland is in the process of adopting the ECB’s guidelines, as set in ECB/2001/13,<sup>6</sup> for compiling monetary statistics. The concepts and

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<sup>6</sup> The legal framework for the provision of MFI balance sheet information is set out in the Regulation (EC) No 2423/2001 of the European Central Bank of 22 November 2001 Concerning Consolidated Balance Sheet of the Monetary Financial Institutions Sector (ECB/2001/13) in *Official Journal of the European Communities* (December 17, 2001). The  
(continued)

definitions used by the NBP to compile monetary statistics are in broad conformity with the guidelines outlined in the *Monetary and Financial Statistics Manual (MFSM)*.

The NBP compiles separate aggregated sectoral balance sheets for the NBP and other monetary financial institutions (MFIs) from the balance sheet data of the NBP, and report forms submitted by other MFIs, respectively. The NBP terms these sectoral balance sheets as “Balance Sheet of the National Bank of Poland” and “Aggregated Balance Sheet of other Monetary Financial Institutions,” respectively. It compiles a monetary survey (the so-called depository corporations’ survey in *MFSM*) by consolidating data from these sectoral balance sheets. It terms the monetary survey as “Consolidated Balance Sheet of Monetary Financial Institutions.”<sup>7</sup> It also compiles and disseminates tables on components of reserve money and monetary aggregates (M3) as well as their counterparts. Furthermore, it prepares, for internal purposes, preliminary information on M3 and other major aggregates of the MFIs on ten-day basis (three times a month). It also collects data on interest rates from the 11 leading banks that account for about 80 percent of the assets of other MFIs.<sup>8</sup>

The NBP compiles three monetary aggregates—M1, M2, and M3—with M3 being the broadest measure in line with the ECB requirements. M1 consists of cash in circulation outside MFIs, zloty and foreign currency demand deposits, including overnight deposits of other financial corporations, enterprises, households, Nonprofit Institutions Serving Households (NPISHs), local government, and social security funds. M2 consists of M1 plus zloty and foreign currency time deposits of original maturity up to two years plus deposits with notice up to three months. M3 comprises of M2 plus repurchase agreements (repos) with non-MFIs and debt securities with a maturity up to two years issued by MFIs and bought by non-MFIs.

## 2.2 *Scope*

### 2.2.1 *The scope is broadly consistent with internationally accepted standards, guidelines, or good practices*

Poland’s consolidated balance sheet of the MFIs covers the NBP and other MFIs. As part of the EU pre-accession requirements, Poland has adopted the concept of MFIs in compiling monetary statistics from end-March 2002, as defined in ECB/2001/13. The concept of MFIs

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ECB’s *Guidance Notes to the Regulation ECB/2001/13 on the MFI Balance Sheet Statistics* (November 2002) provides recommendations on the preferred statistical practices with respect to accounting and netting rules.

<sup>7</sup> The rest of the report retains the terminology used by the NBP.

<sup>8</sup> The NBP website also carries daily data on interest rates and provides a direct link to the website of the Warsaw Stock Exchange for daily data on stock market indices.

is congruent to the *MFSM*'s definition of depository corporations, consisting of the central bank and other depository corporations (ODCs). The definition of an ODC is in large measure equivalent to the ECB's definition of other MFIs. Only banks are included as part of other MFIs in Poland. As of December 2002, the reporting population covers 673 banks, including those in the process of liquidation, comprising 7 banks with government capital participation or control, 55 private banks (45 with foreign capital participation), and 611 cooperative banks. The majority of the banks, other than cooperative banks, are universal banks. The universal banks submit report forms only for their banking-related operations. Consistent with the *MFSM*, the reporting population includes banks in the process of liquidation. The deposit liabilities of these banks are included in the monetary aggregates as they are guaranteed by the Deposit Guarantee Fund and are available to depositors.

According to the ECB regulations, the MFI sector can also include other institutions that fulfill the MFI definition (irrespective of the nature of their business) and money market funds. According to the *MFSM*, institutions classified as other financial corporations should be classified as ODCs if their deposit liabilities are included in the national definition of broad money. In Poland, the cooperative savings and credit institutions (SKOKs) may qualify as other institutions that can be included in the coverage of other MFIs as well as money market funds. As of December 2001, there were 126 SKOKs with their value of assets amounting to 0.35 percent of the total value of assets for the other MFIs in Poland. There are also 120 investment funds operating in the country as of December 2002. They have been growing fast with their assets amounting to about 4.6 percent of the assets of other MFIs. According to the ECB guidelines, a handful of them may qualify as money market funds and be reclassified as other MFIs. The authorities have been closely monitoring the activities of these institutions with a view to including them as part of other MFIs if they grow rapidly.

## **2.3 Classification/sectorization**

### *2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices*

The principles underlying the sectorization of institutional units are consistent with the *MFSM* methodology, as well as with the *European System of Accounts 1995 (ESA 95)* and the *System of National Accounts 1993 (1993 SNA)*. The NBP applies the "center of economic interest" criterion to distinguish between resident and nonresident units, in accordance with the IMF's *Balance of Payments Manual*, fifth edition (*BPM5*), and in conformity with the *MFSM*. The residency criteria are specified in Foreign Exchange Law of June 27, 2002.

The resident sectors are classified as follows: (1) MFIs consisting of the NBP and other MFIs; (2) other financial corporations (consisting other financial intermediaries, except insurance corporations and pension funds; financial auxiliaries; and insurance and pension funds); (3) general government, comprising central government and local government institutions as well as social security funds; and (4) other resident sectors, including enterprises, households, and NPISHs. The money-creating sector includes the NBP and other MFIs; money-holding sector comprises of other financial corporations, local government and

social security funds, as well as the other resident sector; and money neutral sector is central government.

The classification of financial instruments used for monetary statistics by the NBP is in line with the ECB regulations and is broadly consistent with the *MFSM*.

The consolidated balance sheet of the MFIs displays core asset and liability items.<sup>9</sup> The assets include credit to domestic residents, holdings of securities other than shares issued by domestic sectors, holdings of shares/equity issued by domestic sectors, foreign assets, fixed assets, and other assets. The liabilities include currency in circulation, deposits of central government, deposits of other domestic sectors, debt securities issued by MFIs, capital and reserves, foreign liabilities, other liabilities, and net interbank positions. The deposit liabilities are also broken down into other subcategories such as demand, time, and notice deposits, as well as repos.<sup>10</sup> A table on money supply M3 and the counterparts presents analytically useful information including the detailed components underlying monetary aggregates M1, M2, and M3 and those of various asset categories by sector and by instrument. Similarly, a table on reserve money and its counterparts provides information based on the NBP balance sheet.

Nevertheless, data presented on the balance sheets for the NBP and other MFIs provide insufficient breakdown of the claims on, and liabilities to, the government and other resident sectors. It is impossible to derive net claims on general government or central government on a consistent basis from the published data. Similarly, interbank positions between the NBP and other MFIs cannot be identified.

The NBP no longer publishes the claims on, and liabilities to, public nonfinancial corporations in its *Information Bulletin* as the ECB does not require them to be published.<sup>11</sup> However, the Polish version of the website provides these data.

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<sup>9</sup> Similarly, the balance sheet of the NBP and the aggregated balance sheet of the other MFIs identify core asset and liability items.

<sup>10</sup> Consistent with *MFSM*, repos are treated as collateralized loans. Repos with non-MFIs are treated as deposit liabilities and are included in M3.

<sup>11</sup> A disaggregation of the nonfinancial corporations subsector into “public” and “other” nonfinancial corporations, as recommended in the *MFSM*, permits more detailed analysis of the banks’ lending to nonfinancial corporations. The analysis, in some cases, might reveal excessive borrowing by nonfinancial corporations controlled by the government. Additionally, it could provide information concerning potential vulnerability of the government’s financial situation.



The practices followed by the NBP in compiling monetary statistics deviate from the recommendations of the *MFSM* in the following aspects: (1) recording of loan-loss provisions (these are classified as *special reserves* under *capital accounts and reserves* in line with the ECB, but the *MFSM* recommends that they be classified under *other liabilities*);<sup>12</sup> (2) recording of loans and deposits (in accordance with the ECB requirements, monetary statistics indistinguishably include deposits with loans on the asset side, and loans with deposits on the liability side; the *MFSM* recommends identifying loans and deposits separately because of their different marketability and liquidity characteristics), and (3) financial derivatives (they are indistinguishably recorded under other assets/other liabilities; the *MFSM* recommends that they be kept as separate categories on the balance sheet, outside other assets/other liabilities because of their distinct nature as financial instruments; the recommendation of the *MFSM* in this regard is consistent with that of *ESA 95*).

## 2.4 *Basis for recording*

### 2.4.1 *Market prices are used to value flows and stocks*

The valuation practices followed by the NBP and other MFIs differ. The Accountancy Act of September 29, 1994 provides a basic framework for accounting in Poland. A number of regulations have been issued under this Act. An important feature of the new regulations is that, from January 1, 2002, the other MFIs are required to follow International Accounting Standards (IAS) 39 to value financial assets and financial liabilities.<sup>13</sup> This new standard recommends the use of fair values and is in line with the *MFSM* recommendations on valuation of financial assets and liabilities. The regulations on accounting for the other MFIs do not affect central bank accounting, which follows different accounting practices set by the Monetary Policy Council.

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<sup>12</sup> The *MFSM* treats provisions for loan losses as part of the system's financial accounts. It follows international accounting standards that recommend recording provisions against loan losses (called "allowances" rather than "provisions" in international accounting standards) as a separate liability item. In principle, the *1993 SNA* methodology does not make use of loan-loss provisions, which are subsumed within the general category of capital accounts. In contrast, the *MFSM* methodology explicitly accounts for provisions for loan losses (under other liabilities) and reserves (within the shares and other equity). For reference, in the ECB framework, provisions represent internal funds of the reporting institution, accumulated from nondistributed profits, and, hence, are classified under the liability item "capital and reserves."

<sup>13</sup> IAS 39 establishes standards for recognizing, measuring, and disclosing information on an enterprise's financial assets and financial liabilities. Among other things, IAS 39 requires the use of fair value for (1) derivative assets and liabilities, and (2) debt securities, equity shares, and other financial assets held for trading and available for sale. The held-to-maturity investments are usually valued using amortized cost method.

Consistent with the *MFSM*, monetary gold is valued once every ten days using the London Stock Exchange closing price in U.S. dollars of the last trading day of each period; Special Drawing Rights (SDRs) are valued on a ten-day basis according to the prevailing exchange rate; foreign-currency-denominated assets/liabilities are converted into zlotys using the end-of-period official exchange rate once every ten days;<sup>14</sup> loans and deposits are valued at book value; and financial derivatives are valued using fair values.

Contrary to the recommendations of the *MFSM* that shares and other equity on the asset should be valued at market prices: investments by the other MFIs in shares of subsidiaries/affiliated companies are valued using the equity method as in IAS 28 and of those in nonaffiliated companies at historical cost; and shares and other equity, as well as other securities held by the NBP are valued the lower of market prices or acquisition cost.

