

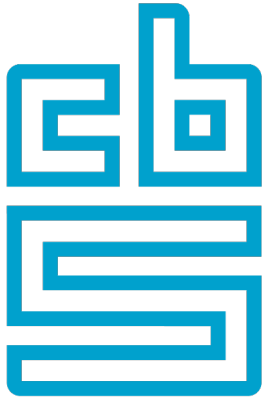
A Colorful Cooperation (to Share, Align and Benefit)

DeNederlandscheBank

EUROSYSTEEM

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Cooperation between the Dutch Central Bank and Statistics Netherlands

Gerard Eding and Puck van Veen

Presentation Ukrain, 27 september 2021

- Background
- Cooperation Statistics Netherlands and the Dutch Central Bank (DNB)
- Lessons learned and Future developments

Cooperation with Dutch Central Bank

- Essential Strategic Alliance (Data Provider, Data User & Joint Production of Statistics)
- Drivers:
 - (de)Globalisation, Financialisation and Digitalisation require even more close cooperation and maximum sharing of (micro)data and knowledge of our economy
 - Our statistics (partly) overlap (Balance of Payments and National Accounts) but showed substantial differences
 - Efficiency, utilising our comparative advantages and minimizing administrative burden for respondents.

Our enhanced cooperation in a nutshell

1. Joint production process for National Accounts (rest of the world account) and the Balance of Payments
2. From separate surveys to joint surveys for financial and non-financial institutions
3. Redistribution of tasks (comparative advantages)
4. Working towards 1 joint business register
5. Introduction of chain management
6. A joint external advisory board



Institutional background and arrangements



Institutional background

- Structural cooperation already started in 2004 when CBS took over the compilation of (quarterly) financial accounts (MUFA/ECB) and data collection on international trade in goods and services
- First overall cooperation agreement between CBS and DNB signed in 2006 (document with detailed arrangements updated annually)
- Cooperation gradually evolved, in 2014 vision to take next 'big' step
- Last update of cooperation agreement in 2017 to reflect new enhanced cooperation and update legal basis (to new EU regulations)

Developments fostering further cooperation (I)

- Full harmonisation principles of BPM6 and SNA methodology, but in practice still large discrepancies between BOP and ROW account (not unique for NL).
- Both national and international users (rightfully) call for full consistency, both with respect to flows and stocks (the latter having become much more important with the introduction of BPM6)
- G20 Data Gaps Initiative calls for a full set of “flow of funds” (enabling a Balance Sheet Analysis), preferably on a quarterly basis

Developments fostering further cooperation (II)

- Within ESCB new statistics have been developed: euro area accounts/QSA, Securities Holdings Statistics and several new sector statistics (IF, FVC, IC) to support monetary policy and financial stability analysis
- European crisis: revival of national statistics (MIP indicators, including BOP and IIP); the need for full consistency BOP/IIP and sector accounts (as analysts want to know which domestic sectors “cause” BOP-imbalances) emphasized

Developments fostering further cooperation (III)

- New financial stability (macro-prudential) mandates for ECB and NCBs (including DNB). Data collection increasingly granular (security-by-security, loan-by-loan), also serving other policy purposes (financial stability analysis). The dismantling of settlement systems, with their inherent weaknesses, in all European countries
- Strengthening of European legislation facilitating data sharing between ESS and ESCB
- Strengthened administrative use of accounts, e.g. EU transfers (GNI), MIP, increasing the need for transparency
- Increased budget constraints and the general need for efficiency



Cooperation CBS-DNB

The start



The start and main driver:

Substantial discrepancies BoP and RoW due to:

- Use of different sources
- Different revision- and benchmark policies
- Integrated vs independent statistic
- Conceptual differences ESA95 and BPM5



Joint vision presented in October 2014

Main elements

- Goal of realizing complete consistency between BOP/IIP and ROW account by harmonizing sources, revision policies and setting up a new process with a joint integration of BOP/IIP and ROW account within sectoral accounts (both statistics considered accounting frameworks)
- Within this new process, take optimal benefit of comparative advantages of CBS and DNB



