



Third International Roundtable
Managing for Development Results

Hanoi, Vietnam – February 5 - 8, 2007

Statistics: Better Data for Better Results

A Background Paper

**Third International Roundtable on
Managing for Development Results**

Hanoi, Vietnam

5-8 February 2007



Third International Roundtable on Managing for Development Results

Theme: Statistics

Better Data for Better Results

Whether we wish to adjust the size of our fiscal deficit, increase social spending, pursue macroeconomic convergence in the region, or assess progress in achieving the Millennium Development Goals, accurate, timely, useful data lie at the heart of all these efforts... Achieving the right policies requires the management of trade-offs informed by good statistics.

- Trevor Manuel, Minister of Finance of South Africa, 2004

Why are good statistics important for development results?

Reliable statistical data, collected according to good practices and agreed standards, are essential for managing for results. Without statistics it is impossible to measure progress or develop effective policies and programs to reduce poverty. Statistics measure a country's development status and help to set priorities for future action. They also measure the effectiveness of donors' policies and development assistance. And, while good statistics are not a substitute for political decisionmaking, they are a key input to the process.

Official statistics—especially the data needed to measure and manage a country's economy, manage the delivery of government services, and mitigate the impact of external events—are generally public goods. They are collected, compiled, and disseminated by national statistical systems, financed by governments. All countries, whatever their form of government, need the capacity to carry out statistical surveys and censuses, compile data from different sources, and make indicators and other statistics available for decisionmaking. In developing countries the need for data is particularly acute, but many have found it difficult to build and sustain an effective national statistical system. That is why, at the second International Roundtable, held in Marrakech, Morocco, in February 2004, the international community identified the development of an action plan for statistics as a core component of the results agenda and called for the mobilization of resources for investment and capacity building.

The Marrakech Action Plan for Statistics (MAPS) has proved to be an important catalyst for improving the availability of statistics in the short term and building the institutional capacity to improve statistics in the future. Its six actions (see Box 1) have been widely endorsed by the international development community, by developing countries, and by statisticians themselves. MAPS has also proved to be good framework for increasing coordination among agencies, both for

Box 1. The Marrakech Action Plan for Statistics

1. Promote **strategic planning** for developing statistical systems
2. **Increase investment** in statistical systems
3. Prepare for the **2010 census round**
4. Set up an international network to better coordinate **support for household surveys**
5. Make **immediate improvements in key areas**, particularly the MDGs
6. **Improve coordination** and accountability of the international statistical system

capacity building at the country level and for actions by the international community to improve the availability of data, especially for the MDG indicators. This paper looks at what has been achieved

since the last Roundtable, identifies successes on which we can build, and outlines the opportunities to scale up action over the next few years.

Progress on implementing the actions of MAPS

National Strategies for the Development of Statistics

MAPS recognizes that any effort to improve the quality of data and the availability of indicators must focus not just on the indicators themselves, but also on the agencies that collect the raw data, the resources they have, and the ways in which they operate. Short-term actions to improve data availability—mining old data sets or running new surveys—are important, but they cannot guarantee sustained improvements in the future. For this to happen, national statistical systems need to reform and become more effective and efficient, and their resources need to be increased. This kind of change cannot be managed from the outside; rather, it must be based on a nationally owned and managed process. For this reason, the

Box 2. An effective National Strategy for the Development of Statistics:

- has high-level political support
- is mainstreamed within national development policy processes, building on what is already available
- is the output of a nationally led, nationally owned, and inclusive participatory process that draws on international standards, recommendations, and experience
- provides the basis for the sustainable development of statistics with quality “fit for purpose”
- assesses the current status of the NSS and provides a vision and strategic plan for national statistics
- sets out an integrated statistical development programme that is flexible enough to cope with change
- outlines the financing requirements, but is realistic about resource needs
- serves as a coherent framework for international support for statistical development

first and most important MAPS action has been to encourage and support countries in preparing and then implementing national strategies for the development of statistics (NSDS).