The *MFSM* recommends that data be compiled on stocks and on each of the three flow components: *transactions*, *revaluations*, and *other changes in the volume of assets*. In Poland, other MFIs do not provide financial information on flows, and the NBP does not derive transactions from stock data for monetary statistics purposes. However, to satisfy the ECB requirement as specified in ECB/2001/13, the other MFIs will be required to collect flow data. By May 2004, the NBP aims to compile and disseminate flow data.

#### 2.4.2 Recording is done on an accrual basis

The MFI sector in Poland follows accrual accounting in recording financial transactions and they are recorded simultaneously between parties for the compilation of monetary statistics; the Statistics Department includes the accrued interest on loans and deposits as part of other assets/other liabilities, and on securities other than shares issued by the MFIs as part of other liabilities. These practices are inconsistent with the *MFSM*, but in conformity with ECB regulations.

The *MFSM* approach provides an economically meaningful way to obtain an accurate measure of the value of the asset/liability at a given point in time. The value of an instrument at any moment equals the discounted value of the future payments (interest and/or capital). Therefore, an instrument that is valued to include accrued interest reconciles past economic flows with future expected economic flows. The ECB framework results in inconsistencies in the valuation of different types of financial instruments (e.g., loans and deposits vs. zero-coupon bonds). The *MFSM* approach is also consistent with the *ESA 95*, although *ESA 95* states that the national practices can differ.

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<sup>14</sup> The official exchange rate is computed as the average of the buying and selling rates (excluding the highest and lowest quotes) of the ten most active banks in the country.

Consistent with the *MFSM*, accrued interest on securities other than shares held by MFIs are included in the underlying securities, and interest arrears (interest that is overdue for payment) are included in the underlying loan amount.

*2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices*

In line with the general principles of the *MFSM*, assets and liabilities of the NBP and other MFIs are collected and subsequently compiled on a gross basis. Claims on particular transactors are not netted against liabilities to those transactors.

In the compilation of the sectoral balance sheets of the NBP and other MFIs, as well as the consolidated balance sheet of the MFIs, data on financial assets and liabilities are aggregated into major categories (e.g., claims classified by debtors, and deposits classified by creditors). While data are compiled and generally available on a gross basis, many categories of monetary data are presented on a net basis in surveys and other presentations because of the analytical usefulness of the data in this form (for example, net foreign assets and net claims on central government). The *MFSM* recommends presenting the net claims in the surveys, while including the underlying gross figures. The practice of the NBP is generally consistent with this recommendation (see 2.3.1).

### **3. Accuracy and Reliability**

#### **3.1 Source data**

*3.1.1 Source data are collected from comprehensive data collection programs that take into account country-specific conditions*

The source data for compiling the balance sheet of the NBP are the accounting records (balance sheets) of the NBP that are prepared by the Accounting and Operations Department. The data are available on a daily basis. The basic data source for aggregated balance sheet of the other MFIs are the report forms submitted electronically by each of the other MFIs to the NBP. The report forms capture a full range of financial instruments and economic sectors. They provide sufficient detail to enable the classification of data by financial instrument and economic sector. By the end-2003 or early-2004, new report forms will be introduced to have the source data reflect the reporting requirements and guidelines established by the ECB.

The data source for internal preliminary information is also the other MFIs. In this case, the other MFIs submit data only for selected major aggregates, three times per month data are submitted at aggregated levels within two working days after the 10<sup>th</sup>, 20<sup>th</sup>, and last day of the month.

### *3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required*

Source data broadly approximate the required definitions, scope, classifications, valuation, and time of recording. No supplementary data sources are used in compiling monetary statistics.

One exception is that, during the process of revising monetary statistics for periods December 1996-February 2002 in line with the methodology followed from March 2002 onward, the NBP staff obtained data from the CSO on the ratio of the number of entrepreneurs employing less than nine employees to the total number of entrepreneurs, and used this ratio to break down deposits and credits of entrepreneurs into those falling under the household and those under the nonfinancial corporations subsectors.

### *3.1.3 Source data are timely*

The source data are timely. The balance sheet of the NBP is available on a daily basis. The other MFIs report their data within 10 working days after the end of the reference month, which provides sufficient time for the NBP to verify and process the data for the compilation of the monthly monetary statistics. The NBP takes about 10 calendar days to compile monetary statistics, so monetary statistics are usually available within 25 days after the end of the reference month. (See 4.4.1 for an explanation why there is a restriction on the timeliness of the December data.)

## **3.2 Statistical techniques**

### *3.2.1 Data compilation employs sound statistical techniques*

Data compilation procedures minimize processing errors such as coding, editing, and tabulation errors. The report forms are designed to encourage computer processing. Computer program processes source data promptly. All the source data are finally available in the NBP's Bank Statistical Information System (BSIS) database that provides data for both monetary statistics and supervisory purposes.

If minor revisions are necessary in the report forms, the NBP staff consult with the bigger banks to seek their views. Most often, these consultations take the form of making telephone contacts rather than through organized user meetings. However, there is a legal requirement for mandatory consultation with the banks for making any major changes to the report form. The report forms will also be pilot tested by all other MFIs before they can be used for regular reporting.

### *3.2.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques*

With permission from the NBP management board, banks in liquidation can submit report forms quarterly instead of monthly. In such instances, the NBP carries forward the latest quarterly data for the following two months.

The NBP calculates and disseminates seasonal adjustments for monetary aggregates as well as for selected loans and deposits, especially of households and enterprises. It applies the X-11 method, using the Statistical Analysis System software.

### *3.3 Assessment and validation of source data*

#### *3.3.1 Source data—including censuses, sample surveys and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide planning*

The source data submitted to the NBP by the other MFIs are subject to a number of internal checks before the consolidated balance sheet of the MFIs is compiled. As the first step, the software that the other MFIs use to submit data has an internal algorithm to carry out data verification. If the data verification fails, then the system would not allow the report form to be included in the BSIS. As a second step, once the data are in the BSIS, the staff of the Banks' Balance Sheet Division of the Statistics Department undertake a verification using a number of trend and consistency checks. Each staff member is responsible for several of the other MFIs. If data problems are found, they are resolved through bilateral contacts, mostly in the form of telephone enquiries. Usually data problems are resolved within a few days, if not, earlier.

The economic press is monitored for information on developments in financial markets that may be of relevance for the compilation of monetary statistics. The Statistics Department maintains close links with the General Inspectorate of Banking Supervision, as the latter has direct operational contacts with the other MFIs and is aware of current developments in the financial system.

### *3.4 Assessment and validation of intermediate data and statistical outputs*

#### *3.4.1 Main intermediate data are validated against other information where applicable*

Comprehensive secondary data sources that could be used for regular verification of monetary statistics do not exist.

### *3.4.2 Statistical discrepancies in intermediate data are assessed and investigated*

The Statistics Department investigates statistical discrepancies and determines major factors that might be contributing to them.

### *3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated*

The Statistics Department collaborates with the General Inspectorate of Banking Supervision to investigate statistical discrepancies and determine major factors that might be contributing to them.

## **3.5 Revision studies**

### *3.5.1 Studies and analyses of revisions are carried out routinely and used to inform statistical processes*

The Statistics Department has undertaken a study to compare the aggregates published in the *Preliminary Information* with those compiled from the detailed data submitted in monthly report forms by the other MFIs. The study showed that the differences between these two sources for major aggregates were negligible. Apart from this project, studies and analyses of revisions of source data, methodology, and compilation techniques are done irregularly.

## **4. Serviceability**

### **4.1 Relevance**

#### *4.1.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored*

The data needs of the main users of statistics within the NBP (the NBP Management Board and other departments) are regularly reviewed. Staff of the Statistics Department also participate in international conferences (ECB, Eurostat, IMF, etc.) in order to assess user needs. There are no formal meetings with other users. The Statistics Department considers that enquiries from users made through personal contacts or through the common e-mail address at the NBP for data enquires provide sufficient feedback to the compilers.

During 2002, the staff of the Statistics Department participated in a meeting organized by the Polish Bankers Association to impart information concerning the new methodological changes introduced in the compilation of monetary statistics from March 2002.

## **4.2 Timeliness and periodicity**

### *4.2.1 Timeliness follows dissemination standards*

The analytical accounts of the NBP are disseminated on the National Summary Data Page (NSDP) within one week, and those of the MFI sector within two weeks after the end of the reference month, exceeding the Special Data Dissemination Standard (SDDS) requirements of two weeks and one month, respectively. The analytical accounts for the MFI sector disseminated on the NSDP is based on the data collected under the preliminary information project that contain data only for selected major aggregates. The accounts compiled, based on the full set of data, are submitted by the other MFI's in their monthly report forms and available only on a monthly basis on the website.

The NBP website disseminates daily interest rates and provides a link to Warsaw Stock Exchange for the daily data on stock market index.

The NBP uses the *Information Bulletin* as another vehicle for disseminating monetary statistics. Although the normal timeliness for the publication is one month, sometimes slippages do occur, causing long and variable delays.

### *4.2.2 Periodicity follows dissemination standards*

The NBP compiles the balance sheet of the NBP and the consolidated balance sheet of the MFIs on a daily and a monthly basis, respectively; although these data are disseminated on a monthly basis only. Furthermore, it compiles the daily data on interest rates and provides a hyperlink to Warsaw Stock Exchange for the daily data on stock exchange index. Therefore, the NBP fully meets the SDDS requirements for periodicity.

## **4.3 Consistency**

### *4.3.1 Statistics are consistent within the dataset*

Overall, the monetary statistics are internally consistent. The records of the NBP and other MFIs regarding claims on, and liabilities to, each other show only negligible discrepancies. The staff of the Banks' Balance Sheet Division of the Statistics Department has detailed data from each of the other MFIs on its asset and liability positions with the NBP, and the NBP's asset and liability positions with each of the other MFIs. If any significant discrepancies are noted in the interbank positions between the NBP and other MFIs, the staff immediately investigate the reasons and take steps to correct for the problem by contacting the institution concerned. A reconciliation of stock and flow data is not possible, because flow data are not currently compiled for monetary statistics.

#### *4.3.2 Statistics are consistent or reconcilable over a reasonable period of time*

Further to the adoption of the ECB requirements for compiling monetary statistics, the NBP has revised the historical data for December 1996-February 2002 for a number of series, to be consistent with those from March 2002 onward. They are published in *Information Bulletin* and posted on the NBP website. Both dissemination sources provide methodological notes explaining that the time series for December 1996-February 2002 have been revised to be comparable with those data published from March 2002 onward. The staff also prepare analytical tables and notes explaining any major movements in the economic trends observed. They are published in the *Information Bulletin*.

#### *4.3.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks*

The balance of payments statistics (international investment positions) and monetary statistics make use of the same source data collected from the NBP and the other MFIs on foreign assets and foreign liabilities and, hence, the two systems are consistent. However, there are material differences between government finance statistics financing data and the corresponding monetary data. Therefore, government finance statistics and monetary statistics are inconsistent.

