

The Marrakech Action Plan for Statistics

**Better Data for Better Results
An Action Plan for Improving Development
Statistics**

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Managing for Development Results
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Executive Summary*

Better statistics were identified as a priority of the results agenda at the first Round Table on Better Measurement, Monitoring, and Managing for Results, held in Washington in 2002 and statistics remain an important part of the results agenda. Concerned with national and global data challenges, the Development Committee in September 2003 highlighted the need for improved statistics for measuring development outcomes and asked for a time-bound and costed plan of action. But good statistics are not just a concern of the international community. Timely and reliable information is needed by governments, businesses, the press, and citizens to make informed decisions.

Drawing on operational work, special studies, and the experience of partners, this paper reviews progress made in the last four years and recommends short- and medium-term actions consistent with long-term, sustainable improvements in national and international statistical capacity. The actions are interdependent: improvements in national statistical systems will lead to improved international statistics, while a more effective international system could provide more consistent advice and better support for improving national statistics.

The first set of recommendations address national needs:

- Mainstream strategic planning of statistical systems and prepare national statistical development strategies for all low-income countries by 2006
- Begin preparations for the 2010 census round
- Increase financing for statistical capacity building

The second set address international responsibilities:

- Set up an international Household Survey Network
- Undertake urgent improvements needed for MDG monitoring by 2005
- Increase accountability of the international statistical system

Cost estimates are provided for the period 2004-2006. The annual, incremental cost of improvements to *national* statistical systems is estimated to be about \$115-\$120 million. These costs are extrapolated from a limited number of countries based on recent experience or expert opinions. For many of the poorest countries external financing will be necessary. The additional spending required by development agencies for improvements in the *international* system is estimated to be \$24-\$28 million a year. Further work will be needed to prepare specific funding proposals.

Following review at the Marrakech Roundtable meetings, recommended actions will be incorporated in the World Bank's Global Monitoring Report, which is planned for discussion at the Spring 2004 Development Committee meeting.

* This paper was prepared by the staff of the Development Data Group of the World Bank for discussion in Seminar II of the Second International Roundtable on Managing for Development Results to be held in Marrakech, Morocco in February 2004. It draws on the work of Coordinating Committee on Statistical Activities and the MDG Indicators Expert Group, and reports by several PARIS21 Task Teams. It has benefited from work and discussions with Willem de Vries, Sylvester Young, Trevor Croft, Antoine Simonpietri, Charles Lufumpa, Brian Hammond, Robert Johnston, Jan Vandemoortele, and Roger Edmunds. This paper is circulated for discussion and will be revised following the outcome of the Roundtable meeting.

I Background and Progress to Date

1. The Millennium Declaration, signed in 2000 by 189 heads of state and government, provides a clear statement of goals of development. It identifies a specific set of targets and places responsibility on all countries to monitor and report on progress. This new process puts evidence at the center of the global effort to reduce poverty and promote economic and social development. It presents a major opportunity and a challenge to the international statistical community.
2. Even before the Millennium Summit, Poverty Reduction Strategy Papers, introduced in 1999, emphasized the need for quantitative indicators to monitor countries' own development goals. But the demands that an evidence-based approach to development places on national statistical systems exceeded the capacity of the poorest countries. Despite decades of technical assistance and financial aid directed toward statistics, many were not performing adequately. Externally funded initiatives were not being sustained, and many national systems were caught in a vicious spiral of under-performance, domestic under-funding, and conflicting donor agendas. It was clear that a new approach was needed.
3. The statistics community has responded to the growing demand for better indicators in a variety of ways. The successful initiatives have been demand driven with a clear link to policy work. There have been many achievements that we should acknowledge and build on for future. Some are highlighted below.
4. **Setting up the PARIS21 consortium.** In November 1999, the Development Assistance Committee of OECD, Eurostat, the International Monetary Fund, the United Nations, and the World Bank organized an international meeting on statistics for development. The result of this meeting was the establishment of PARIS21 - Partnership in Statistics for development in the 21st Century. The PARIS21 partners agreed that a new approach was needed to build and strengthen the statistical systems – national and international – necessary for setting development policies and monitoring outcomes. The fundamental principle had to be partnership - between developed and developing countries and between the providers and users of statistical data. But the process had to be driven by developing countries themselves if it was to be sustained. The results should be increased cooperation and reduced donor dependency. PARIS21 has been most successful in promoting dialogue between data users and providers and strengthening coordination among donors around a country-led development process.
5. **Creation of the Global Trust Fund for Statistical Capacity Building (TFSCB).** Established in 2000 to complement PARIS21 activities, the TFSCB was set up as a World Bank-administered, multi-donor trust fund to provide grants to developing countries for statistical capacity building activities. Since their inception, both PARIS21 and the TFSCB have been seen as part of an effort to build a culture of evidence-based policy making. PARIS21 promotes dialogue and advocacy, and TFSCB provides the financial and technical resources to kick-start a sustainable capacity building process. Through small and quick-acting grants of up to \$400,000 over two or three years, countries have been able to address key capacity constraints in their statistical systems and to develop a strategic approach to building an efficient and effective national statistical system.

