

IMF SURVEY: Ultimately, what constitutes success for the Offshore Financial Center Assessment Program?

JOHNSTON: In the short term, the yardstick is whether jurisdictions meet international supervisory and regulatory standards. In the longer run, it is the ability to reduce or avoid a serious financial crisis or abuse originating through offshore centers. At the end of the day, our concern is to reduce global financial vulnerabilities.

Another way to measure short-term success is participation. It's voluntary and has been well received by most jurisdictions. When we started the assessment program, the offshore centers had just been through a period of intense scrutiny. The centers were quite concerned that the IMF initiative would be yet another naming and shaming exercise. As the program evolved, the centers came to understand that the IMF assessments really are voluntary, uniform, and cooperative.

The centers also came to see the IMF's approach as objective. Our assessors do a thorough job of analyzing the regulatory system and enter into a real dialogue with individual jurisdictions. That dialogue is reflected in our reports. The jurisdictions also realized that if they took action to address vulnerabilities before we finalized our reports, their steps would be reflected in our reports.

After the centers had experience with the way the IMF conducts its work, they recognized that the assess-

ments were quite a positive step and could enhance their integrity. And there is some evidence that jurisdictions that were initially reluctant to come into the program are now much more open.

There's quite a difference of perceptions compared with those commonly held about programs supported by IMF financing. Rather than there being a stigma attached to the IMF's coming in, now there is something wrong if a jurisdiction is not assessed by the IMF. Moreover, if the jurisdiction is assessed and doesn't publish, there is a sense that something is wrong. Major jurisdictions, in response to market pressure, are publishing their assessments. It is much more preferable now to publish, identify weaknesses, and explain how the jurisdiction will deal with identified weaknesses. Markets have generally reacted favorably. What seems to matter is the willingness to recognize shortcomings and their dangers to take action to address them. Though it was not necessarily what we anticipated when we set out, in some ways the IMF's assessments have become quite an important part of the whole quest for integrity by financial centers. ■

For more information about the Offshore Financial Center Assessment Program, please see IMF Public Information Notice No. 03/138 (November 28, 2003) on the IMF's website (www.imf.org).

Why statistics matter: African seminars raise awareness

In 2003, the IMF began a campaign to raise public awareness of the importance of high-quality statistics and the role of the General Data Dissemination System (GDDS) in developing national statistical systems. Wipada Soonthornsima, Chief of the IMF's General Data Dissemination System Unit, reports here on the impact of National Awareness Seminars in Anglophone Africa.

It is difficult to overemphasize how critical reliable data are, Immanuel Ngatizeko, Director General of National Planning Commission of Namibia, observed at a December 10 National Awareness Seminar in Windhoek. Statistics, he said, speak all languages, affect all policies, and touch all aspects of people's lives. Policymakers are particularly indebted to timely, high-quality statistics, he added, to help guide their work, assess the impact of their policies, and change direction when needed.

It was just this sense of the power of high-quality data that prompted the IMF's Statistics Department to launch an outreach effort to raise public awareness of the role of statistics and spotlight the contribution of the GDDS in developing effective national statistical systems. The National Awareness Seminars also encourage the public to secure the information it needs to better understand and evaluate government performance.

Promotion of statistical information lies at the heart of the GDDS and its goals of helping participating countries meet international standards and disseminate timely and reliable economic, financial, and sociodemographic data to the public.

Statistics, particularly in developing countries, often do not receive the recognition and the priority they

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deserve. As a first step toward remedying this, the IMF and the World Bank, with the financial support of the United Kingdom's Department for International Development (DFID), helped countries



launch a series of awareness seminars under the GDDS project for Anglo-phone Africa in May 2003. To date, seminars have been held in seven countries: Botswana, Kenya, Namibia, Sierra Leone, Sudan, Swaziland, and Zambia.

The most recent seminar took place in Windhoek, under the joint sponsorship of the Central Bureau

of Statistics and the Bank of Namibia. It featured a progress report on the country's efforts to strengthen its statistics, as well as discussions on the role of the GDDS in statistical capacity building and poverty reduction, and IMF initiatives in statistical work programs. As is typical of the series, the day-long event brought together a wide range of participants—pro-

Participants in the Windhoek seminar. The gathering provided a forum for an exchange of views between producers and users of data.

GDDS is a powerful tool for statistical development

The General Data Dissemination System (GDDS) is designed to provide countries with a comprehensive framework for developing a statistical system. It facilitates the assessment of the current state of economic and sociodemographic statistics, identifies weaknesses, sets plans for addressing these weaknesses systematically within a time frame, and explicitly identifies any technical assistance that may be needed.

Countries, in turn, use the GDDS metadata to enhance the development, implementation, and coordination of technical assistance. With up-to-date information, the metadata also act as a planning and monitoring tool. And, in the context of the World Bank's Statistics Capacity Building (StatCap) lending program, the GDDS metadata contribute to the process of assessment, strategic planning, and coordination of statistical programs across agencies and donors; implementation; reporting; and evaluation.

Participation in the GDDS has increased steadily. In May 2000, the first 7 countries posted metadata on the IMF's website (www.dsb.imf.org); at present, 66 countries do so (excluding 3 GDDS participants that now subscribe to the next level—the Special Data Dissemination Standard).

ducers and users of economic and sociodemographic statistics from government agencies, academia, the private sector, donor agencies, international organizations, the media, and the public at large—to discuss steps to improve the quality of statistics, broaden the availability of statistics to the public, and foster closer cooperation between producers and users.