### **4.4 Revision policy and practice**

#### *4.4.1 Revisions follow a regular, well-established, and transparent schedule*

In practice, revisions are rare and insignificant as monthly report forms submitted by the other MFIs are usually final. If only minor revisions are made, the database is updated but the revised monetary statistics are not disseminated again. The exception to this rule is that data for December each year may be revised following the external audit of the annual balance sheets of each of the other MFIs. If any revisions are warranted, the other MFIs resubmit the revised data for December and for subsequent months. The revised December data are incorporated and disseminated in the following cycle of data release. However, for other months, the revised data are disseminated only if there are any significant changes. If major revisions are introduced, such as the revisions of the historical series for December 1996-February 2002, they will be announced through the Press Release and posted on the website. The NBP intends to follow ECB regulations on revisions procedures in the future.

#### *4.4.2 Preliminary data are clearly identified*

The Preliminary Information Division of the Statistics Department of the NBP collects data from the other MFIs only for selected series of the monetary statistics. They are published in a monthly publication *Preliminary Information* and are disseminated on the website. Documentation on the preliminary nature of these data is also disseminated on the website.



As mentioned in 4.4.1, December data for each year are subject to revision until the external audit of the annual balance sheets of the other MFIs is concluded. However, no information is posted regarding the possibility of such revision in the publication or on the website. The NBP indicates, however, that it is common knowledge that the December data are subject to revision.

#### *4.4.3 Studies and analyses of revisions are made public*

The NBP does not provide information on studies and analyses of revisions to the public. According to the Statistics Department, revisions in monetary statistics are rare and, if any, they are small.

## **5. Accessibility**

### **5.1 Data accessibility**

#### *5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)*

The *Information Bulletin* and the NBP website cover the balance sheet of the NBP, aggregate balance sheet of the other MFIs, consolidated balance sheet of the MFIs, M3 and its counterparts, reserve money and its counterparts, selected interest rates and stock market indices. They also carry seasonally adjusted time series for monetary aggregates, as well as selected loans and deposits, especially of households and enterprises.

Although various breakdowns of data are available, the presentations of these tables are such that it is difficult to identify readily the gross and net positions of the central government and general government from the various tables posted on the website and published in the *Information Bulletin*. Furthermore, it is not possible to identify interbank positions between the NBP and the other MFIs from these tables.

#### *5.1.2 Dissemination media and formats are adequate*

The NBP disseminates monetary statistics in hard copy (*Information Bulletin* and *Preliminary Information*) as well as in electronic formats on the NBP website. The entire *Information Bulletin* is also posted on the NBP website. The website also provides Excel versions of these tables in a time series format with time series dating back to December 1996. The components of the various aggregates (e.g., breakdown of claims on nonfinancial corporations sector by MFIs into public and other nonfinancial corporations; nonperforming loans, etc.) are currently available only in the Polish version of the website, but can be accessed and downloaded free of charge. They will also be disseminated in the English version of the website in the near future.

### *5.1.3 Statistics are released on a preannounced schedule*

Monetary statistics are released according to an advance release calendar providing for exact release dates one quarter ahead. This calendar is disseminated on the NBP website, and is available on the IMF's Dissemination Standards Bulletin Board (DSBB). Information concerning the advance release calendar is also shown in the NBP's monthly publication *Preliminary Information*.

### *5.1.4 Statistics are made available to all users at the same time*

Data are released simultaneously to all users at 4:00 p.m. on the date specified in the preannounced schedule.

### *5.1.5 Nonpublished (but nonconfidential) subaggregates are made available upon request*

Nonpublished data, provided they are nonconfidential, are made available to users upon request free of charge. The availability of nonpublished statistics, and the terms and conditions on which they are made available, are not publicized.

## **5.2 Metadata accessibility**

### *5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated*

The NBP publishes in its *Information Bulletin*, as well as on its website, "Methodological Notes," explaining the definitions of terms used in each table, the classification of institutional units into various sectors in monetary statistics, and the components of money. Additional metadata on methodological issues are provided on the DSBB website, to which the NBP's website is hyperlinked. The NBP has also detailed bridge tables on the website in Polish linking the old methodology and the new methodology.

### *5.2.2 Levels of detail are adapted to the needs of the intended audience*

The NBP authorities have prepared a document on Polish practices in the compilation of monetary statistics for the ECB's *Money and Banking Statistics in the Accession Countries: Methodological Manual* (December 2002). The national dissemination sources (*Information Bulletin* or the NBP website) also provide part of the metadata. However, there is no formal and comprehensive brochure available explaining the compilation of monetary statistics.

### 5.3 *Assistance to users*

#### 5.3.1 *Contact person for each subject field is publicized*

Contact persons for monetary statistics are identified in the SDDS metadata, although not in the NBP's *Information Bulletin* and on the website. The Department of Information and Public Relations is identified as the contact, and acts as a focal point for all data enquires coming to the NBP. On occasion, it directs certain data enquiries to staff of the Statistics Department. No user surveys are carried out. No documentation has been prepared to educate users as to the available data on monetary statistics.

#### 5.3.2 *Catalogs of publications, documents, and other services, including information on any charges, are widely available*

Publications, documents, and other services are provided free of charge. A catalog of publication is not available. However, a publication called *National Bank of Poland* lists the names of all the NBP publications. The publications are also disseminated on the NBP website.

Table 5. Poland: Data Quality Assessment Framework—Summary of Results for Monetary and Financial Statistics  
(Compiling Agency: National Bank of Poland)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
<b>0. Prerequisites of quality</b>						
0.1 Legal and institutional environment			X			No explicit legal requirement to disseminate data.
0.2 Resources		X				
0.3 Quality awareness		X				
<b>1. Integrity</b>						
1.1 Professionalism		X				
1.2 Transparency		X				
1.3 Ethical standards		X				
<b>2. Methodological soundness</b>						
2.1 Concepts and definitions		X				Money market funds not included in the coverage.
2.2 Scope			X			
2.3 Classification/sectorization		X				Some equity assets valued at historic cost.
2.4 Basis for recording			X			
<b>3. Accuracy and reliability</b>						
3.1 Source data		X				
3.2 Statistical techniques		X				
3.3 Assessment and validation of source data		X				
3.4 Assessment and validation of intermediate data and statistical outputs		X				
3.5 Revision studies		X				
<b>4. Serviceability</b>						
4.1 Relevance			X			No user advisory group; no regular user meetings.
4.2 Timeliness and periodicity		X				
4.3 Consistency			X			Monetary and government finance data inconsistent; regular reconciliation not carried out. Not stated that December data are subject to revision.
4.4 Revision policy and practice			X			
<b>5. Accessibility</b>						
5.1 Data accessibility			X			Insufficient data to evaluate interbank positions and net claims on central and general government; availability of nonpublished statistics and the terms and conditions on which they are made available are not publicized.
5.2 Metadata accessibility		X				
5.3 Assistance to users			X			Contact persons not identified.

## VI. BALANCE OF PAYMENTS STATISTICS

### 0. Prerequisites of quality

#### 0.1 *Legal and institutional environment*

##### 0.1.1 *The responsibility for collecting, processing, and disseminating statistics is clearly specified*

The National Bank of Poland (NBP) is responsible for compiling and disseminating the balance of payments statistics. The Act on the National Bank of Poland of August 29, 1997 (the “NBP Act”), Article 23, states (paragraph 1) that the “President of the NBP shall submit to the Sejm and the Council of Ministers quarterly reports on the balance of payments.” The legal authority to collect information from the banking sector is specified in the NBP Act, while authority to collect information from nonbanks derives from the Act on the Foreign Exchange Law of June 27, 2002 (the “Foreign Exchange Law”), Article 30.

The NBP may also conduct surveys either solely or together with the Central Statistics Office (CSO) as part of the Annual Statistics Program submitted by the President of the CSO and approved by the Council of Ministers in line with Article 20 of the Law of 29 June, 1995 on official statistics (the “Statistics Law”), with the conditions of the surveys following the requirements of that Law. Dissemination of completed surveys is mandated under the Statistics Law, Article 36.

No legal amendments are envisaged to meet the European Union (EU) requirements for Polish accession, as Poland will enter the EU with a derogation from participation in the European Economic and Monetary Union (EMU). The European Central Bank (ECB) has finalized arrangements with Poland as regards the exchange of confidential information between the NBP and the ECB; this will become effective on the day of accession. Further legal amendments will, however, be needed, before Poland can participate in EMU.

##### 0.1.2 *Data sharing and coordination among data producing agencies are adequate*

The NBP cooperates with the CSO, for instance in the provision of information on the CSO’s business register for use in undertaking collections for balance of payments purposes, while the NBP provides the CSO with data for the rest of the world in the national accounts. The NBP and the CSO are bound by the requirements of the Statistics Law (Articles 13 and 44), as regards the exchange of information. Each institution is entitled to request information from the other free of charge, insofar as the data requirements are specified within the annual program submitted by the President of the CSO and approved by the Council of Ministers. For information from the CSO not specified under the annual program, the NBP may have to pay the CSO, in line with Article 51 of the Statistics Law. The NBP has the right to appoint a representative to the Statistical Council that recommends approval of the draft annual program of the President of the CSO to the Council of Ministers.

The NBP has regular meetings with the Ministry of Finance (MoF), including monthly meetings of the public debt committee. During these meetings, statistical issues are sometimes addressed. There are additional informal meetings, both to discuss statistical issues for internal purposes and for public dissemination.

The NBP considers that coordination arrangements with other data producing agencies are satisfactory. There does not appear to be any significant duplication of effort in collecting or compiling statistics.

*0.1.3 Respondents' data are to be kept confidential and used for statistical purposes only*

Article 23 of the NBP Act (paragraph 5) indicates that the information collected from banks may be utilized solely for carrying out studies and assessments and shall not be made available to third parties. The Amendment to Article 23 of the NBP Act issued on July 27, 2002 (paragraph 6) prevents the NBP from disseminating any data from which information provided by an individual bank can be inferred. Similarly, the Foreign Exchange Law, Article 31, requires that the NBP safeguard the secrecy of information obtained under Article 30 of that law as well as under Article 23 of the NBP Act. Thus the NBP follows the prescription of the Statistics Law, Article 38, precluding the publication of data derived from fewer than three respondents.

Staff outside the Statistics Department of the NBP generally have no access to data on individual respondents. In the event that a staff member seeks such access, authorization has to be sought from one of the deputy presidents. Individual workstations are password protected, and management of the Statistics Department can monitor which files are accessed. Article 55 of the NBP Act stipulates that staff of the NBP are bound by confidentiality provisions regarding their work in the NBP. Staff violating this provision would be subject to penalties under the penal code. The Statistics Law, Article 54, stipulates that such violations may be penalized by up to three years' imprisonment. However, staff are well trained and fully understand the requirements of confidentiality, and there have reportedly been no cases of prosecution in this regard.

An agreed exception will be with regard to the exchange of confidential information with the ECB as from the day of Poland's accession into the EU. The Amendment to Article 23 of the NBP Act issued on July 27, 2002 (paragraph 7) amends the confidentiality provisions in the Law, giving the President of the NBP the authority to disclose individual data "...taking into consideration object and purpose of activity of subjects, to which these data are to be made available..." Such authority has never been used in practice.