6. **The UN MDG Indicators Expert Group.** Convened by the United Nations Statistics Division and the UN Development Programme, the meetings of this group have brought together the key agencies involved with the production of data to support the MDG monitoring. This group has gone from merely coordinating the data gathering process for the Secretary General's report on the Millennium Declaration to establishing a broad network of agencies and individuals committed to working together on the numerous measurement issues facing the comprehensive global MDG monitoring reports for 2005, 2010, and 2015. A significant achievement of this group has been to develop a cadre of data producers and experts with a vision of what needs to be done and how best to work together to meet the needs of a global agenda.
7. **Country MDG Reports.** Supported by the UNDP and the entire UN country team, these reports - and the national and global advocacy based on them - have been most useful in raising the profile of statistics, focusing attention on the measurement of results, and highlighting specific issues on the ground.
8. **Increased attention on social data and measuring poverty.** The 48 indicators of the MDGs focus on social rather than economic or financial outcomes. This has increased the need for survey-based data. The DHS surveys sponsored by US AID and the UNICEF's MICS surveys have been important sources of health and education indicators, while the World Bank's LSMS program has tested new methods of measuring household living standards. Joint initiatives to improve the quality and availability of social data (education, health, poverty, etc.) have yielded important results which we need to acknowledge and build on. A noteworthy example is the work of WHO and UNICEF on infant and child mortality and immunization rates. We should build on two important elements of their approach: the key agencies came together to develop a common work program and pooling of resources; and their focus was to improve methods deployed while increasing use of existing data rather than starting yet another data collection mechanism. In 2003 WHO and the Gates Foundation proposed a comprehensive strategy for improving health statistics. The Health Metrics Network is now in the final stages of preparation.
9. **The General Data Dissemination System (GDSS).** Many organizations have provided useful tools to countries as part of their technical assistance programs. The IMF's GDSS stands out for encouraging countries to evaluate their macroeconomic, financial, and social sector data using an internationally agreed framework. Today an impressive number of countries have completed the GDSS exercise and many are using the results as part of their strategic planning for statistics or simply to identify improvements needed to bring their systems into line with recommended practice.
10. **Support from bilateral organizations.** The past three years may not have seen a huge increase in donors' assistance to statistical capacity building, but many have played a key role in setting up new approaches such as PARIS21 and encouraging UN agencies and international organizations to work together. The PARIS21 Steering Committee and TFSCB Consultative Groups have as a result become important forums for reviewing progress and determining the future course of actions.

- 11. Role of the UN Statistical Commission (UNSC) and the UN Coordination Committee on Statistical Activities (CCSA).** They have provided an official governing body to address technical and coordination issues. The UNSC, although focused mainly on the highly technical matters concerning national statistical offices, has in the past three years initiated special “friends of the chair” groups to address major issues such as the next round of surveys to collect PPP data, harmonizing indicators demanded by international conferences, and addressing significant data dissemination issues in agencies’ statistical publications. The CCSA has provided an excellent forum for heads of all agencies’ statistical offices to address coordination issues. Several of the actions recommended in this synthesis paper were first discussed by the CCSA.
- 12. Investment in statistical capacity building.** The World Bank’s new lending program for statistics, STATCAP, is designed to provide the resources needed to build a long-term sustainable statistical system in support of countries’ statistical capacity projects (see attachment 4 for more information). One of its special features is that it will provide flexibility in financing, including meeting recurrent costs, providing new means for investments and making best use of all sources of technical support and advice¹
- 13. Signs of progress at the national statistical level** Countries have recognized the need for better data to guide policies for poverty reduction and human and economic development. As a result, more and better data are available today than 5 or 10 years ago, and, to better understand the dimensions of poverty, many indicators are disaggregated by location, gender, and socio-economic status. Although the statistics produced by many countries fall short of international standards, it is important to acknowledge the tremendous efforts made in the past few years and impressive progress made at the country level. The conclusion to be drawn is not that all is well, but that building on success, more can be done.

¹ The link between the STATCAP and PARIS21 and TFSCB is as follows: PARIS21 advocates the importance of statistics and through its regional and country workshops brings together key players and offers tools to and information resources for countries to move forward with their improvement planning. TFSCB provides resources for the countries to receive small grants to finance their strategic planning and other related work. Once countries have a strategic plan well linked to their national plans, STATCAP is an option to consider should they need longer-term financing. A number of countries have gone through this full cycle and are initiating STATCAP programs.

II Towards an Action Plan for Improving Development Statistics

14. Although there has been significant progress in improving development statistics, much remains to be done. The actions proposed here are a synthesis of ideas and recommendations that have emerged in a variety of forums, including the meetings of the Coordinating Committee on Statistical Activities and the MDG Indicators Expert Group, and from the work of several PARIS21 task teams, which have looked at issues such as improving the management and funding of censuses; improved statistical support for monitoring development goals; and strategic planning. They address issues that require concerted effort on the part of donors, international organizations, and developing countries. If implemented, they should make substantial improvements in the operation of national statistical systems and in the quality of data available for monitoring development outcomes over the next two to three years, although some of the recommendations will take longer to implement and all will continue to yield benefits for many years to come.
15. The actions fall broadly into two groups: those directed at improving national statistical systems and those directed at the activities of international statistical agencies, the multilateral development banks, and bilateral donors. National statistical offices need to improve their operations by adopting appropriate policies and statistical methods and by investing in the staff and equipment needed to operate a fully functioning statistical system. They must also look farther ahead and prepare for the next census round. Good management requires good planning, and so the adoption of a strategic plan is recommended. The poorest countries will require additional external support to make the needed investments in their statistical systems.
16. The international community has been quick to demand more and better data, but it has been slow to provide additional resources or to examine critically its own practices. The recommendations directed at the international agencies call for greater accountability and coordination of their statistical programs and increased financial support for statistical capacity building at the country level. They must also provide technical assistance to national statistical offices – especially in the poorest countries - which are their principal source of data.
17. Although the approach of this paper is comprehensive, taking into account the full extent of the international statistical system and its impact on national statistical capacity, some initiatives already underway have not been included. For example, the WHO's Health Metrics Network was launched in July 2003. It aims to establish a framework for health statistics and to mobilize resources for improvements in national practices. This is an important initiative, which will complement the actions proposed here. Likewise many of the actions proposed here will improve the collection and reporting of health statistics.
18. The proposals made in this paper are necessarily presented at a very aggregate level. They do not address the specific needs and priority programs of individual countries. This is where strategic planning, based on country ownership and effective international partnerships, is needed. And while the international community can and should take