PARIS21¹ has taken the lead in developing guidelines and good practice for the preparation of NSDSs. The approach, which is similar to that developed for Poverty Reduction Strategy Papers (PRSPs), is based on a comprehensive consultative process engaging all stakeholders who have an interest in national statistics. Through this process countries develop a “road map” that expresses their vision and identifies strategic options, and then prepare an implementation plan that includes arrangements for monitoring and evaluation.

The NSDS process has taken hold in all regions. More than 100 developing countries have now initiated or prepared an NSDS, and many are already implementing the strategy. Of the 100, 56 are low-income countries, eligible for concessional finance from the International Development Association (IDA). In April 2006 PARIS21 reported that out of 105 countries for which information was available, only 17 countries had no strategy or had not started to design one; and, of these, a number had the intention to produce one in the near future.

More and more, countries see the preparation of an NSDS as an essential first step in improving the capacity of their statistical systems. And development partners have adopted the approach as an important mechanism for coordinating their financial and technical assistance to statistics on the

¹ See www.paris21.org

basis of nationally developed and agreed priorities. All countries seeking financial assistance from IDA have been encouraged to prepare an NSDS and to take concrete steps to improve the capacity of their statistical systems. There are also strong links in place now with other initiatives, especially the General Data Dissemination System (GDDS) of the IMF.

Experience in preparing and implementing NSDSs has brought out important lessons for developing effective strategies (Box 2). The challenge now is for countries to move from strategic planning to implementation. This will require that substantially increased resources be directed toward statistics.

Increasing investment in statistical systems

Good statistics are not free. In small, low-income developing countries, where communications are difficult and administrative systems are not well developed, the unit costs of data collection may be substantial. Many such countries require additional financial assistance, not only for investments in infrastructure, people, and equipment, but also to cover recurrent costs, at least in the short-term. The third MAPS action recognizes that this problem calls for donor partners to increase their funding for statistics and for countries to provide increased domestic budget allocations.

Some success can be reported, but there are few sources of data on financing for statistics. According to the OECD-DAC Creditor Reporting System (CRS), which shows the value of new commitments reported by donors, funds committed in support of “statistical capacity building” doubled from around \$50 million in 2001 to about \$103 million in 2004. The PARIS21 Light Reporting Mechanism (LRM), a new system designed to collect data on donors’ disbursements for statistical capacity building, found disbursements of \$65 to \$75 million in Sub-Saharan Africa in 2005/06. Care must be taken when comparing these two figures, which come from different sources and measure different things: commitments often include projects that cover more than one year, whereas disbursements show spending in a particular year. Most of these activities are country-based programs for developing and supporting NSDSs. The total includes World Bank lending for statistical development through its STATCAP multicountry statistical capacity financing program.

New initiatives are under way. For example, Canada has increased support for PARIS21 and the World Bank’s Trust Fund for Statistical Capacity Building and is considering a twinning of statistical offices with Statistics Canada. The UK Government, through its Department for International Development (DFID), is supporting a second phase of a statistical capacity building project support based on participation in the GDDS in Africa and the development and use of the United Nations database software, DevInfo. The European Commission is helping to fund the Nigerian census (around €150 million over four years). The Scandinavian development agencies have put substantial resources into funding statistical capacity building, particularly for institutional development, through twinning arrangements between their statistical bureaus and national statistical offices in developing countries. The Health Metrics Network is providing leadership for improvement in health information systems. This list is by no means exhaustive, but provides an indication of the levels of support that have been provided.

National strategies for the development of statistics and their associated implementation programs and financing plans also provide an important mechanism for coordinating financing for statistics and for bringing together financial support from a number of donors into a coherent and consistent package. Kenya and Tajikistan illustrate what can be done. In both countries donors, including the World Bank through STATCAP, have agreed to support the implementation of the NSDS, with

most providing finance for the implementation of the plan as a whole rather than for specific projects. This move from project to program financing is an important development and should lead to the more effective use of donor funds and reduced management burden on statistical agencies. Preparatory work following this approach is under way in several other countries, including Bangladesh, Sri Lanka, India, and Kyrgyz Republic.