*0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response*

The NBP Act, Article 23 (paragraph 2) stipulates that where banks are involved in transactions with nonresidents they shall file with the NBP such information as is necessary

to draw up the balance of payments and international investment position of the Republic of Poland. The Foreign Exchange Law, Article 30 stipulates that residents other than banks engaged in the transactions with nonresidents are required to furnish the NBP with data on such transactions necessary to prepare the balance of payments and international investment position of the Republic of Poland. Article 32 of that law states that "...residents, on the request of an authorized bank, are required to deliver information on transactions with nonresidents made with the intermediary of this bank" in order for the NBP to prepare the balance of payments and international investment position.

Responses of nonbanks are monitored in the first instance by the regional branches of the NBP, to ensure close relations between respondents and the collectors of information. Response rates in practice are high, reinforced also by provisions that a nonrespondent may be subject to penalties under the Penal and Fiscal Code. The ability of the tax authorities to check on nonrespondents acts as an inducement to comply.

## **0.2 Resources**

### *0.2.1 Staff, financial, and computing resources are commensurate with statistical programs*

The Statistics Department of the NBP has 83 staff. Within this total, two divisions are responsible for the compilation, checking, and processing of balance of payments data. One division, comprising 14 staff, collects reports from the banks on their transactions with nonresidents, made by banks on their own behalf and on behalf of their clients, and publishes monthly balance of payments on a cash basis. The division also compiles data on foreign assets and liabilities of the banking system, including reserve assets. The second division, comprising nine staff,<sup>15</sup> collects data quarterly and annually from the nonbanks on a transactions basis. Both divisions are not only responsible for the collection of data but also for the dissemination of specific statistical products. A third division, comprising five staff, is responsible for statistical methodologies regarding the balance of payments, prepares estimates of portfolio investment on a transactions basis, and also prepares a quarterly publication *Balance of Payments*.

Overall, staff resources are commensurate with statistical programs. There is little loss of staff, so management may rotate staff amongst the various divisions. Recruitment of well-educated staff is not a problem; only candidates with master's degrees are now recruited to professional posts. Staff resources are likely to have to be augmented in the context of

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<sup>15</sup> In addition, the regional offices of the NBP devote, on average, approximately two staff per branch to collecting, processing, and following up data for nonbank returns. As there are 16 branches of the NBP, this indicates approximately 30 additional staff years are involved in the compilation of balance of payments statistics. These resources are not funded by the Statistics Department.

prospective EU accession and more particularly the eventual participation of EMU and the enhanced requirements of the ECB.

Computer resources are adequate, with each staff member having access to their own personal computer. The quality of the equipment is linked to the individual's responsibilities.

The presence of the Director of the Statistics Department on the Board of the NBP enables him to make presentations on the needs of the department during Board meetings.

### *0.2.2 Measures to ensure efficient use of resources are implemented*

The Office of the President of the NBP undertakes occasional reviews of staff resources; this generally takes the form of direct discussions with the department's director regarding existing resources and future needs. Each department also prepares an annual report on the state of the department's equipment resources, and the needs for the future. These would then be included in the budget that the bank's management approves.

In addition, every six months each department makes a performance report to the President's office, and the President's office makes a report to the Board. The Statistics Department used to make monthly reports to its supervising deputy president; as from February 2003 these reports are being prepared on a quarterly basis.

## **0.3 Quality awareness**

### *0.3.1 Processes are in place to focus on quality*

Management is aware of the need for quality in statistics. In recent years it has been evidenced by contacts with the ECB and the Statistical Office of the European Communities (Eurostat), and the high priority attached to meeting the requirements of these institutions and to harmonize statistics with those of the EU. Staff have periodic contacts with international counterparts, in particular those from the EU institutions.

Preparation for EU accession has meant that substantial revisions to practices have had to be introduced, enhancing data quality. The NBP is aware that, when data are disseminated widely to international users, that its prestige depends upon the quality of these data.

There are no formal meetings with data users. However, the department is open to suggestions from users; these are provided through a variety of means, such as personal contacts, telephone, e-mail, and the media. The public is aware that the NBP is open to requests and suggestions, and therefore makes many of these. Indeed, it is a significant burden on the staff to respond to them

In addition, several members of the department serve on external bodies and receive feedback on statistics through these bodies. The NBP's Department of Information and Public Relations is responsible for external communications.



### *0.3.2 Processes are in place to monitor the quality of the collection, processing, and dissemination of statistics*

The whole system of reporting for balance of payments statistics contains built-in algorithms that facilitate the checking of data. In the event of errors, the data cannot be processed. In addition, staff perform analyses of the data and seek to investigate irregularities. Reporters are informed by letter when significant statistical mistakes have been detected.

Changes in methodologies requiring changes in banks' information technology systems have been a cause of errors. To help reduce such problems, prior to any extensive changes in methodology, the NBP organizes meetings for the banks to explain the changes. Also, such changes are posted in detail on the NBP's website, and banks are encouraged to raise any questions that they may have.

There is no separate report prepared to management on data quality issues, although management is informed immediately if serious problems are detected.

### *0.3.3 Processes are in place to deal with quality considerations, including trade-offs within quality, and to guide planning for existing and emerging needs*

Deadlines for data reporting reflect a trade-off between seeking maximum timeliness and accuracy. The trade-off may emerge more in the future as the deadlines for reporting to the ECB are very short.

In order to deal with these concerns, banks have been informed in advance that deadlines will be tight, in order that they can begin preparations. The NBP meanwhile is seeking not to increase the burden on banks excessively, including for instance by identifying data that no longer need to be collected.

Additionally, plans are reportedly under consideration for reducing sample sizes, for instance introducing or raising threshold reporting requirements for surveys, and making greater use of sampling techniques and econometric estimation to meet likely greater future needs without a commensurate increase in resources.

## **1. Integrity**

### **1.1 Professionalism**

#### *1.1.1 Statistics are compiled on an impartial basis*

Under the Constitution of the Republic of Poland dated April 2, 1997 (Article 227), the NBP is an independent central bank. The Statistics Department was created within the NBP in 1994 to enhance consistency between the balance of payments and monetary statistics.

Professionalism is actively promoted through the recruitment process, where only graduates with master's degrees are recruited, and promotion within the Statistics Department is based on professional merit. The NBP does not have a tradition of publishing methodological research papers.

*1.1.2 Choices of sources and statistical techniques are informed solely by statistical considerations*

The choice of source data and statistical techniques is based solely on statistical considerations. The Statistics Department prepares internal papers—for information and discussion within the NBP—on reasons for the choice of methodological approach, but these papers are not released to the public.

*1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics*

The NBP is entitled to comment on the misuse or erroneous interpretation of its data. A recent example was with respect to an article in the financial press that misrepresented the NBP's data on direct investment abroad. The Department of Information and Public Relations monitors closely the financial media to ensure that such errors are not left un rebutted.

**1.2 Transparency**

*1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public*

The terms and conditions under which official statistics are compiled and disseminated are embodied in the legislation under which statistics are collected—the NBP Act and the Foreign Exchange Law. These laws are in the public domain in the same manner as all other legislation. Moreover, in light of the pending accession to the EU, the NBP has prepared a chapter in the ECB's *Accession Countries: Balance of Payments/International Investment Position Statistical Methods* on the Polish balance of payments, in which the basis for the collection and dissemination of the data is presented. The NBP Act is posted on the NBP's website, and it is intended that the Foreign Exchange Law will be as well. The NBP's website also provides information on the NBP, including, inter alia, its responsibilities, its structure, and its statistical products.

The NBP's *Annual Report* provides, as an annex, all its statistical products.

*1.2.2 Internal governmental access to statistics prior to their release is publicly identified*

There is no internal government access to statistics prior to their release.

### *1.2.3 Products of statistical agencies/units are clearly identified as such*

The balance of payments data are disseminated on the NBP's website and in hard copy, and clearly indicate that they are the product of the NBP. The NBP does not undertake joint publications of its data. The NBP does not explicitly request attribution when its statistics are used or reproduced.

### *1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques*

When the NBP makes changes to balance of payments methodology, source data, or statistical techniques, the public is usually informed concurrently when the change is effected.

## **1.3 Ethical standards**

### *1.3.1 Guidelines for staff behavior are in place and are well known to the staff*

Guidelines for staff behavior, covering, inter alia, conflicts of interest and ethical issues, are set out in two primary documents: Regulations of the Management Board 54/2002, of October 14, 2002, on the Introduction of the Code of Conduct in the NBP (which cover all NBP employees) and Internal Regulations of the Statistics Department (specifically for staff in the Statistics Department). The former document sets out regulations on professional secrecy and staff conduct, while the second document provides procedures to address inappropriate behavior on the part of staff in the Statistics Department. In addition, all staff of the NBP are covered by Article 55 of the NBP Act, which states that revealing information, acquired by the NBP as part of its mandate, is punishable under the Penal Code.

All new recruits participate in extensive training courses. These courses give the participants information on the NBP's responsibilities, activities, and banking secrecy, and provide guidance on staff behavior and ethical standards expected of staff of the NBP. All staff are required to sign an oath of secrecy, which remains in effect even after they have left the NBP's employ.

## **2. Methodological Soundness**

### **2.1 Concepts and definitions**

#### *2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices*

The balance of payments in Poland follow the concepts and definitions set out in the fifth edition of the *Balance of Payments Manual (BPM5)*.

## **2.2 Scope**

### *2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices*

In principle, all resident: nonresident transactions as specified in *BPM5* are covered in the balance of payments statistics, and no major component is excluded. Data are compiled on two bases: a cash basis and a transactions basis. The data for the cash basis are drawn from a closed system of bank reporting of transactions in foreign exchange; these are compiled with a monthly periodicity. For estimates on a transactions basis, the banking data are supplemented by surveys of nonbanks, and are published on an annual basis. Starting with the first quarter of 2003, quarterly estimates of balance of payments on a transactions basis will be published (quarterly data have been collected on a cash basis for some years).

## **2.3 Classification/sectorization**

### *2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices*

Institutional units are classified according to *BPM5*. Transactions are broadly diversified in line with those recommended by *BPM5*, but there are some deviations. For example, *general merchandise* is not broken down into the subcomponents recommended in *BPM5* (the amounts for *goods for repair* and for *goods for processing* are considered to be negligible), and the adjustment of customs based merchandise goods (on a c.i.f. basis) to an f.o.b. basis (as recommended in *BPM5*) allocates all the freight and insurance charges to *transportation*, rather than providing a separate estimate for insurance. Up to 2002, the short-term/long-term split for trade credit has not been available; however, starting in 2003, the new reporting system will provide the breakdown. Trade credit between affiliates is not separately published from other trade credit. Debt securities acquired by affiliates are included in *portfolio investment* (such holdings are considered to be minimal, at present).

## **2.4 Basis for recording**

### *2.4.1 Market prices are used to value flows and stocks*

Transactions in foreign currency in the banking data are converted to Polish zloty at the average mid-point exchange rate for each currency for the day of each transaction. For nonbank data sources, the average mid-point exchange rate for each currency for the period is used. For estimates of transactions in trade credit, which are derived from changes in position, the estimates are constructed by applying the average mid-point exchange rate for the period.