greater responsibility for improving global statistics, it should not let its priorities supercede those of national statistical authorities, their governments, and their citizens.

Action 1 Mainstream Strategic Planning of Statistical Systems

19. Strategic planning has proved to be a powerful tool for guiding the development of national statistical programs, increasing political and financial support for investments in statistics, and ensuring that countries will be able to produce the data needed for monitoring the MDGs and their own development plans. A well thought out plan should:
- Provide detailed analysis of current strengths and weaknesses
 - Address national, regional and international needs for data
 - Be aligned with the country's development program and poverty reduction strategy
 - Include all the main data producers and users
 - Build upon and increase the value of existing data processes
 - Promote data quality improvements in line with international standards and good practice
 - Serve as a coordinating framework for international and bilateral assistance
20. The PRSP process and MDG country reports have encouraged countries to develop prioritized strategies for improving their statistical systems.² Other statistical initiatives, such as IMF's General Data Dissemination System (GDDS), have raised professional standards and provided valuable assessment frameworks. PARIS21 has been a consistent advocate of a county-led collaborative approach supported by donors and international agencies and has encouraged strategic planning through a series of regional workshops on statistical capacity building. Experience gained through the workshops has encouraged countries to request financial support to prepare statistical development strategies from the World Bank's Trust Fund for Statistical Capacity Building and other donors.
21. As a result, there are now an impressive number of countries that have established new or updated plans.³ How are these plans being used? Mozambique is a good example. The Master Plan there addresses the statistical requirements for the monitoring and evaluation of Mozambique's first poverty reduction strategy ("Action Plan for the Reduction of Absolute Poverty") covering the period 2001 to 2005. It identifies key poverty indicators and the investments needed to sustain data systems. As a result of the strategic plan, the statistical system has been able to meet the demands of the poverty strategy process and ensure that scarce resources are used effectively. It also provides a mechanism for coordinating donor assistance at a time when many different donors are interested in supporting poverty monitoring.
22. Using a strategic plan to provide an overall strategy for improving development statistics has been widely accepted as a best practice, which works well and should be followed by

² Some attempts have been made to identify a minimum set of national statistical activities needed to monitor the goals and targets of country PRSPs and the MDGs. These include a demographic survey every three to five years, an income and consumption survey at the same frequency but in staggered years, a health information system that tracks major diseases, service delivery, and vital events, and an education system that accurately measures the performance of the education system.

³ Since 2000 37 countries have prepared strategic plans for their statistical systems. The TFSCB has provided financial support to 19 of these.

all countries. Furthermore, the approach was recently evaluated, through the formal evaluation of PARIS21 and the TFSCB, and was found to be an effective and robust technique. A PARIS21 task team on national strategies for statistics has reviewed country experiences through several workshops. The results of this study will be published and disseminated in future workshops.

23. Recommendations

Recognizing the value of systematic planning for improvements in national statistical systems, the goal should be to support the implementation of national statistical development strategies in every low-income country by 2006. To achieve this goal, the following steps should be agreed and adopted by the international community:

- Incorporate national statistical development strategies in result-based strategic planning processes such as the PRSP and include them in the policy dialogue between developing countries and donors.
- Ensure that all donor-specific statistical programs support and complement national statistical plans.
- Continue advocating and providing training and financial support from PARIS21 and the TFSCB. Based on the new repositioning of PARIS21 and World Bank's Trust Fund, earmark a significant part of the TFSCB to exclusively support countries' planning work. See attachment 5 for more information.

Action 2 Prepare for the 2010 Census Round

24. Population censuses are essential tools for policy and planning purposes. Data and indicators derived from the census are extensively used as inputs for result-based management and tracking of progress towards national goals (such as those set in PRSPs) and international goals such as MDGs. No other data source provides the level of detail available in the census on location, age and gender, and family size. Combined with survey-based information, censuses allow analysis of geographical patterns of social characteristics. They provide the basic sampling frame for household surveys (see Action 4) and play a crucial role in assessing the comparability of indicators between countries.
25. Censuses should be held every 10 years as part of a country's strategy for maintaining an integrated information system. The UN (especially UNFPA and UNSD) has been in the lead supporting census programs and the main advocate for regular census taking. The UN's *Recommendations for Population and Housing Census* provides advice on how to control costs. But censuses are perhaps the most costly data collection activity that a national statistical system undertakes. Funding constraints have seriously affected the 2000 round, especially in the least developed countries. Many countries have postponed their census due to funding shortages. Unless timely and sufficient resources are available, population censuses have an uncertain future.
26. At the international level, the key action led by the UN has been to maintain a strong partnership with major stakeholders, including bilateral and multilateral partners, civil society and the private sector to raise needed funds and advocate the importance of the census, essential for ensuring their continuity. A special Task Team formed through the PARIS21 has been very active looking at issues developing countries are facing in taking a

regular census and opportunities to reduce costs and improve census-taking processes and outputs⁴. Despite all efforts, the main issue is still how to reduce census costs and to find and put into operation alternative approaches.