The design of NSDSs is being supported by bilateral and multilateral donors. The World Bank's Trust Fund for Statistical Capacity Building (TFSCB), financed by contributions from a number of donors, provides small grants to support the preparation of NSDSs and some initial capacity-building activities. Since its inception in 2000, TFSCB has committed some \$19.5 million to projects in more than 50 countries and generated a total investment of more than \$43 million, including cofinancing and contributions from the recipients. In Africa the preparation of NSDSs is supported by the African Development Bank.

Preparing for the 2010 round of population censuses

Population censuses are the backbone of any national statistical system. They establish the size, location, and composition of the population, fundamental information needed for planning new programs and delivering education and health services. Censuses also provide essential data for monitoring progress toward the Millennium Development Goals; allow sound estimates of the country as a whole to be made from sample surveys; and provide the foundation for deciding on the structure for political representation. The complexity and cost of censuses, and their high political profile, put them in a different league from other exercises run by national statistics offices.

In spite of the UN's recommendations in *Recommendations for Population and Housing Census*, which provides advice on controlling costs, funding constraints seriously affected the 2000 round, especially in the least developed countries. Many countries postponed their census because of funding shortages; and unless timely and sufficient resources are available, population censuses have an uncertain future. The aim of this component of MAPS is to raise awareness of the importance of censuses before data collection takes place in most countries, and to ensure that every effort is made to limit costs and improve the efficiency of data collection and other processes.

Work under this component of MAPS is being coordinated by the UN Statistics Division through a World Program for the 2010 Census. Activities include finding ways to reduce the cost of census-taking; improving methods to make intercensus population estimates; assisting countries in advocating for the importance of census-taking, for securing funding, and for planning; and providing countries with technical knowledge and guidance. In Africa countries are now meeting annually to share experience and provide technical support through a program coordinated by the UN Economic Commission for Europe and Statistics South Africa.

More support for household surveys

The **International Household Survey Network** (IHSN), set up in September 2004, brings together survey producers, sponsors, and data users and aims to foster better use of survey data for policymaking and monitoring. Governance is provided by a management group comprising representatives of major international survey sponsors and supported by a secretariat from the Development Data Group of the World Bank. The objectives of the network are

- Better coordination of international household survey programs.
- Promotion of international standards and best practice.

- Harmonization of data collection instruments.
- Fostering better use of existing survey data, by establishing a central survey repository and developing tools and guidelines for improving survey documentation, dissemination, and preservation.

Since the IHSN was established, substantial progress has been achieved. The network is now supported by a satellite program of PARIS21 with funding from the World Bank. Recent progress has included:

- Development of a software tool to support an Information System on Planned Surveys (ISPS).
- Start of work on a question bank (a set of standardized questionnaire modules with interviewer's instructions, data processing recommendations, and tabulation and analysis guidelines) for use by countries, with support from a statistician seconded by DFID for two years.
- Work with ILO, which is producing improved data collection instruments and guidelines for conducting surveys of labor migration.
- Development of a Central Survey Catalog. IHSN members are providing information about past surveys to populate the system; by end-June 2006, over 2,500 surveys were documented.
- A Microdata Management Toolkit to assist countries to document, preserve, and disseminate survey data has been prepared and a user's guide produced by the National Opinion Research Centre (NORC, University of Chicago). The toolkit has also been translated into Spanish. Many countries have used the toolkit and many more have expressed interest. UNICEF is now using the toolkit to document the 2005 round of Multiple Indicator Cluster Surveys.
- *A Handbook on Microdata Documentation, Dissemination, and Preservation* will be published in 2007.
- An IHSN website has been established.²

The **Accelerated Data Program** (ADP) responds to the MAPS objectives of meeting immediate data needs for monitoring developing goals and coordinating international support for household surveys. Its objective is to align survey programs and statistical outputs with users' priority data needs by making better use of existing data and, where necessary, providing resources for new data collection exercises.