Division of tasks in the enhanced cooperation

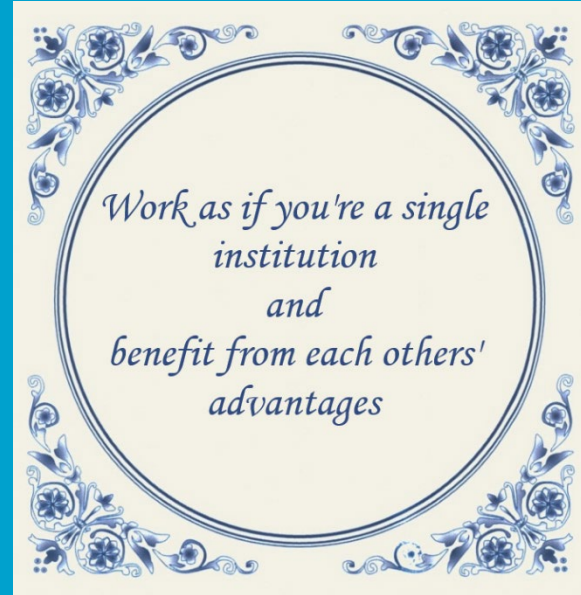
Broad division of tasks taken into account the comparative advantages:

- DNB financial sectors
- CBS non-financial sectors
- From data collection to dissemination
- Towards one survey for financial and non-financial institutions
- BoP/IIP and financial/non-financial sector accounts (rest of the world) are a joint responsibility
- Sector accounts ROW joint production process in which specific details for the BoP/IIP are added at a later stage of the process.



Cooperation CBS-DNB

The practice



Putting the vision in practice

Joint CBS-DNB project with 3-step approach launched in 2014

1. Plateau 1: Achieving full reconciliation between BOP/IIP and ROW account in a joint process. Transfer of responsibilities for financial subsectors in sectoral accounts to DNB
2. Plateau 2: Implementing new quarterly joint reporting framework for non-financial institutions led by CBS, implementing the new monthly BOP process and shift of BOP/IIP observation of the government sector to CBS
3. Plateau 3: Launching new quarterly DNB reporting framework for financial institutions and new monthly securities reporting to DNB



The new joint business process (plateau 1)

- DNB-experts participate in sectoral accounts' integration process, assuming formal roles and responsibilities for financial sectors and rest of the world (ROW)
- ROW data is converted by DNB into a BOP/IIP:
 - i. Conversion into BOP functional classification
 - > Condition: adding (limited) functional breakdown in sectoral accounts
 - ii. Adding details regarding counterpart area and sector, currency of denomination and maturity, based on data from primary statistics
 - > Condition: adjustments in integration process should be limited and/or explained

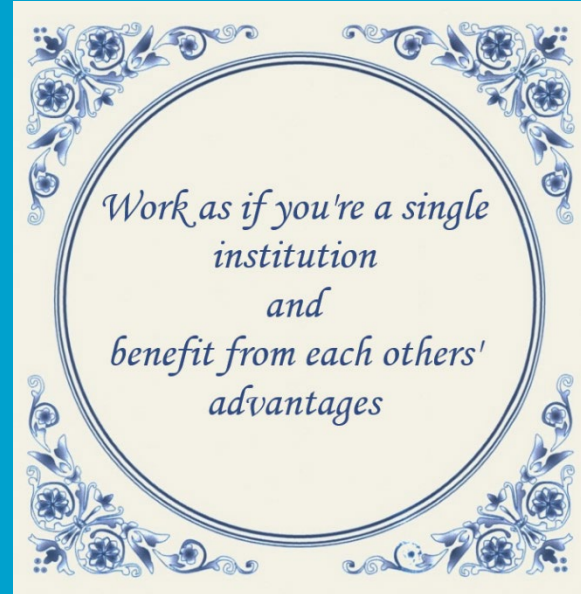
The new joint business process (plateau 1)

- Several exchanges of data, including return of data including details to CBS
 - > Condition for more efficient processes: further harmonizing data structures (DSD) for efficient mutual data exchange

Result: publication of full consistent data for 2015-2018Q1 in June 2018, with the outcomes of the 2015 (joint) benchmark revision

Cooperation CBS-DNB

The legal arrangements



CBS-DNB Cooperation Agreement on the joint production and publication of statistics