27. Recommendations

Based on the findings of the PARIS21 Census Task Team, prepare for the 2010 round of censuses by developing an overall strategy for funding and conducting censuses in low-income countries. The first priority is to build consensus on the importance of the 2010 Census Round, recognizing the role census data will play in measuring the MDGs in 2015. Because such an effort should bring together donors and national statistical agencies, PARIS21 could act as the convener with leadership on the coordination and substantive work coming from the UNFPA and UNSD with support from other key organizations. As a first step, the task force should review the recent proposal by UNSD to set up a global trust fund for UN's support of census work and consider options for scaling up this proposal to meet the expected need of the least developed countries. The expected outcome could be a trust fund to support the preparations of the neediest countries for their 2010 census. The resources needed for a Census Trust Fund are estimated to be about \$5 million a year for the next three years to support about 15-20 countries per year. The trust fund would be used to:

- Conduct research into census costs and operational methods to determine what practical measures can be taken to reduce costs, as well as how to maximize the timely dissemination and use of census results. (See attachment 3).
- Conduct research on improved methods for preparing regular population estimates at the national and sub-national level during intercensal years.
- Assist national statistical offices to advocate for conducting regular censuses and securing the necessary funding within countries and from the donor community.
- Build national capacity at the technical level and develop the management skills needed to prepare an overall strategy and costed plan and to coordinate and negotiate with donors and users, pooling potential contributors in a cost-effective strategy.

Action 3 Increase Financing for Statistical Capacity Building

28. The case can be made that in a number of countries and international organizations there has been a significant under-investment in statistical work in the past decade. Evidence of this is the data gaps and data quality issues which have been highlighted by the MDG monitoring process. The emphasis placed on monitoring results inherent in the MDG

⁴ The PARIS21 Census Task Team studied the problems of financing censuses from both developing country and donor perspectives and considered strategies for reducing census costs. Their work is reflected in a paper entitled "Population and Housing Censuses: A Funding Crisis?", presented at an international symposium on population censuses. The government of South Africa agreed to host a key meeting to present this work Pretoria in November 2001 which was organized by the United Nations Population Fund (UNFPA). The Pretoria meeting proposed that UNFPA/ PARIS21, in collaboration with other partners, should focus on the following over the next two years: cross-country reviews, an assessment of existing materials, census advocacy tools, a good practice database, a census bulletin board, south-south co-operation, and donor co-operation with arrangements for future meetings to review progress.

process has, in turn, led to increased and perhaps unrealistic expectations for rapid improvements.

29. Fortunately, successes in the past three years show that significant improvements can be achieved at the national and international level, especially when commitments are backed by adequate resources. But we need to act quickly if we are to have better data for 2005, 2010, and for 2015 for the final report on progress towards the MDGs. The challenge ahead is not only to produce better numbers at the national and international level, but to do so on a scale and in a time frame relevant to policy makers.
30. Accepting that we need to increase investment for statistical capacity building, three questions remain to be answered. First, what are the priority areas for investment? The recommendations of this paper address areas in need of priority attention for technical and financial support, both at the national and international level. They cover short and medium-term actions, while keeping a close watch on the longer-term, overarching goal of building nationally owned and demanded sustainable statistical capacity.
31. The second question is how much more do we need to invest for improving global statistics in the priority areas identified? Section 3 of the paper provides some preliminary costs estimates for improving both national and international statistical capacity.
32. The final question is how to raise the needed funds and in general increase financing for statistical capacity building? Recommendations below respond to this question and focus on processes and instruments that would help increase financing for statistical capacity building in general.
33. **Recommendations**
 - Integrate financing needs from different agencies and different initiatives using the model we are following for PARIS21 and the World Bank's Trust Fund to make it easier for the donors to see the full picture of needs and make reliable commitments.
 - Bring donors together in an annual joint event, perhaps through DAC senior level meetings, and try to engage new donors; the first meeting should take place in 2004.
 - A number of IFIs and bilaterals are already major funders of statistical capacity building. But most of this work has been done as part of investment projects in other sectors. In the future statistical capacity building investment projects should be better identified and linked with general budget support and Poverty Reduction Support Credits, using a strategic planning process based on a sector-wide and multi-donor approach.
 - Support long-term statistical investment projects with STATCAP-type financing programs. An issue to be resolved is finding the right balance between grants, loans, and country resources. See attachment 4 on STATCAP

Action 4 Set Up an International Household Survey Network

34. As development strategies have come to target poverty reduction and the well-being of the most vulnerable segments of society, the need for household-based economic and

social data has grown. Surveys of households and individuals are the most effective way of obtaining this information. Combined with census data, current population estimates, and data on public and private services obtained through administrative records, surveys support the planning, implementation, and monitoring and evaluation work that are essential for good management.