ADP is managed by the World Bank in partnership with a satellite program of PARIS21 and with other statistical agencies such as UN ESCAP. The activities of the ADP are conducted at country level using the tools of the IHSN. They can be grouped into three tasks:

Task 1: Inventory, documentation, and dissemination of existing survey data. This includes the preservation and proper documentation of existing survey data to make them more widely and easily accessible to secondary users and to foster better analysis and use. In most cases, this involves application of the IHSN Microdata Management Toolkit. Outputs are (a) survey datasets documented in compliance with international standards and best practices and available to secondary users for further analytic and research work; (b) a detailed inventory of surveys with metadata available online (through the IHSN website); and (c) increased capacity for the management and dissemination of microdata.

² www.surveynetwork.org

- Task 2: Analysis of existing survey data and assessment of the past survey program. The expected outputs of this activity include (a) the production and analysis of updated or improved estimates for key indicators; (b) a detailed assessment of the strengths and weaknesses of the data; and (c) recommendations for improving data collection methods and practices in the country.
- Task 3: Development of an improved survey program, and data collection. Support will be provided for designing and implementing improved midterm survey programs, and for data collection activities where needed.

The ADP works with data producers in participating countries on producing and disseminating relevant data for policy design, monitoring, and evaluation. So far, the ADP is being implemented in eight pilot countries in Africa (DR Congo, Ethiopia, Ghana, Madagascar, Mali, Mozambique, Niger, and Uganda) and in one Latin America country (Honduras). Cameroon, The Gambia, Kenya, and Nigeria have also expressed interest in joining the program. Except in Niger, initial activities have focused on documenting and archiving existing survey data.

Improving statistics needed to monitor development goals

The Millennium Development Goals set quantitative, time-bound targets, most of which must be met by 2015. MAPS recognizes that, to guide efforts to reach these and other development goals, reliable indicators are needed now and at regular intervals in the years to come.

A number of initiatives are under way, including actions at the international level to improve coordination, data sharing, and access to both data and metadata and in countries to address immediate and pressing data gaps. These programs include the work of the UN Inter-Agency and Expert Group on the MDGs, which now includes discussion of statistical capacity issues. The UN Statistics Division is managing a statistical capacity improvement program in southern Africa. UNICEF and UNDP have produced software (MDGInfo and DevInfo) to help countries make indicator data more accessible. UNDP has developed a statistical literacy program for MDG indicators; recently published materials are available online at www.statistical-literacy.org. Specific work is in progress to develop guidelines and improve the coverage and quality of data held in international databases on education, urban development, and gender.

In education, the World Bank is working with the UNESCO Institute of Statistics (UIS) to improve data on education. This work is focusing on improving data quality—particularly the timeliness, integrity, and coverage of internationally comparable indicators—to ensure a complete and informative picture of the state of education. It is complemented by a statistical capacity building program, which works with countries to build sustainable national capacities at institutional, technical, and individual levels in producing and using statistical information on education and the working of educational establishments.

For indicators of urban development UN-HABITAT is working to strengthen global, national, and local capacities to collect and analyze national urban indicators and city-level indicators for purposes of monitoring the MDGs and urban development results, including the Habitat Agenda. In particular, the work program is helping to build capacity in national and city-level administrations for collecting, analyzing, and disseminating urban indicators and is working with other UN agencies to develop harmonized definitions of indicators for urban water and sanitation.

Several programs are under way to improve gender statistics. The International Labor Organization (ILO) Bureau of Statistics is working to enlarge the country coverage of the ILO database on the structure of employment by sex, enhance the international comparability of the data, and improve the use of these data. A joint program³ under UNECE leadership aims to improve the capacity of national statistical systems in the Commonwealth of Independent States (CIS) and South East Europe (SEE) countries to mainstream gender (and sex-disaggregation) into the production, reporting, and dissemination of statistics. The World Bank has also included a statistics component in its Gender Action Plan.

Improving the coordination and accountability of the international statistical system

In recent years improvements in the availability and quality of data for monitoring the MDGs have demonstrated the value of cooperation between international agencies and the importance of a coordinated approach to supporting the work of national statistical authorities. But while much progress has been made, further improvements require a better system of accountability to clarify responsibilities for setting standards, disseminating information, providing technical assistance, and mobilizing resources to support national efforts. In some cases this also requires the agencies, or the donors who support their work, to provide more resources for the statistical function within the agencies themselves.