#### *2.4.2 Recording is done on an accrual basis*

Generally, the change of ownership rule is applied in the balance of payments statistics. However, for the monthly cash-based estimates interest is measured on a cash basis, while for the transactions-based estimates interest has been recorded on either a cash or a due for payments basis. The new quarterly system will require respondents to report on an accruals basis for most series, but not yet for portfolio investment that will continue on a cash basis. However, the reporting system requests portfolio investment to be reported on a “dirty” basis, which will mean that interest can be calculated on an accruals basis in the future.

#### *2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices*

For the cash-based estimates, current and capital account transactions are recorded on a gross basis, for the most part, and the financial account on a net basis—assets separately from liabilities—but certain transactions on current account (such as for communications services) are recorded on a net basis. Estimates on a transactions basis are on a gross basis for the current and capital accounts and a net basis for the financial account, assets being recorded separately from liabilities.

### **3. Accuracy and Reliability**

#### **3.1 Source data**

##### *3.1.1 Source data are collected from comprehensive data collection programs that take into account country-specific conditions*

The primary data sources are broadly sufficient to compile the balance of payments in conformity with *BPM5*. They are:

The cash-based system, the International Transactions Recording System (ITRS), is a closed system that captures all foreign exchange transactions that are conducted through the banking system. These data cover the current account, the capital account, and the financial account. Data for the government of Poland are also provided as part of this system by the government’s financial agents (the NBP, and the Bank Gospodarstwa Krajowego). These data include current government transfers. Transactions by the NBP on its own behalf (for reserve assets and also other balance of payments transactions, such as repurchase agreements) are provided for the cash-based system by the NBP’s Foreign Exchange Department. Transactions of foreign exchange bureaux are included, though, for the most part, these transactions are unclassified (and are included in the current account as a net figure).

For the transactions-based system, other sources are used in addition to those in the cash-based system. The information provided to the NBP from these data sources is used to replace the data from the cash-based estimates, to derive statistics on a transactions basis:

- For merchandise goods (imports and exports), customs data are used as the primary source of information; the NBP and the CSO make adjustments to these estimates for undercoverage (such as for shuttle trade) and other adjustments to bring the data to a balance of payments basis.
- For most other balance of payments transactions, the NBP collects information quarterly directly from nonbank institutional units on their transactions with nonresidents. Included in the reporting units are financial institutions (other than banks), general government (central and local), nonfinancial corporations, and, in principle, individuals (including any transactions with nonresidents in land). In addition to providing transactions in the current and financial account that are not conducted through banks in Poland, these reports provide some information separately on transactions conducted through banks in Poland. They also provide data on a gross basis on transactions that are conducted through Polish resident banks but that are reported on a net basis in the banking reports. Most of the reports, in addition to obtaining information on transactions with nonresidents, also include opening and closing balances of assets and liabilities with nonresidents (together with *other changes*—usually for valuation). As a result, the reports provide a consistent reporting framework. In addition, annual reports provide the NBP with information from which to estimate dividends, reinvest earnings, and equity transactions in direct investment entities.
- As new entities are added to the business register, the CSO provides the NBP with information on new entities with foreign participation. New thresholds were recently introduced with the new quarterly collection system; the NBP's studies indicate these thresholds will result in minimal loss of information (between 1 percent and 3 percent). There will be, on the other hand, a significant drop in respondent burden as a result of these new thresholds: for direct investment entities, for example, the number surveyed will drop by half, from over 12,000 to 6,000.
- For *travel*, the NBP obtains information annually on a transactions basis from the Tourism Institute on the expenditure by residents abroad and by nonresidents in Poland.
- For *government services*, not identified elsewhere, information on Polish government expenditures abroad is reported by the Ministry of Foreign Affairs; credits are reported in the banking system. Both credit and debit estimates include costs of locally hired labor.
- For *investment income*, information is reported on either a cash or a due-for-payment basis. Income on reserves assets is provided by the Foreign Exchange Department of

the NBP.<sup>16</sup> Data on *dividends* are reported in the monthly ITRS and annually (as part of the Foreign Direct Investment reports).

- Estimates of *compensation of employees* are drawn from the ITRS system.
- Information for the *capital account* is obtained from two sources: for debt forgiveness, the financial agents of the MoF (the NBP and Bank Gospodarstwa Krajowego) provide the data; for purchases and sales of nonproduced nonfinancial assets, and for migrants' funds, the data are reported by both banks and nonbanks.
- For *direct investment (equity and reinvested earnings)*, the NBP collects information on an annual basis from banks and nonbanks.
- For *portfolio investment (assets)*, the NBP surveys end investors (the banks, brokerage houses and investment funds, pension funds, and insurance offices (for none of which is there a threshold) and nonfinancial corporations and households (both of which have a threshold of 10,000 euros). These data are reported on a security-by-security basis.
- For *portfolio investment (liabilities)*, the NBP obtains information from several sources. For securities issued abroad, the NBP obtains information from the MoF, the banks, and other issuers (they are required to register such issues). These are reported on a mixture of security-by-security and an aggregate basis. For acquisitions by Polish residents of these securities, information is obtained from banks (on an aggregate basis) and from other residents (on a security-by-security basis). Reporting purchases of these securities is obligatory. For acquisitions by nonresidents of government securities issued on public markets in Poland, the NBP obtains information of transactions by nonresidents from central depositories—the NBP, and the National Depository for Securities—on a security-by-security basis. For nongovernment securities issued in public markets in Poland, the NBP obtains information on nonresident holdings from custodians, on a security-by-security basis. For private placements of securities by residents that are acquired by nonresidents, the NBP obtains information from custodians (on an aggregate basis).
- *Trade credit* is reported through a survey of major importers and exporters (and is derived from the change in positions after allowing for valuation changes).
- *Currency and deposits* are obtained from the banks and nonbanks, as part of the ITRS, supplemented with surveys of nonbanks on accounts abroad.

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<sup>16</sup> Positions data on reserve assets are provided by the Accounting and Operations Department of the NBP.

The survey frame for nonbanks appears to be dependable. Under the Foreign Exchange Law, all nonbanks are required to report transactions and positions with nonresidents; the tax authorities verify that the reports are filed. The CSO maintains a business register for all business activities in Poland; the information maintained by the CSO on this business register indicates, among other things, whether there is any foreign participation (but not the level). Using the results in this register, the NBP follows up to establish whether these entities have a direct investment relationship, that is, whether 10 percent or more of the entity's equity (or equivalent) is held by a nonresident. For *other investment*, nondirect investment entities with transactions abroad have a legal responsibility to report to the NBP their activities with nonresidents. Although the NBP does not currently send out forms quarterly, it maintains a register of all entities with foreign exchange transactions (drawn from the CSO's business register, and from reports that Polish entities are under a legal obligation to provide to the NBP if they undertake transactions with nonresidents), and this register serves as the basis for collecting the information. Loan liabilities are reported on a loan-by-loan basis (and form part of the mechanism for calculating Poland's external debt).

These data sources appear to be comprehensive.

The NBP takes into account international accounting standards and the accounting standards for the enterprises in designing its collection forms.

For the ITRS, coverage is integrated with the bank register maintained by the NBP so that all banks are covered in the reporting system. The report forms have been in place for 12 years (though there have been several updates) and the banks appear to have no difficulty in providing the information requested. There is no threshold at present (but thresholds will be introduced in 2004 with the new report forms and codes designed to be consistent with Eurostat's and the ECB's needs). Most of the foreign exchange transactions of the banks' foreign exchange bureaux are not classified (but these are reallocated to other series—travel, workers' remittances, and goods) in the transactions-based estimates of the balance of payments). For the most part, the ITRS reports current and capital account transactions on a gross basis, and financial account transactions on a net basis, by instrument, assets separately from liabilities. There are, however, some instances where transactions are reported net—notably, communications services and certain cash pooling. These transactions are kept under review (and are identified on a gross basis in the transactions-based system). Trade credit is not identified in the cash-based system.

Revisions take into account all material changes (see 3.5.1 for revisions practices). The financial media are monitored to ensure that information on international transactions (in particular, in regard to mergers and acquisitions and in regard to direct investment) and transactors is integrated into the statistics and registers. There are no periodic meetings with financial market participants.



### 3.1.2 *Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required*

The source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required to meet the *BPM5* recommendations, bearing in mind that cash-based estimates have certain inherent shortcomings (such as the omission of transactions not conducted through banks; netting of certain transactions; no c.i.f./f.o.b. adjustment for imports). Adjustments are made to the transactions-based estimates for travel (through the use of information from the Tourism Institute), to goods (for shuttle trade, based on information from the CSO), and to workers' remittances (as the residual of *unclassified transactions* in the cash-based estimates. Imports are also adjusted from a c.i.f. to an f.o.b. basis, using the results of a benchmark survey by the CSO (conducted in 1998) to determine the value of transportation and insurance (though no split of these services is recorded). That survey also obtained information on the value of these services that are provided by residents (and which the NBP excludes from the balance of payments). Imports on a noncash basis (between affiliates) are also identified to adjust direct investment equity transactions.

The NBP is aware that the data probably underestimate *compensation of employees*. The NBP compiles the data for balance of payments and external debt statistics from the same sources; they are in line with the concepts and definitions in *BPM5*.

### 3.1.3 *Source data are timely*

The data are generally timely. Cash-based banking data are reported on a ten-day reporting period, within ten days, and the banks generally report on time. The monthly customs data for balance of payments purposes (on a transactions basis) are reported within 55 days. Nonbanks are required to report within 20 days of the end of the reference period for most of the reporting forms; where entities fail to report, the NBP follows up, either by telephone or by letter. Approximately 17,000 forms are processed on a quarterly basis for the data on a transactions basis; the NBP estimates that approximately 90 percent of all these respondents report on time. A further 6,000 forms are sent out by the NBP for data on equity, earnings, and dividends involving direct investment entities. The follow ups are usually initiated at the local branches of the NBP.

## 3.2 *Statistical techniques*

### 3.2.1 *Data compilation employs sound statistical techniques*

In general, the methods used to compile the data are sound. The banking reports are provided in electronic form and processed electronically. However, no adjustment is made, in the cash-based system, of unclassified transactions using the annual breakdown as an indicator. The data are presently reported by the head offices of all banks and their branches to the central office of the NBP. Under the new reporting system—to be introduced in 2004, all reports will be provided through the banks' head offices. For the nonbank reports, the data are reported in paper form and are processed by hand. While this offers opportunities for

transcription errors, there are edit checks in the processing system to minimize such risks. Staff are well trained and experienced, and are required to provide commentary on the data. Data for portfolio investment generally are reported electronically.

When new forms are introduced, pilot testing is usually carried out with a small selection of respondents. However, in light of the time pressures to include the new forms on financial derivatives as part of changes to the Foreign Exchange Law, no form testing was possible in this instance.

### *3.2.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques*

Adjustments are made to data for coverage and classification. The coverage adjustments are intended to address concerns about nonreporting of shuttle exports.