35. Surveys are complex undertakings. To be useful they must be properly designed and administered, and the results must be carefully analyzed. They are also expensive, requiring skilled staff to design and manage the survey and large numbers of enumerators and tabulators to collect and process the data, along with computers and other operational facilities. In many poor countries, surveys can be undertaken only with significant outside assistance. As a result, large scale surveys which yield nationally representative results are carried out infrequently.
36. Survey sponsors, both national authorities and donors, have an interest in maximizing the value of the information produced. Given their importance and their scarcity, one would expect every survey to be thoroughly exploited. But the report of the PARIS21 task team on the international statistical system (see attachment 2) found several examples of survey information, gathered by national statistical offices with assistance from various donors that had been overlooked or not included in a timely manner in international assessments. Another reason survey data may be underused is that some countries restrict their dissemination, perhaps because of misplaced concerns for confidentiality or to control the use made of the data. Surveys become still more valuable when they allow comparisons to be made with other surveys and data sets. Better timing and standardization of surveys would increase the coverage and comparability of the results obtained. Yet there are many examples of the parochial interests of one donor seeming to outweigh the interests of the country (and other users) in maintaining comparability over time or across countries.
37. A mechanism is needed to bring survey sponsors and survey users together. The recommendations propose creation of a Household Survey (HHS) Network, comprising the major sponsors of the global household survey programs (such as DHS, MICS, LSMS, Child Labor Surveys, World Health Surveys and CWIQ), the donors who finance a large part of the survey work in poor countries, and the national statistical offices which conduct the surveys, supported by a small secretariat. An important contribution of the HHS Network would be to prepare specifications for a minimum survey program, building on existing instruments and targeting the needs of countries to monitor and report on the MDGs and their own poverty reduction strategies. The survey program should produce indicators responsive to policy changes on an annual basis and detailed demographic, health, education, agriculture and income poverty data every 5 years or so. By gathering the experience of many surveys administered under different conditions in many countries, the HHS Network could provide valuable information on the costing and efficient management of surveys. The established minimum survey program could then be adapted to each country's statistical development plan (see recommendation on strategic planning above) or presented as a special funding proposal should urgent short-term action be needed. Another important function of the HHS Network would be to consolidate and disseminate information about household surveys to potential users. A World Bank team is developing a survey archiving facility which could be used for this

purpose and contribute to the development of an international archive of microdata information.

38. Recommendations

- Organize a Household Survey Network for the purposes of sharing information and mobilizing international support for more efficient approaches to conducting household surveys in developing countries.
- Develop a set of recommendations for household-based economic and social data, taking into account current and planned multinational survey programs and the needs of developing countries to monitor their own development progress.
- Work with experienced data archivists and data users to establish a global information center containing household survey and metadata; establish good dissemination practices which promote analysis and research while protecting the confidentiality of survey respondents.

Action 5 Undertake Urgent Improvements Needed for MDG Monitoring by 2005

39. The credibility of the Millennium Development Goals depends upon having reliable data through which measure progress toward the goals. The MDG process places a heavy burden on the international statistical system to supply a set of indicators that are comparable across countries but consistent with the countries' own monitoring indicators, have an adequate historical base from which to establish baselines and assess trends, and are measured frequently and accurately. Although data quality depends to a great extent on the work carried out at the national level, support for and coordination of this work is an international responsibility, which has been accepted by a coalition of international agencies and country representatives meeting under UN auspices as the "MDG Indicators Expert Group." At their last meeting, the participants noted a number of serious issues which need to be addressed to ensure that monitoring of the MDGs is timely, complete, and accurate.⁵
40. Some of the deficiencies noted in the current MDG monitoring set were:
- The lack of data, agreed definitions, or sufficient field experience. For some indicators only a single estimate is available over the whole period since 1990, and in a few cases data are entirely lacking or available only in a few countries.
 - The likelihood that new estimates for some indicators will not become available in time for the comprehensive 2005 MDG report.
 - The lack of consistency in definition and methodology across different data collection programs and differences in practices between countries.
 - The need for greater transparency and, where possible, simplicity in the collection and compilation of internationally standardized indicators.

⁵ See United Nations Statistics Division and United Nations Development Programme, Inter-agency and Expert Meeting on Millennium Development Goals Indicators, "Report of the Meeting" (E SA/STAT/AC.92/6), Geneva, 10-13 November 2003.

- The lack of an agreed framework to guide the collection and analysis of critical environmental indicators.
- The need for greater support to countries to improve their capacity to monitor and report on the MDGs at the national level and to participate in the international monitoring process.

41. Recommendations

Consistent with the report of the MDG Indicators Expert Group, the following actions are proposed:

- A review of the principal MDG indicators for poverty, education, health, the environment, and global partnership should be undertaken by working groups composed of experts from participating agencies, which would report back to the MDG Indicators Expert Group in fall 2004 with recommendations for improvements or changes to be made in the MDG indicators after 2005.
- Establish a small, interagency editorial board to work with the Office of the Secretary General on the production of a five year review of the MDGs in 2005.
- Provide training and tools to increase understanding of the MDGs at the national level and to improve country capacity to monitor and report on MDGs and other national goals. This would include UNDP's planned dissemination of the DevInfo data system and associated training modules. We would hope that by the time of the meeting the details of the pilot dissemination program will be finalized.