Coordination of the statistical activities of the UN and its specialized agencies takes place in a number of forums, with the UN Statistical Commission as the highest governing body. The Committee for the Coordination of Statistical Activities (CCSA) and the Inter-Agency and Expert Group on the MDGs have proved to be useful forums for exchanging information. However, day-to-day coordination issues are generally left to individual managers to resolve, often in an ad hoc manner, and work program and budget decisions are generally made with limited knowledge of the plans of other agencies. Better channels of communication are needed to sustain an ongoing international effort.

Through the auspices of the CCSA, a statement of principles for international statistical agencies modeled on the Fundamental Principles of Official Statistics has been developed. The principles provide agencies with guidance on good practice and professional standards in the areas of (a) confidentiality, (b) the need for user consultation, (c) the need for cooperation among agencies, (d) improving effectiveness and efficiency, (e) avoiding duplication, (f) staff development and professional standards, (g) statistical integrity, and (h) statistical organization.

Opportunities for Moving Forward at Hanoi

Since the last International Roundtable much progress has been made in improving the availability and use of statistics and in building the capacity to ensure that these improvements are sustained. But much more needs to be done.

At the country level, the NSDS approach is now widely accepted and has been adopted as good practice both by countries and by their development partners. To make further progress, this process must move from planning to implementation. But, as the World Bank has reported to its Board, "Improvements in statistical capacity appear to receive low priority in country programs and there

³ Partners include the World Bank Institute, United Nations Development Program (UNDP), and the United States Agency for International Development (USAID) and US Census Bureau.

are few incentives for them to address shortfalls in statistical capacity.’⁴ Until donors, development agencies, government policymakers, line ministries, and national statistical agencies recognize their mutual interest in—and responsibilities for—better statistics, implementation will languish.

However, as an increasing share of development assistance is provided through budget support, the demand for data to assess overall development performance is increasing. At the same time the harmonization agenda means that donors must increasingly rely on national statistical systems to generate the data needed to allocate resources and to monitor performance. Both sides, therefore, have good reason to invest in better statistics. **What is needed now is to translate this demand into action and to ensure that assistance is delivered at a level and in a sustained form that will enable the required investments to be made and the returns realized.**

Implementing national strategies for the development of statistics—if they are well designed, if they reflect the views of stakeholders, if they are realistic, and if they are flexible enough to respond to changing circumstances—will lead over time to an improvement in statistical capacity and the quality and coverage of statistics. These strategies need to include actions to make more and better data available in the short term as well as to build sustainable long-term capacity to produce and use statistics effectively. Data needs cannot wait while institutions and agencies are reformed and restructured.

The potential for making better use of data that have already been collected but only partly processed and analyzed is substantial. Tools such as the Microdata Management Toolkit and the Central Survey Catalog are helping to ensure that survey data are not lost, and can be further analyzed to support policy formulation and more effective monitoring and evaluation. What is needed now is to ensure that these tools are widely disseminated and that national statistical systems are empowered to use them. There may also be a need for changes in the ways that donors work, with less emphasis on the funding of new surveys and data collection exercises and more attention to making better use of existing data. This will require more and better information exchange. The IHSN can play a crucial role in this regard, especially through the Information System on Planned Surveys.

Internationally, there have already been returns to greater coordination of MDG monitoring and statistical methods. However, harmonization, alignment, and coordination are still concerns, not only in statistics, but in many other areas of development assistance. It will be important for any future work on statistics to keep transaction costs low, so as not to burden national statistical systems unnecessarily, and to align donors’ country strategies and programs with the NSDS process. Coordination still needs to be strengthened within national statistical systems, between national and international initiatives, and among the various international initiatives. Increased resources, combined with better designed and coordinated national statistical systems and international programs, will produce the data needed to enable countries to manage for development results.

⁴ *Statistical Capacity Improvement in IDA Countries*, Progress Report, May 2006