Estimates of shuttle trade are included in the balance of payments statistics on a transactions basis. They are derived in consultation with the CSO. The CSO provides information from the national accounts framework on supply and uses of Polish production, and the two institutions agree on a value of missed exports through shuttle trade. This comprises the adjustment made by the NBP and the CSO for shuttle trade. Both institutions consider that shuttle trade imports are negligible.

The c.i.f/f.o.b. adjustment for imports is based on the results of a survey carried out by the CSO in 1998. For undercoverage of travel in the cash-based system, the NBP uses information from the Tourism Institute. In this manner, estimates of travel credits and debits are derived on a gross basis, and are used in the annual transactions-based estimates to replace the estimates from the cash-based system.

Adjustments to estimates of *workers' remittances* are derived residually from the *unclassified transactions* in the cash-based system, after the adjustments for shuttle trade and travel have been made.

### **3.3 Assessment and validation of source data**

#### *3.3.1 Source data—including censuses, sample surveys and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide planning*

The data collected in both the cash-based system and the transactions-based system are routinely checked for accuracy of value and classification, and explanations obtained. For the cash-based ITRS, there is a systematic check of balances reported on banks' balance sheets with the transactions reported. In addition, there are computer systems in place to ensure that nonbalance of payments transactions are checked with the banks to ensure there is equality between credits and debits in foreign exchange transactions, so that such

transactions between residents are identified and removed from the balance of payments. (Such checks in the past have helped the NBP reduce net errors and omissions.)

High value or inconsistent reporting from previous periods is identified through the processing system and confirmed with the respondents. There is a coherent and integrated system of reporting for the nonbanks: for the most part, the reports provide data on opening balances, transactions, other changes, and closing balances. Consequently, any reporting errors are more readily identifiable within the reporting period. This manner of reporting tends to be self-reinforcing, as it assists consistent reporting across time.

Although there is no systematic auditing of bank reporting, the NBP staff with responsibility for compiling the data are well trained and familiar with their reporting units. In addition, the NBP provides regular training courses for commercial bank staff so that they are familiarized with the reporting requirements. Once so trained by the NBP, commercial bank staff are expected to provide training in their own institutions.

Staff in both compilation areas review the revised data for accuracy and follow up where necessary.

### ***3.4 Assessment and validation of intermediate data and statistical outputs***

#### ***3.4.1 Main intermediate data are validated against other information where applicable***

Both the ITRS data and the survey data from the nonbanks (on a transactions basis) are checked against supplementary data sources, such as the financial media. However, no information on withholding taxes is obtained from the ITRS and comparable information is not available from the MoF: the NBP does not have access to individual tax returns for statistical purposes. Information on aggregate data on withholding taxes is not forthcoming from the MoF. However, the NBP is of the view that withholding taxes are minimal in Poland.

#### ***3.4.2 Statistical discrepancies in intermediate data are assessed and investigated***

The behavior of data is cross-checked with related series. For example, transactions of the banks on their own account (as reported in the ITRS) are cross-checked with the balances of their foreign assets and liabilities by instrument, as reported for the monetary statistics. Similarly, for the nonbanks, the integrated nature of the surveys allows cross-checks to be readily carried out between changes in levels of assets and liabilities and the reported transactions. In the same way, interest income is checked against the balances outstanding: the system on external loans is maintained on a loan-by-loan basis, thereby providing a ready means for checking the data. As noted, *travel* estimates in the ITRS are replaced with more comprehensive data (from the Tourism Institute) for the transactions-based estimates of the balance of payments.

### *3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated*

The size of *net errors and omissions* is closely monitored to explore whether any large movements might be identifiable. Such monitoring has led to the removal of nonbalance of payments transactions from the ITRS, and to cases being identified where residents remit funds from abroad (which would not otherwise have a counterpart debit entry).

Bilateral reconciliations have also been undertaken. These are considered by the NBP to have been useful. The NBP has also had several meetings with representatives from the World Bank to discuss differences between the NBP's estimates of external debt and those maintained in the Joint BIS-IMF-OECD-World Bank Statistics on External Debt (Joint Debt Tables). These meetings have proved very useful as they highlighted the exclusion from the Joint Debt Tables of Polish securities that are issued in the domestic market but that have been acquired by nonresidents. Attempts have also been made to explore how the BIS' banking data (from creditor sources) can be used in Poland's balance of payments and external debt data.

## **3.5 Revision studies**

### *3.5.1 Studies and analyses of revisions are carried out routinely and used to inform statistical processes*

The NBP monitors revisions between preliminary and subsequent changes of data submissions, as part of the regular data entry and checking. However, no formal study of revisions has been undertaken to identify whether, for example, any biases exist in early data submissions that could be systematically ameliorated.

## **4. Serviceability**

### **4.1 Relevance**

#### *4.1.1 The relevance and practical utility of existing statistics in meeting users' needs are monitored*

There is no established process of consultation that takes place periodically with policy departments outside the NBP, nor is there a user advisory group. The NBP does not have a regular user survey. However, the NBP holds an annual conference at which informal discussions are held with users. Such a recent meeting was instrumental in prompting the NBP to publish its balance of payments data in euros (as well as Polish zloty and U.S. dollars). The NBP regularly attends meetings on balance of payments (and related areas) at the ECB, Eurostat, and the OECD.

## **4.2 Timeliness and periodicity**

### *4.2.1 Timeliness follows dissemination standards*

The NBP produces and disseminates monthly balance of payments statistics on a cash basis, and these data are released within one month of the end of the reference month. Annual balance of payments statistics on a transactions basis are compiled and released nine months after the end of the reference year. This meets the requirements of the Special Data Dissemination Standard (SDDS). The NBP does not presently publish quarterly balance of payments statistics on a transactions basis, but plans to begin doing so with the release of the first quarter data by the end of June 2003.

### *4.2.2 Periodicity follows dissemination standards*

Monthly (and quarterly) balance of payments statistics (on a cash basis) and annual balance of payments on a transactions basis are disseminated by the NBP. These periodicities meet (and, in the case of the monthly balance of payments statistics, exceed) the SDDS requirements.

## **4.3 Consistency**

### *4.3.1 Statistics are consistent within the dataset*

The concepts, definitions, and classifications used in the monthly and annual (and soon-to-be released, quarterly) are consistent.

The NBP monitors the size and movement of *net errors and omissions*. Over the past few years, it has been quite large and volatile; the NBP has endeavored to minimize its volatility and reduce its size.

### *4.3.2 Statistics are consistent or reconcilable over a reasonable period of time*

Consistent time series balance of payments data, on a cash basis, are available on a monthly basis, since 1998, and annually since 1993. For annual balance of payments data on a transactions basis, consistent time series are available since 1994. All these sets of data are available on the NBP's website and in hard copy (in the monthly *Information Bulletin*, the quarterly *Balance of payments* (which covers the balance of payments on a cash basis in more detail than the monthly *Information Bulletin*), the annual *Balance of Payments on a Transactions Basis* and the NBP's *Annual Report* (which is also available on the NBP's website),

When changes to source data, methodology, or statistical techniques are introduced, historical data are constructed as far back as possible, although resource and data constraints may still result in data series being shorter than desirable. For example, when the new quarterly balance of payments on a transactions basis are introduced, the data series will have

thirteen data points (three years and one quarter), which, while not optimal, is a reasonable start for the time series.

The NBP identifies and explains the methodological changes at the time they occur, in the publication /release in which the data are published.

The NBP provides a descriptive analysis of the main features of the balance of payments at the time the data are released, in which major or unusual changes are highlighted and explained.

#### *4.3.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks*

The NBP and the CSO undertake quarterly a reconciliation of the international merchandise trade data with trade in goods in the balance of payments. While methodological notes have been published, the results of the reconciliation have not been made public. The data in the balance of payments are completely consistent with those for the rest of the world in the national accounts, as published by the CSO.

The balance of payments components that comprise external debt data are consistent with those for the corresponding stock data. The external debt data for general government are also consistent with those published by the MoF. (The MoF publishes two data series on external debt, but indicates how the second series differs from the first, the NBP's estimate.

Changes in the international investment position are reconciled with the transactions data in the financial account of the balance of payments, but the reconciliation is not published.

#### **4.4 Revision policy and practice**

##### *4.4.1 Revisions follow a regular, well-established, and transparent schedule*

The revision schedule for the monthly data (on a cash basis) and annual data (on a transactions basis) is well established and has followed the same pattern for several years. The NBP considers that the user community is familiar with the revision cycle.

New source data are incorporated as early as possible, once they are seen to be of publishable quality. For example, beginning in 2003, quarterly data on a transactions basis will be introduced. Many of these data are drawn from survey results that began about two years previously. Similarly, a new survey on financial derivatives will commence in 2003; data will be released once the NBP has confidence that the data are of sufficient accuracy.

##### *4.4.2 Preliminary data are clearly identified*

Preliminary data are marked accordingly, and the revised data are disseminated with the same level of detail as the preliminary data.

#### 4.4.3 *Studies and analyses of revisions are made public*

When new data are released, the NBP identifies the major changes. Beginning in 2002, the NBP maintains a database of all data series, as published since 1999, to provide a means for analysis of revisions. This database, as of now, is not available to the public. The ECB and Eurostat monitor the revisions of the Polish balance of payments for reliability.

## 5. **Accessibility**

### 5.1 ***Data accessibility***

#### 5.1.1 *Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts)*

The NBP publishes the balance of payments statistics in a reasonably clear manner. The quarterly balance of payments (which, currently, are also cash-based estimates) publication provides a more detailed text of developments during the period than the monthly release, and is accompanied by charts. The text of the quarterly release reviews developments on a cumulative basis, as the year advances. The publication of the annual balance of payments on a transactions basis includes charts and a detailed text reviewing the major developments during the year.

The monthly data provide standard components of *BPM5*, although the data include a separate (and non-*BPM5* category) *unclassified transactions*. The quarterly and annual publications provide more statistical detail than is available with the monthly estimates. The annual publication also provides supplementary information on stocks of direct investment, together with areas of economic activity and a geographical breakdown of income flows.

No data are seasonally adjusted.

#### 5.1.2 *Dissemination media and formats are adequate*

The monthly data (on a cash basis) are released with a short text and table, on the NBP's website and also in hard copy via the Department of Information and Public Relations. The quarterly data (on a cash basis) are released in a more comprehensive publication, three months after the end of the quarter. The annual data are released in a comprehensive publication, nine months after the end of the reference year.

The tables, disseminated for the monthly (and quarterly) estimates on a cash basis and annual estimates on a transactions basis, provide time series in electronic and hard copy forms. The monthly data (cash-based) are available from the NBP's website since 1998; annual data (on a cash basis) are available on the NBP's website from 1993. The NBP's *Information Bulletin* provides data (on a cash basis) for each series: the five most recent annual totals, quarterly data for the previous and current years, and monthly data from the beginning of the previous

year to the current month. The quarterly (cash-based) publication (*Balance of payments*) provides data for eight quarters. It also provides more detail than monthly data. The quarterly publication is not available on the website. An annual publication, *Balance of Payments on a Transactions Basis*, provides estimates on a transactions basis. The annual data on a transactions basis provide five years' data in hard copy; the data are available on the NBP's website from 1994. The NBP's *Annual Report* also highlights major aspects of the balance of payments data for the year.