Action 6 Increase Accountability for the International Statistical System

42. The international effort to monitor the Millennium Development Goals has drawn attention to the importance of having consistent, coherent international data sets. Improvements in the availability and quality of data for monitoring the MDGs over the past three years have demonstrated the value of cooperation between international agencies and a coordinated approach to supporting the work of national statistical authorities, which are the primary source of the data used by international agencies. But while much progress has been made, further improvements to the international statistical system will require a more formal system of accountability which clarifies responsibilities for setting standards, disseminating information, providing technical assistance, and mobilizing resources to support national efforts. In some cases this will also require the agencies, or the donors who support their work, to provide more resources for the statistical function within the agencies themselves. It should be stressed that improving accountability is not an end on to itself. The goal is to strengthen the international systems so that it can meet the international demand for development statistics, but, more importantly, better support the needs of developing countries.
43. 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. Meetings of the Committee for the Coordination of Statistical Activities (CCSA) and the MDG Indicators Expert Group have proved to be useful occasions on which to exchange information. However, day-to-day coordination issues are generally left to managers and officers-in-charge to resolve in an ad hoc manner, and work program and

budget decisions are generally made with limited knowledge of the plans of other agencies. Although this process has worked well, better channels of communication are needed.

44. At the fall 2003 meeting of the CCSA, participants agreed to prepare a statement of principles for international statistical agencies modeled on the Fundamental Principles of Official Statistics, which describes responsibilities of national statistical offices based on technically sound, well-tested and well-documented, and consistent international standards, recommendations, and guidelines. The statement of principles would codify issues such as (i) confidentiality, (ii) need for user consultation, (iii) need for cooperation among the agencies, (iv) drive for effectiveness and efficiency, (v) avoidance of duplication, (vi) staff development and professional standards, (vii) statistical integrity and (viii) statistical organization. Although such statements are not legally binding, they provide guidance on good practice and professional standards and may serve as a measuring stick by which the performance of an agency is assessed. An initial draft prepared by UNSD has been circulated among CCSA members for comment.

45. **Recommendations**

- Adopt a statement of principles describing the responsibilities of international organizations for carrying out their official statistical activities. Following acceptance at the next CCSA meeting, submit the statement to the UN Statistical Commission and then to other interested parties, such as governing bodies, ministerial conferences governing specialized agencies, the Chief Executives Board and the Conference of the International Statistical Institute. Encourage all international agencies to adopt the statement of principals as core values guiding their activities. Adoption of the principals could be officially communicated at a forthcoming international event and posted on an agreed website.
- To further improve the coordination of interagency activities, establish a mechanism through which international agencies would report on their core work program and exchange views on improvements needed. The CCSA, in which membership is open to all official statistical agencies, could provide a suitable forum for organizing this activity.
- Systematically collect information on current and planned levels of international spending on statistical activities by agency, by functional area and by intended results. This information would be used to assess the effectiveness of current spending and to identify areas where additional resources are required.

III Costing the Action Plan

46. The need for improving development statistics and scaling up capacity building efforts has been largely accepted by the development community. The importance of reliable statistics was recognized at the previous MDB Roundtable on Results and noted by the Development Committee and in key MDG monitoring reports from the UN. In its Spring 2003 meeting the Development Committee asked for a “fully costed, time-bound action plan” for improving development statistics. Although some specific funding proposals have been developed for particular initiatives over the past three years, such as support for the PARIS21 work, there has never been a comprehensive plan for global statistics. This is understandable, in part, because the global statistical system is not a single, centrally governed entity, and costing such a complex set of tasks with so many key partners is not an easy job to do or defend. But even rough estimates will help to better inform discussions and provide a basis for decision making.
47. The cost estimates provided here were prepared by expert staff, making reasonable but not fully tested assumptions. Any process of aggregate costing necessarily involves a number of fairly subjective assessments. The aim of presenting these costs is to stimulate discussion and planning of the work ahead.
48. There are two separate building blocks. The first considers the cost of statistical capacity building in developing countries. The second assesses the costs of implementing the recommended actions for improving statistics at the international level. Many tasks in the second block support national capacity building too, but to the extent possible the costs estimates avoid double counting. In fact the efforts are complementary; without progress on both, success will be limited and costs potentially higher.

Cost for Statistical Capacity Building in Developing Countries

49. The goal is to increase the statistical capacity of countries to an acceptable level to serve the national and international needs, as expressed in countries’ strategic plans. What are the incremental costs of reaching this goal for the developing countries? To arrive at a global cost, a normative approach has been adopted, using parameters derived from evidence such as national statistical development programs and master plans. Countries were divided into three income classes (low income, low-middle income, and upper-middle income as defined in the World Development Indicators database) and into three groups by population (less than 10 million, between 10 and 50 million, and more than 50 million). In each category, estimates were made of the average annual running costs of a national statistical system, using the guidelines of the General Data Dissemination System and other international recommendations to identify the main statistical activities. Limited evidence is available from statistical plans and special studies on costs and the average levels of budget allocations for statistics. For low-income countries, there is evidence to suggest that, on average, most countries are unable to afford the recurrent costs of a statistical system that would meet GDDS recommendations. For middle-income countries, it has been assumed that government budget allocations are, on average, sufficient to meet the annual running costs of such a statistical system.

50. Table 1 shows the assumptions on average recurrent costs for low-income countries of a national statistical system by size of country and assumes that on average half the cost is met by current government budget allocations.

