

SDG indicator metadata

(Harmonized metadata template - format version 1.1)

0. Indicator information (SDG_INDICATOR_INFO)

0.a. Goal (SDG_GOAL)

Goal 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

0.b. Target (SDG_TARGET)

Target 17.3: Mobilize additional financial resources for developing countries from multiple sources

0.c. Indicator (SDG_INDICATOR)

Indicator 17.3.2: Volume of remittances (in United States dollars) as a proportion of total GDP

0.d. Series (SDG_SERIES_DESCR)

BX_TRF_PWKR - Volume of remittances (in United States dollars) as a proportion of total GDP [17.3.2]

0.e. Metadata update (META_LAST_UPDATE)

2024-09-27

0.f. Related indicators (SDG_RELATED_INDICATORS)

The related indicator to SDG indicator 17.3.2 is indicator 17.3.1, which measures the proportion of a country's total domestic budget that comes from foreign direct investments, official development assistance, and South-South Cooperation.

0.g. International organisations(s) responsible for global monitoring

(SDG_CUSTODIAN_AGENCIES)

World Bank (WB)

1. Data reporter (CONTACT)

1.a. Organisation (CONTACT_ORGANISATION)

World Bank (WB)

2. Definition, concepts, and classifications (IND_DEF_CON_CLASS)

2.a. Definition and concepts (STAT_CONC_DEF)

Definition:

Personal remittances received as proportion of GDP is the inflow of personal remittances expressed as a percentage of Gross Domestic Product (GDP).

Concepts:

Personal remittances comprise of personal transfers and compensation of employees. Personal transfers consist of all current transfers in cash or in kind made or received by resident households to or from non-resident households. Personal transfers thus include all current transfers between resident and non-resident individuals. Compensation of employees refers to the income of border, seasonal, and other short-term workers who are employed in an economy where they are not resident and of residents

employed by non-resident entities. Data are the sum of two items defined in the sixth edition of the IMF's Balance of Payments Manual: personal transfers and compensation of employees.

The concepts used are in line with the Sixth Edition of the IMF's Balance of Payments and International Investment Position Manual (BPM6).

2.b. Unit of measure (UNIT_MEASURE)

Percent (%)

2.c. Classifications (CLASS_SYSTEM)

Not Applicable

3. Data source type and data collection method (SRC_TYPE_COLL_METHOD)

3.a. Data sources (SOURCE_TYPE)

Volume of personal remittances data are sourced from IMF's Balance of Payments Statistics database and then gap-filled with World Bank staff estimates.

GDP data, sourced from the World Bank's World Development Indicators (WDI) database is used as the denominator. GDP data collection is conducted from national and international sources through an annual survey of economists in the Bank's country office network – the World Bank's principal mechanism for gathering quantitative macroeconomic information on its member countries.

3.b. Data collection method (COLL_METHOD)

IMF's Balance of Payments (BOP) constitute the core source of information and are used to obtain information on remittances from transactions involved money transfer activities. Depending on the frequency of release of remittance volumes, quarterly or annual data can be used. Furthermore, data gathered from governments' bodies, such as the Central Bank and National Statistical Offices, are often useful to complement the data reported in BOP. The scope and capacity for standardized data collection is expected to rise with progressive data collection and implementation of the methodology.

3.c. Data collection calendar (FREQ_COLL)

This is done on an annual basis.

3.d. Data release calendar (REL_CAL_POLICY)

No fixed releases; depends on release of the latest balance of payments data.

3.e. Data providers (DATA_SOURCE)

The national data provider of personal remittances is the institution in charge of the collection and compilation of the Balance of Payments statistics. This responsibility varies and is country specific (i.e. Central Bank). World Bank staff estimates for personal remittances data are used for gap-filling purposes. Personal remittances data are not reported directly to the World Bank from the national data provider.

They are reported to the International Monetary Fund (IMF), which is the institution in charge of overseeing balance of payment stability as part of its institutional mandate.

GDP data are sourced from the World Bank's World Development Indicators (WDI) database and are compiled in accordance to the System of National Accounts, 2008 (2008 SNA) methodology. GDP data collection is conducted through the Unified Survey process, the World Bank's principal mechanism for gathering quantitative macroeconomic information on its member countries.

3.f. Data compilers (COMPILING_ORG)

The government agency in charge of the collection and compilation of the Balance of Payments statistics is the responsible organization for compilation and reporting of the personal remittances data. This information gets reported by the countries' government agencies to the International Monetary Fund. The World Bank is the responsible agency for compilation and reporting of the GDP data.

3.g. Institutional mandate (INST_MANDATE)

No set of rules or instructions available.