The data on the website and in hard copy are available without charge. The provision, on request, of the quarterly data in electronic form is also free of charge.

### *5.1.3 Statistics are released on a preannounced schedule*

The monthly data are released according to an announced schedule, four months ahead. The quarterly balance of payments (on a cash basis) are required by legislation to be released within three months of the end of the reference period. The report is required to be delivered to the Council of Ministers and to Parliament. There are no announced dates for the release of the annual data (on a transactions basis).

### *5.1.4 Statistics are made available to all users at the same time*

The data are released simultaneously to all users on the NBP's website at 4:00 p.m. on the date in the schedule.

### *5.1.5 Nonpublished (but nonconfidential) subaggregates are made available upon request*

Although the level of detail is quite extensive in the monthly and quarterly (on a cash basis) and annual (on a transactions basis) publication releases, additional detail to that published is available upon request. The availability of this additional information is not made public.

## **5.2 Metadata accessibility**

### *5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines, or good practices are annotated*

Metadata that provide concepts, definitions, scope, classifications, basis for recording, data sources, etc., are published in the NBP's *Information Bulletin* (for the monthly data on a cash basis) and in the annual *Balance of Payments on a Transactions Basis*. In addition, the NBP prepares a chapter for inclusion in the ECB's *Accession Countries: Balance of Payments/International Investment Position Statistical Methods*. Metadata are also posted on the Dissemination Standards Bulletin Board (DSBB) website, to which the NBP's website is hyperlinked. The summary methodology on the SDDS for Poland is reviewed and updated when there is a change in methodology. Part 3 of the *Balance of Payments Statistics Yearbook* also provides fairly detailed methodological notes.



### *5.2.2 Levels of detail are adapted to the needs of the intended audience*

While most of the metadata produced by the NBP are of a summary nature and are intended for a nontechnical audience, the chapter for the ECB's *Accession Countries: Balance of Payments/International Investment Position Statistical Methods* provides more detailed information. The NBP has not produced a detailed sources and methods document.

## **5.3 Assistance to users**

### *5.3.1 Contact person for each subject field is publicized*

No contact person is identified when the balance of payments statistics are released. The NBP has not developed a specific brochure designed as a means to educate users of macroeconomic statistics. The NBP has not conducted a user survey.

### *5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available*

The list of the NBP's statistical products is provided on the NBP's website and in its *Annual Report*. A catalog is not available, but the publication *National Bank of Poland* lists the titles of all the NBP's publications. The NBP's *Information Bulletin* also provides an extensive statistical appendix. All data are available free of charge.

Table 6. Data Quality Assessment Framework—Summary of Results for Balance of Payments  
(Compiling Agency: National Bank of Poland)

Key to symbols: NA = Not Applicable; O = Practice Observed; LO = Practice Largely Observed; LNO = Practice Largely Not Observed; NO = Practice Not Observed; SDDS = Complies with SDDS Criteria						
Element	NA	Assessment				Comments
		O	LO	LNO	NO	
<b>0. Prerequisites of quality</b>						
0.1 Legal and institutional environment			X			No explicit legal requirement to disseminate data.
0.2 Resources		X				
0.3 Quality awareness		X				
<b>1. Integrity</b>						
1.1 Professionalism		X				
1.2 Transparency		X				
1.3 Ethical standards		X				
<b>2. Methodological soundness</b>						
2.1 Concepts and definitions		X				For most part, interest not recorded on an accrual basis.
2.2 Scope		X				
2.3 Classification/sectorization		X				
2.4 Basis for recording			X			
<b>3. Accuracy and reliability</b>						
3.1 Source data		X				Revisions studies limited.
3.2 Statistical techniques		X				
3.3 Assessment and validation of source data		X				
3.4 Assessment and validation of intermediate data and statistical outputs		X				
3.5 Revision studies			X			
<b>4. Serviceability</b>						
4.1 Relevance			X			No user of advisory group.
4.2 Timeliness and periodicity		X				
4.3 Consistency		X				
4.4 Revision policy and practice		X				
<b>5. Accessibility</b>						
5.1 Data accessibility		X				Contact persons not identified.
5.2 Metadata accessibility		X				
5.3 Assistance to users			X			

## **Summary of the Special Data Dissemination Standard (SDDS)**

The SDDS prescribes the following practices under each of the identified dimensions:

### **Data dimension** (coverage, periodicity, and timeliness)

- the dissemination of 18 data categories, including component detail, covering the four main sectors of the economy, with prescribed periodicity and timeliness.

### **Access dimension**

- the dissemination of advance release calendars providing at least one-quarter advance notice of approximate release dates, and at least a one-week advance notice of the precise release dates; and
- the simultaneous release of data to all users.

### **Integrity dimension**

- the dissemination of the terms and conditions under which official statistics are produced and disseminated;
- the identification of internal government access to data before release;
- the identification of ministerial commentary on the occasion of statistical release; and
- the provision of information about revision and advance notice of major changes in methodology.

### **Quality dimension**

- the dissemination of documentation on statistical methodology and sources used in preparing statistics; and
- dissemination of component detail and/or additional data series that make possible cross-checks and checks of reasonableness.

SDDS subscribers are required to:

- post descriptions of their data dissemination practices (metadata) on the IMF's Dissemination Standards Bulletin Board (DSBB). Summary methodologies, which describe data compilation practices in some detail, are also disseminated on the DSBB; and

- maintain an Internet website, referred to as the National Summary Data Page (NSDP), which contains the actual data described in the metadata and to which the DSBB is electronically linked.

At the March 29, 2000 meeting of the IMF's Executive Board, Directors approved the incorporation of a new SDDS data category on external debt. The transition period for implementing this data category expires in March 2003.

As a result of the IMF Executive Board's Third Review of the SDDS in March 2000, the IMF staff began monitoring observance of the Standard through NSDPs maintained on the Internet. Monitoring commenced at the beginning of July 2000 and is limited to the coverage, periodicity, and timeliness of the data and to the dissemination of advance release calendars.

*Source: Guide to the SDDS, February 2002: <http://dsbb.imf.org>.*

**Data Quality Assessment Framework—Generic Framework**  
(July 2001 Vintage)

Quality Dimensions	Elements	Indicators
<p><b>Prerequisites of quality<sup>1</sup></b></p>	<p><b>0.1 Legal and institutional environment</b>—<i>The environment is supportive of statistics.</i></p> <p><b>0.2 Resources</b>—<i>Resources are commensurate with needs of statistical programs.</i></p> <p><b>0.3 Quality awareness</b>—<i>Quality is a cornerstone of statistical work.</i></p>	<p>0.1.1 The responsibility for collecting, processing, and disseminating statistics is clearly specified.</p> <p>0.1.2 Data sharing and coordination among data producing agencies are adequate.</p> <p>0.1.3 Respondents' data are to be kept confidential and used for statistical purposes only.</p> <p>0.1.4 Statistical reporting is ensured through legal mandate and/or measures to encourage response.</p> <p>0.2.1 Staff, financial, and computing resources are commensurate with statistical programs.</p> <p>0.2.2 Measures to ensure efficient use of resources are implemented.</p> <p>0.3.1 Processes are in place to focus on quality.</p> <p>0.3.2 Processes are in place to monitor the quality of the collection, processing, and dissemination of statistics.</p> <p>0.3.3 Processes are in place to deal with quality considerations, including trade-offs within quality, and to guide planning for existing and emerging needs.</p>
<p><b>1. Integrity</b></p> <p><i>The principle of objectivity in the collection, processing, and dissemination of statistics is firmly adhered to.</i></p>	<p><b>1.1 Professionalism</b>—<i>Statistical policies and practices are guided by professional principles.</i></p> <p><b>1.2 Transparency</b>—<i>Statistical policies and practices are transparent.</i></p> <p><b>1.3 Ethical standards</b>—<i>Policies and practices are guided by ethical standards.</i></p>	<p>1.1.1 Statistics are compiled on an impartial basis.</p> <p>1.1.2 Choices of sources and statistical techniques are informed solely by statistical considerations.</p> <p>1.1.3 The appropriate statistical entity is entitled to comment on erroneous interpretation and misuse of statistics.</p> <p>1.2.1 The terms and conditions under which statistics are collected, processed, and disseminated are available to the public.</p> <p>1.2.2 Internal governmental access to statistics prior to their release is publicly identified.</p> <p>1.2.3 Products of statistical agencies/units are clearly identified as such.</p> <p>1.2.4 Advance notice is given of major changes in methodology, source data, and statistical techniques.</p> <p>1.3.1 Guidelines for staff behavior are in place and are well known to the staff.</p>

**Data Quality Assessment Framework—Generic Framework**  
(July 2001 Vintage)

Quality Dimensions	Elements	Indicators
<p><b>2. Methodological soundness</b></p> <p><i>The methodological basis for the statistics follows internationally accepted standards, guidelines, or good practices.</i></p>	<p><b>2.1 Concepts and definitions—</b><i>Concepts and definitions used are in accord with internationally accepted statistical frameworks.</i></p> <p><b>2.2 Scope—</b><i>The scope is in accord with internationally accepted standards, guidelines, or good practices.</i></p> <p><b>2.3 Classification/sectorization—</b><i>Classification and sectorization systems are in accord with internationally accepted standards, guidelines, or good practices.</i></p> <p><b>2.4 Basis for recording—</b><i>Flows and stocks are valued and recorded according to internationally accepted standards, guidelines, or good practices.</i></p>	<p>2.1.1 The overall structure in terms of concepts and definitions follows internationally accepted standards, guidelines, or good practices: see dataset-specific framework</p> <p>2.2.1 The scope is broadly consistent with internationally accepted standards, guidelines, or good practices: see dataset-specific framework.</p> <p>2.3.1 Classification/sectorization systems used are broadly consistent with internationally accepted standards, guidelines, or good practices: see dataset-specific framework.</p> <p>2.4.1 Market prices are used to value flows and stocks. 2.4.2. Recording is done on an accrual basis. 2.4.3 Grossing/netting procedures are broadly consistent with internationally accepted standards, guidelines, or good practices.</p>