Table 1: Assumptions on average recurrent costs

Low income countries \$ million	Less than 10 million population	Between 10- 50 million population	More than 50 million population
Annual recurrent cost	\$1.25	\$1.50	\$2.00
Annual budget allocation	\$0.63	\$0.75	\$1.00

51. Based on evidence gathered by the PARIS21 Task Team (See Attachment 1) and a review of available master plans, estimates were made of the average annual development costs for countries in each income and population category. Here it was assumed that development costs vary by the size of the country, but not by income level. Also, some estimate was made of the current level of donor support for statistics, based on knowledge of current programs. Table 2 shows these two sets of assumptions.

Table 2: Assumptions on average annual development costs and donor support

Per country \$ million	Less than 10 million population	Between 10- 50 million population	More than 50 million population
Statistical development average annual costs	\$0.75	\$1.50	\$2.00
Current level of donor support for statistics	\$0.50	\$0.75	\$1.00

52. The funding gap was then calculated as the difference between recurrent and development costs and current finance from government budgets and existing donor support. An attempt has been made to account for differences in the statistical capacity of each country using an index that ranks countries on adherence to international statistical practice as recorded in the World Development Indicators metadata.⁶ Countries with better ratings were assumed to require less investment than those with poorer ratings. The overall funding needs are shown in Table 3. Totals were calculated by multiplying the averages, adjusted by the statistical development score, by the number of countries in

⁶ The index of “statistical good practice” was used in a discussion paper, “Building Statistical Capacity to Monitor Development Progress,” presented to the World Bank’s Board of Executive Directors in October 2002. Countries were ranked on ten factors: 1) national accounts base year is within the last 10 years, 2) latest BOP manual (BMP5) is in use, 3) up-to-date reporting of external debt, 4) foreign trade price indexes are compiled, 5) population and 6) agricultural censuses are within the last 10 years, 7) the vital statistics registry is complete, 8) the CPI basket has been updated within the last 10 years, 9) a sub-annual production index is compiled, and 10) the country subscribes to the IMF’s Special Data Dissemination Standard. This is an imperfect measure, because much of the available metadata relates to economic statistics. The PARIS21 Indicators of Statistical Capacity Building might form a more appropriate basis, but they have not yet been applied in many countries.

each population and income country in the WDI database. The estimated incremental requirement for statistical capacity building in developing countries is of the order of \$115-120 million per year.

Table 3: Total additional funding needed for national statistical capacity building

\$ million	Less than 10 million population	Between 10- 50 million population	More than 50 million population	Total
Low-income	34	42	13	89
Lower-middle income	9	10	4	23
Upper-middle income	4	2	-	6
Total	47	54	17	118

Costs of Strengthening the International Statistical System

53. The main goal of putting together a global action plan on statistics is to mobilize support and harmonize international activities to build country level statistical capacity. But it is also crucial for the global plan to be clear about the responsibilities of the international agencies and the need for them to adjust priorities, better coordinate their work, and scale up their data activities, particularly those aimed at providing TA and support to their member countries. The actions proposed in this synthesis paper call on international organizations to do more and better statistical work. The additional costs associated with these activities are estimated in table 4.
54. These are expert cost estimates which are intended to provide an idea of the magnitude of costs being discussed. Some actions have better grounded estimates due to special efforts put into preparing specific proposals. One example is a proposal to sustain PARIS21 and the World Bank's Trust Fund for Statistical Capacity Building. (See attachment 5.) For all other actions, better and more specific costing should be conducted as part of the follow up work.
55. The estimated total cost is \$24-\$28 million a year for the next three years as shown in table 4. Many of the key steps for these actions could and should start as soon as possible. Setting up an international household survey network is perhaps both the most urgent but also least prepared. Although the total cost may seem large, it should be noted that many of the activities that donors are already committed to are included here, so from the donors' perspective these are not all new costs. In fact, by providing an integrated action plan with some cost estimates, donors may find it easier to prioritize their work and allocate contributions better and more efficiently.
56. To move ahead, one approach is to consider actions not well fleshed out and work together in the next few months to spell them out and prepare specific proposals. These are: setting up an International Household Survey Network, urgent improvements for the MDG 2005 monitoring round; and preparations for the 2010 census round. While PARIS21 will provide an essential forum for gathering and involving users, producers, and policy makers, it is proposed that each action will also have one or two key agencies as the champion for guiding and undertaking the work.

Table 4: Costs of short-term actions to strengthen international statistical system

Recommended Actions	Time Frame for key steps	Costing Assumption	Associated Annual Cost
Action 1: Mainstream Strategic Planning of Statistical Systems and Action 3: Increase financing for statistical capacity building	A major part of this work could be acted on quickly, using a recent proposal planned to be discussed at the next PARIS21 and TFSCB donor meeting in June 2004	Costing is primarily based on the PARIS21 and TFSCB proposal for the next 3 years	\$9-10 million/year as noted in the PARIS21 and TFSCB proposal
Action 2: Prepare for the 2010 census	Prepare a full proposal in 2004 with the aim of launching this work in early 2005	Costs of a small team in the UN and a global TF for census 2010 similar to the Bank's TFSCB	\$5 million/year
Action 4: Set up an international HHS Network	2004 design and fund raising, operational in 2005	Costs for a small secretariat plus costs for studies and small grants to countries	\$5 million/year
Action 5: Undertake urgent improvements needed for the comprehensive MDG 2005 report	The main elements of this plan could be operational quickly and steered through the UN MDG Expert Group with clear division of labor among agencies	Many agencies involved (UN, UNESCO, ILO, UNICEF, etc.) are obliged to take on additional work and need incremental budget support to finance new work	\$5-8 million/year with emphasis on improving poverty, PPPs, education, environment, and other key data sets needed for the MDG monitoring work
Action 6: Improve international accountability	Operational by mid to end 2004	To be financed from existing budgets	No additional costs
Total			\$24-28 million/year incremental for the next 3 years