The Windhoek session was unique in the seminar series in including GDDS coordinators from 12 of the 14 countries involved in the project. In separate workshops on December 9 and 11, coordinators exchanged views and shared experiences on the role of the GDDS in national statistical systems and in technical assistance efforts.

Transparency and more

As reflected in the theme of Kenya's GDDS awareness seminar in July 2003—"If you can't measure, you can't manage it"—good data can have wide-ranging benefits, including more effective management and greater accountability. Indeed, participation in the GDDS can demonstrate not only a government's commitment to better statistics but also its desire for increased transparency. A well-informed public can hold governments accountable for policies and results.

The GDDS, as Ngatizeko pointed out in remarks to the Windhoek gathering, can also play an important role in enhancing foreign investment, which can be a critical element in economic development and poverty reduction. The GDDS metadata disseminate statistical information to a global audience and allow investors to assess the quality of available data as they make investment decisions.

Aiding poverty reduction

For countries intent on reducing poverty in the context of a program supported by the IMF's Poverty Reduction and Growth Facility, the GDDS can play a key role in helping identify the data needed and monitoring progress. Namibia, Ngatizeko said, is finalizing its national development goals—Vision 2030—and high-quality, timely, comprehensive, and reliable statistics will be needed to track the realization of these aspirations and measure progress toward achieving the UN Millennium Development Goals.

Statistics can help strengthen policy debates and improve implementation strategies. Making relevant statistics available to the public also allows it to have a greater say in developing the country's poverty reduction strategy paper (PRSP). And the PRSP, in turn, can provide a framework for developing and disseminating relevant statistics for Millennium Development Goal indicators (see box, page 43), policy benchmarks, and monitoring.

The awareness seminar held in Sierra Leone in November 2003 recognized the GDDS as integral for the development of national statistical strategies and strengthened statistical capacity in support of the data requirements of the PRSP, the initiatives of the New Partnership for Africa's Development, and the Millennium Development Goals. Kona C. Koroma, Development Secretary in Sierra Leone's Ministry of Development and Economic Planning, noted that her nation stands to benefit immensely from the GDDS initiative. Its efforts to fight poverty and promote better lives for its people would be more effective if the authorities had access to better statistics. But she also recognized that producing quality data, achieving proper governance, and managing the statistical system effectively represent enormous challenges for Sierra Leone. And Mohamed Sampha Fofanah, the country's Deputy Central Bank Governor, added that the GDDS is especially important for countries like Sierra Leone that have just emerged from a devastating civil war and need to rebuild their statistical systems.

Lessons and enhancements

Many participants saw these seminars as a means of bridging the considerable gap between producers and users of statistics and as a way of providing up-to-date information on statistical methodologies and dissemination techniques. Clearly, too, the public appreciated having direct contact with official statistical producers and being able to express their views on the quality of statistics. Indeed, the seminars' questionnaires provided data to producers who have not yet established explicit means of gauging the usefulness of their statistics and gave them a basis for soliciting more regular and formal feedback from users. The seminars also allowed producers and potential technical assistance donors to exchange views.

Overall, the GDDS campaign has proved effective in raising public awareness of the importance of statistics, motivating the public to exercise its right to information, and generating increased public appreciation of government commitment to transparency and accountability. Experience from the first round of seminars will now feed into a number of enhancements, notably more emphasis on an appro-

priate mix of participants from the private and public sectors; content geared to the interests of the various groups and delivered at the appropriate level of technical detail; inclusion of a broader range of perspectives, with more presentations, in particular from nongovernmental sectors; and greater attention to the vital role of media in raising awareness.

There have also been suggestions that future seminars include a larger number of senior policymakers and parliamentarians, that there be greater consultation with users, that the GDDS be extended to a wider range of data categories, and that consideration be given to organizing these sessions for other countries. The IMF's Statistics Department stands ready to assist member countries by providing relevant information for such seminars. Ultimately, however, it will be for the countries themselves to take the steps needed to utilize the GDDS and its metadata to the fullest. ■



At the Sierra Leone seminar, Mohamed Sampha Fofanah (left), Deputy Central Bank Governor, and Kona C. Koroma, Development Secretary, highlighted the benefits of participating in the GDDS.

Millennium Development Goals and the GDDS

In November 2003, the IMF's Executive Board approved inclusion of the Millennium Development Goal indicators in the General Data Dissemination System (GDDS) (see <http://dsbb.imf.org>). The eight goals—which seek to eradicate extreme poverty and hunger; achieve universal primary education; promote gender equality; reduce child mortality; improve maternal health; combat HIV/AIDS, malaria, and other diseases; ensure environmental sustainability; and establish a global partnership for development—are reflected in 21 targets and 48 indicators (see <http://www.un.org/millenniumgoals>). Of the indicators, 35 are generated by national statistical systems and 26—mostly pertaining to sociodemographic data—come within the scope of the GDDS.

Several GDDS participants have already amended their metadata to incorporate these indicators. (See, for example, Pakistan's information (<http://dsbb.imf.org/Applications/web/gdds/gddscountrycategorylist/?strcode=PAK>)).

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