**Data Quality Assessment Framework—Generic Framework**  
(July 2001 Vintage)

Quality Dimensions	Elements	Indicators
<p>3. Accuracy and reliability</p> <p>Source data and statistical techniques are sound and statistical outputs sufficiently portray reality.</p>	<p><b>3.1 Source data</b>—<i>Source data available provide an adequate basis to compile statistics.</i></p> <p><b>3.2 Statistical techniques</b>—<i>Statistical techniques employed conform to sound statistical procedures.</i></p> <p><b>3.3 Assessment and validation of source data</b>—<i>Source data are regularly assessed and validated.</i></p> <p><b>3.4 Assessment and validation of intermediate data and statistical outputs</b>—<i>Intermediate results and statistical outputs are regularly assessed and validated.</i></p> <p><b>3.5 Revision studies</b>—<i>Revisions, as a gauge of reliability, are tracked and mined for the information they may provide.</i></p>	<p>3.1.1 Source data are collected from comprehensive data collection programs that take into account country-specific conditions.</p> <p>3.1.2 Source data reasonably approximate the definitions, scope, classifications, valuation, and time of recording required.</p> <p>3.1.3 Source data are timely.</p> <p>3.2.1 Data compilation employs sound statistical techniques.</p> <p>3.2.2 Other statistical procedures (e.g., data adjustments and transformations, and statistical analysis) employ sound statistical techniques.</p> <p>3.3.1 Source data—including censuses, sample surveys and administrative records—are routinely assessed, e.g., for coverage, sample error, response error, and nonsampling error; the results of the assessments are monitored and made available to guide planning.</p> <p>3.4.1 Main intermediate data are validated against other information where applicable.</p> <p>3.4.2 Statistical discrepancies in intermediate data are assessed and investigated.</p> <p>3.4.3 Statistical discrepancies and other potential indicators of problems in statistical outputs are investigated.</p> <p>3.5.1 Studies and analyses of revisions are carried out routinely and used to inform statistical processes.</p>

**Data Quality Assessment Framework—Generic Framework**  
(July 2001 Vintage)

Quality Dimensions	Elements	Indicators
<p><b>4. Serviceability</b></p> <p>Statistics are relevant, timely, consistent, and follow a predictable revisions policy.</p>	<p><b>4.1 Relevance</b>—<i>Statistics cover relevant information on the subject field.</i></p> <p><b>4.2 Timeliness and periodicity</b> – <i>Timeliness and periodicity follow internationally accepted dissemination standards.</i></p> <p><b>4.3 Consistency</b>—<i>Statistics are consistent within the dataset, over time, and with major datasets.</i></p> <p><b>4.4 Revision policy and practice</b>—<i>Data revisions follow a regular and publicized procedure.</i></p>	<p>4.1.1 The relevance and practical utility of existing statistics in meeting users’ needs are monitored.</p> <p>4.2.1 Timeliness follows dissemination standards. 4.2.2 Periodicity follows dissemination standards.</p> <p>4.3.1 Statistics are consistent within the dataset (e.g., accounting identities observed). 4.3.2 Statistics are consistent or reconcilable over a reasonable period of time. 4.3.3 Statistics are consistent or reconcilable with those obtained through other data sources and/or statistical frameworks.</p> <p>4.4.1 Revisions follow a regular, well-established and transparent schedule. 4.4.2 Preliminary data are clearly identified. 4.4.3 Studies and analyses of revisions are made public.</p>



**Data Quality Assessment Framework—Generic Framework**  
(July 2001 Vintage)

Quality Dimensions	Elements	Indicators
<p><b>5. Accessibility</b></p> <p><i>Data and metadata are easily available and assistance to users is adequate.</i></p>	<p><b>5.1 Data accessibility</b>—<i>Statistics are presented in a clear and understandable manner, forms of dissemination are adequate, and statistics are made available on an impartial basis.</i></p> <p><b>5.2 Metadata accessibility</b>—<i>Up-to-date and pertinent metadata are made available.</i></p> <p><b>5.3 Assistance to users</b>—<i>Prompt and knowledgeable support service is available.</i></p>	<p>5.1.1 Statistics are presented in a way that facilitates proper interpretation and meaningful comparisons (layout and clarity of text, tables, and charts).</p> <p>5.1.2 Dissemination media and formats are adequate.</p> <p>5.1.3 Statistics are released on the preannounced schedule.</p> <p>5.1.4 Statistics are made available to all users at the same time.</p> <p>5.1.5 Nonpublished (nonconfidential) subaggregates are made available upon request.</p> <p>5.2.1 Documentation on concepts, scope, classifications, basis of recording, data sources, and statistical techniques is available, and differences from internationally accepted standards, guidelines or good practices are annotated.</p> <p>5.2.2 Levels of detail are adapted to the needs of the intended audience.</p> <p>5.3.1 Contact person for each subject field is publicized.</p> <p>5.3.2 Catalogs of publications, documents, and other services, including information on any charges, are widely available.</p>

Note: The elements and indicators included here bring together the “pointers to quality” that are applicable across the five identified dimensions of data quality.

## Users' Survey

### Summary of results of survey of data users

Most users found most datasets met their needs. Price statistics, monetary, and balance of payments data were regarded particularly highly. Problems were identified by a number of users, in particular as regards coverage, level of detail, and timeliness of the national accounts and the fiscal data.

Fiscal data. Users also considered that the authorities should take a more comprehensive approach to handling revisions—in particular, when data were revised, it would be useful to have substantial backruns of data on the new basis available simultaneously or very soon thereafter.

Table 7. Results of Poland's User Survey January 2003  
General Information about Uses of Official Macroeconomic Statistics of Poland

	Total Number of Responses
1. Which official statistics do you use regularly?	
a. National accounts (NA)	28
b. Prices	29
c. Government finance statistics (GFS)	25
d. Monetary statistics (Monetary)	24
e. Balance of payments (BOP)	25
f. Other:	
• Production indices	23
• Labor market	21
• Merchandise trade	22
• International reserves and foreign currency liquidity	21
• External debt	24
• International investment position	17
• Other	
2. Where do you obtain the official statistics?	
a. Official press releases and publications on macroeconomic statistics	32
b. Private sector summaries and analyses	14
c. Official policy papers	21
d. Publications from international organizations about the country	22
e. Other sources	
3. Do you refer to official descriptions of the sources and methods that were used to compile the official statistics?	
• Yes	29
• No	
4. For what purposes do you use the official statistics?	
a. Analysis of current developments for short-term decision making	21
b. Analysis of trends for longer-term policy formulation?	23
c. Econometric model building and forecasting	21
d. Economic research	24
e. Comparison with economic developments in other countries	21
f. General economic background	19
g. Other	

### General Information about Uses of Official Macroeconomic Statistics of Poland

	NA	Prices	GFS	Monetary	BOP	Other
5. Coverage and detail						
5.1 In general, are you satisfied with the coverage of official statistics?						
• Yes	15	27	16	22	24	
• No	12	4	14	4	1	
5.2 In general, are you satisfied with the official statistics in terms of their level of detail?						
• Yes	16	23	15	22	21	
• No	13	7	12	4	4	
6. Periodicity and timeliness						
6.1 Are you satisfied with the frequency of compilation of the official statistics (e.g., weekly, monthly, quarterly, annual)?						
• Yes	27	30	22	27	28	
• No	2		7	2		
6.2 In general, do you consider that the official statistics are disseminated with the appropriate timeliness (the time lag after the period to which they pertain, e.g., 60 days after the reference period)?						
• Yes	11	30	14	22	23	
• No	15		13	3	3	
7. Other dissemination practices						
7.1 Do you know if there is a publicly disseminated calendar that announces in advance the dates on which the various official statistics will be disseminated?						
• Yes	22	28	16	25	25	
• No	3		11	1	1	
7.2 If there is a calendar of release dates, in your experience, are the official statistics released on the dates announced?						
• Yes	21	27	17	24	21	
• No	3	1	4	1	2	1
7.3 Is there enough information about revisions to official statistics?						
• Yes	19	25	16	21	21	
• No	9	4	9	4	3	2
8. Accessibility						
8.1 Can you easily access the official statistics?						
• Yes	25	29	25	27	28	
• No	2	1	6			
8.2 Can you easily access information pertaining to official statistics you use (explanatory notes, methodological descriptions, reference concerning concepts, classification, statistical practice)?						
• Yes	19	20	17	23	24	
• No	7	7	10	2	1	

### General Information about Uses of Official Macroeconomic Statistics of Poland

						Yes	No				
8.3 Is the above information on methodology sufficiently clear and at an adequate level of detail to be useful to you?						17	8				
8.4 How do you get access to official statistics?											
<ul style="list-style-type: none"> <li>• Official releases</li> <li>• Hard copy publications</li> <li>• Data specifically requested</li> <li>• Official website</li> <li>• Other</li> <li>• E-mail requests</li> </ul>						27 15  31					
	NA	Prices	GFS	Monetary	BOP	Other					
9. Overall assessment											
9.1 In your opinion, is the underlying methodology of official statistics sound and appropriate?											
<ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>						15 7	24 5	13 9	23 1	26	
9.2 In general, do you consider the official statistics to be unbiased and accurate?											
<ul style="list-style-type: none"> <li>• Yes</li> <li>• No</li> </ul>						15 8	25 3	17 8	25	26 1	
9.3 How would you compare the quality of official statistics of the country with those of other countries in the region?											
<ul style="list-style-type: none"> <li>• Better</li> <li>• Same</li> <li>• Worse</li> </ul>						5 11 4	5 17 2	3 14 4	4 15	1 15 2	
9.4 How do you assess the overall quality of the official statistics? (1 rated as poor and 5 as excellent)											
<ul style="list-style-type: none"> <li>• Excellent</li> <li>• Very Good</li> <li>• Good</li> <li>• Unsatisfactory</li> <li>• Bad</li> </ul>						2 7 10 6 2	6 15 4 3	2 7 10 6 1	6 14 4	11 13 2 1	

NA = National Accounts; Prices refers to: CPI (Consumer Price Index) and PPI (Producer Price Index);  
GFS = Government Finance Statistics; Monetary = Monetary Statistics; and BOP = Balance of Payments Statistics

### Box 1. Comments by Users of Macroeconomic Statistics

Additional comments, including areas where you see room for improvement:

#### Respondent 1

- Public sector statistics must be improved (methodology, time lags).

#### Respondent 2

- Need for seasonal adjustment, and wider coverage of statistics on employment, wages, industrial and construction production.

#### Respondent 3

- Further compatibility with international standards.
- Statistics on new workplaces, orders in industry, and income distribution.

#### Respondent 4

- Too many statistics only in Polish.
- The coverage, availability, and description of price statistics could easily be improved.

#### Respondent 5

- We know that GDP is to be published in December, but the exact date is announced two weeks before. Budget data are usually published around the 15<sup>th</sup> of the month, but the exact date is unknown.

#### Respondent 6

- We know that GDP is to be published in December, but the exact date is announced two weeks before. Budget data are usually published around the 15<sup>th</sup> of the month, but the exact date is unknown.
- Phones to the CSO are not always the way to obtain information.
- National accounts should be more transparent, more detailed, and on a quarter-on-quarter basis.
- Prices are O.K., but the basket should be publicly known.
- Balance of payments are O.K., but some sectoral data on exports and imports could be published.

#### Respondent 7

- Announced date of dissemination changed at short notice.
- Fiscal data are the biggest problem. Definitions are nonstandard. Data are generally not available, except for partial headline information (central government).

#### Respondent 8

- National accounts should be presented in electronic form (through internet) in a more user friendly fashion.
- Monetary data are especially poor after the change of methodology in March 2002.

#### Respondent 9

- Lack of quarter-on-quarter national accounts and lack of quarterly balance of payments data based on transactions are problems. Long lag for GDP statistics.
- GFS calendar is not precise.
- In my view the CSO discretionally determines inventories and some deflators.
- GFS data relates only to central budget; data outside the budget is a complete mess; there is no regular information on budgetary funds and agencies.