THE UNDERSIGNED,

Statistics Netherlands (~~Centraal Bureau voor de Statistiek~~), having its registered office at Henri Faasdreef 312, 2492 JP The Hague, the Netherlands, referred to below as *CBS*, lawfully represented for the present purpose by

Name: Dr Tjark Tjin-A-Tsoi
Position: Director general of statistics

AND

De ~~Nederlandsche~~ Bank N.V., having its registered office at ~~Westeinde~~ 1, 1017 ZN Amsterdam, the Netherlands, referred to below as *DNB*, lawfully represented for the present purpose by

Name: ~~Prof.~~ Job Swank
Position: Executive Director

(also referred to below as *the party or the other party* individually, and *the parties* jointly)

<https://www.cbs.nl/-/media/cbsvooruwbedrijf/samenwerking%20cbs%20en%20dnb/samenwerkingsovereenkomst%20dnb-cbs%202017.pdf>



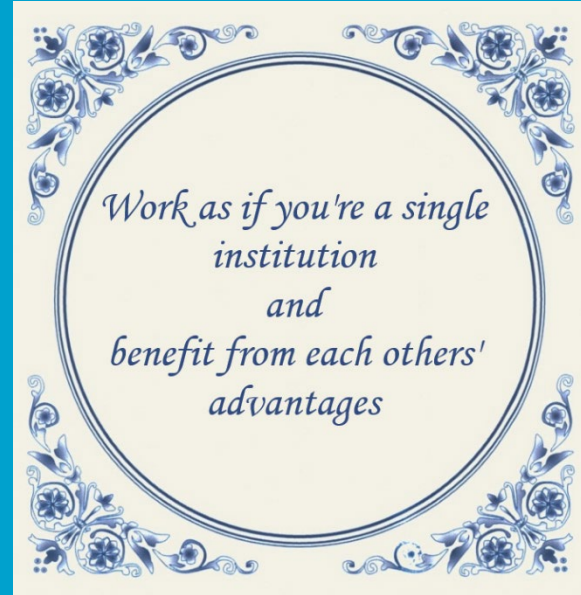
Institutionalising our cooperation

Formal cooperation agreement signed in 2017

- Institutional frameworks in which the cooperation takes place are defined (including “public commitments” by ESCB and ESS)
- Installation of new permanent governance structure for cooperation
- DNB mandated by CBS for broad data collection
- Legal basis for the required exchange and use of confidential data clarified
- DNB and CBS recognize each other's international obligations and meet them on each other's behalf
- Opportunities for further cooperation in the future



Cooperation CBS-DNB Chain management



Key Values in our Chain Management

- Transparency
 - To rest of organisation and stakeholders
 - Share all signals and worries ASAP
- Joint Responsibility
 - We set priorities as a group
 - Cooperate and align with your colleagues in other parts of the chain
- Helping each other and Learning from each other
 - Active exchange of knowledge, understanding the work of your colleagues
 - Actively engaging the outside world to gain new knowledge and skills
- Always forward looking to solve issues



Cooperation CBS-DNB Lessons learned



Lessons from the Dutch experience I

- It is possible to produce harmonised data by compiling the BOP/IIP within the broader framework of sectoral accounts
- Which benefits the quality of both statistics.
- For the Netherlands, exploiting comparative advantages is a condition to be able to maintain high quality statistics in a increasingly dynamic economy
- Elaborating and implementing new processes are time consuming. Steps can however also be made without major IT investments, e.g. by modifying tasks and procedures

Lessons from the Dutch experience II

- Reaching goal of harmonised data requires strong (institutionalised) cooperation on every (management) level and willingness to give up some autonomy
- Important to be pragmatic and facilitate and promote collaboration between staff at every level.
- Do not forget the human aspects and to make it enjoyable to cooperate, because even in a colorful cooperation it has to be fun and add value, not only in an economic sense.
- A joint external advisory board is a logical step, why not from the beginning?



And after 4 years we keep learning

- Regular evaluation of governance structure needed
- More interdependencies and complexity in our processes, how do we keep it as simple as possible?
- Capacity issues and prioritisation over two organisations
- How to deal with new legal EU obligations, who does and pays what?

Future developments: One joint register

Goal is one “joint business register” to be used as source/coordination mechanism for DNB and CBS statistics and survey/data collection.

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