4. Other methodological considerations (OTHER_METHOD)

4.a. Rationale (RATIONALE)

There is room for improvement in the quality of statistical data on remittances. Even though many countries implemented direct reporting and dedicated models to estimate remittances flows, there are challenges in accurately measuring and compiling remittance data. Problems include, but are not limited to, countries' adoption of heterogeneous concepts and definitions heterogeneously, deficiencies in coverage and scope, and discrepancies in gross/net recordings for components such as the compensation of employees. Accurate data on remittance flows is crucial for policymakers, governments, and international organizations to develop effective strategies for promoting sustainable development and achieving the Sustainable Development Goals (SDGs).

4.b. Comment and limitations (REC_USE_LIM)

The accurate measurement and compilation of remittance data continue to pose challenges for several reasons.

- (i) Remittance transactions through unofficial channels: A significant portion of remittances flows through informal channels, such as cash hand-carried by migrants when they return home. These transactions are difficult to track and often go unrecorded in official statistics. Furthermore, digitalization through Fintech solutions have significantly impacted the remittance industry but are difficult to track. Data on mobile wallets that receive remittances as well as blockchain and cryptocurrencies to facilitate cross-border remittances have yet to be incorporated into countries' data compilation frameworks.
- (ii) Inadequate adherence to the residency concept: With increasing numbers of refugees, including transit migrants (who do not establish permanent residency in their transit countries) as well as the new phenomenon of remote workers with dual residency status, further clarification and practical guidelines are needed to ensure comprehensive coverage.

(iii) **Misclassification:** Classifications used for remittance statistics are often not in conformity with guidelines outlined in the IMF's Remittances Guide for Compilers or its Balance of Payments Manual (RCG/BPM6). Some non-remittance transactions, travel revenues and expenditures, or inward direct investment flows are often misclassified as inward remittances. And small trade payments, gifts to charitable organizations, or bank deposits are also sometimes misclassified as personal remittances, further complicating data accuracy.

(iv) **Incompatibility of source data:** There are several key limitations in the source data, including its lack of comprehensiveness, susceptibility to country-specific conditions, and incompleteness for proper transaction classification according to defined criteria in terms of scope, classifications, valuation, and required timing of recording.

4.c. Method of computation (DATA_COMP)

Personal remittances are the sum of two items defined in the sixth edition of the IMF's Balance of Payments Manual: personal transfers and compensation of employees. World Bank staff estimates on the volume of personal remittances data are used for gap-filling purposes. GDP data, sourced from the World Bank's World Development Indicators (WDI) database, are then used to express the indicator as a percentage of GDP.

4.d. Validation (DATA_VALIDATION)

Not applicable

4.e. Adjustments (ADJUSTMENT)

Not applicable

4.f. Treatment of missing values (i) at country level and (ii) at regional level (IMPUTATION)

- **At country level**

World Bank staff estimates for personal remittances data are based on data from IMF Balance of Payments Statistics database and data releases from central banks, national statistical agencies, and World Bank country desks.

- **At regional and global levels**

Not applicable

4.g. Regional aggregations (REG_AGG)

Regional and global estimates are calculated as the GDP weighted average.

4.h. Methods and guidance available to countries for the compilation of the data at the national level (DOC_METHOD)

Not applicable

4.i. Quality management (QUALITY_MGMNT)

Only use of balance of payments data released by the International Monetary Fund or government agencies; compiled and estimated by World Bank staff.

4.j Quality assurance (QUALITY_ASSURE)

Not applicable

4.k Quality assessment (QUALITY_ASSMNT)

Standard quality criteria are met.

5. Data availability and disaggregation (COVERAGE)

Data availability:

Data for 207 countries are already currently available on a regular basis for this indicator.

Time series: Data are available from 2000 onwards.

Disaggregation:

None

6. Comparability / deviation from international standards (COMPARABILITY)

Sources of discrepancies:

Not applicable

7. References and Documentation (OTHER_DOC)

URL:

www.worldbank.org

References:

Data are compiled in accordance with the sixth edition of the Balance of Payments and International Investment Position Manual (BPM6). The manual is available at:

<https://www.imf.org/external/pubs/ft/bop/2007/bopman6.htm>

GDP data are compiled in accordance to the System of National Accounts, 2008 (2008 SNA) methodology. The manual is available at: <http://unstats.un.org/unsd/nationalaccount/docs/SNA2008.pdf>

Metadata also available at:

<http://databank.worldbank.org/data/reports.aspx?source=2&type=metadata&series=BX.TRF.PWKR.DT.GD.ZS>