IV Expectations for the Marrakech Conference and Next Steps

57. The Second Roundtable Conference on Results presents an opportunity for the international community to renew its commitment to a country-driven, evidence-based development process. But without good statistics, the process will fail. And without concerted support from the international community, many poor developing countries will not be able to produce reliable statistics or use them effectively. Past achievements show that success is possible. National statistical systems can be strengthened and the information they produce will play an important role in monitoring development outcomes. The output of national statistical systems are the inputs to the international system and play a second, important role in shaping the policies and monitoring the results of bilateral and multilateral development agencies.
58. The goal of Seminar II – The Global Statistical Challenge -- is to agree on a shared work program for improving development statistics over the next three to five years. The nature and scope of the work program is specified in six proposed sets of actions. These actions are not exhaustive, nor are they intended to preclude other initiatives. But they do require commitments on the part of the international community to work together, to share resources, and to keep the needs and priorities of developing countries at the forefront. In keeping with the spirit of the Monterrey Compact, countries that set realistic goals for improvements in their statistical systems and make a reasonable commitment of their own resources, should receive commensurate assistance from the international community.
59. The immediate outcome of the seminar should be a revised action plan and a prioritized list of tasks to be carried out in the next 12 to 18 months. Each task should have one or more sponsors who will take responsibility for seeing it through to completion.
60. Cost estimates have been provided in the paper to give a sense of the overall scale of the effort required in the medium term. The group may wish to consider undertaking a more refined costing exercise linked to the agreed work program. Sponsors of specific tasks should provide detailed cost estimates at the time of implementation, taking into account the costs borne by developing countries as those paid by donors or from the budgets of multilateral agencies.
61. Following review at the Marrakech Roundtable, the agreed work program on statistics will be incorporated into the World Bank's Global Monitoring Report, which is planned for discussion at the Spring 2004 Development Committee Meeting. The participants in the seminar may wish to consider submitting proposed actions to other forums for discussion and endorsement.

Attachments

1. Summary of Paris 21 MDG country studies
2. Summary of PARIS21 International Study
3. Main Components of Census Costs
4. STATCAP - A new lending program to support more efficient and effective statistical systems in developing countries
5. Meeting the Data Challenge: A funding proposal for PARIS21 and the Trust Fund for Statistical Capacity Building

29 January 2004

Attachment 1: Summary of PARIS21 MDG Country Studies

The objective of the Case Studies is to improve understanding of the data and systems used by countries to monitor progress towards the MDGs and other national goals. Specifically, the Studies aim to identify changes and interventions that will improve the availability, reliability and use of key indicators, particularly at the national level, and, in relation to that, document the capacity and current practices of national statistical systems.

The studies are being conducted through a joint effort involving a number of key institutions. The World Bank is providing overall leadership of the studies, with members of fieldwork mission teams provided by the Poverty Group of UNDP, UN Statistics Division, UN Regional Commissions, and DFID. The European Commission has provided a consultant for each mission, to help review existing documentation and construct the case study report. In each country, Statistical Offices in the countries concerned have been invited to participate fully in the case studies, with support to the study teams provided by both the UNDP and the World Bank country offices.

The short list of countries selected for the case studies was developed by looking at a number of criteria, including geographical and income group coverage, and the availability of existing documents and studies. These included metadata provided through subscription to the IMF General Data Dissemination Standard, a PRSP, a MDG country report, and a Statistical Development Plan. Full participation of the selected country was felt to be important, and so the team needed to be able to communicate easily with the Statistical Office. In addition, the Statistical Office needed to agree to the study, and be committed to the objectives of PARIS21, including the will to make improvements and changes to existing systems.

Case studies conducted or planned, with dates for fieldwork, are:

Malawi	November 5 to 14, 2003
Cambodia	November 24 to December 5, 2003
Bolivia	December 9 to 18, 2003
Burkina Faso	January 6 to 16, 2004
Moldova	January 26 to February 4, 2004
Yemen	February (dates not yet determined)

Key conclusions are presented on the following pages.

1. Management of Statistical Systems

<u>Key issues</u>	<u>Actions</u>
<p>Employment terms and conditions of staff involved in statistical activities are inadequate in many cases. In Cambodia, many staff routinely perform two or more jobs. In Malawi, there are incentive systems developed around fieldwork allowances, which tend to distort work priorities towards data collection and away from dissemination.</p>	<p>Reform working conditions of staff in the statistical system, including in some cases incentive systems for key statistical staff.</p>
<p>Governance and strategic planning arrangements for official statistical activities and outputs are inadequate, constraining statistical outputs, and leading to duplication of effort and inefficient use of resources. In both Malawi and Cambodia, data collection and production activities are poorly coordinated, resulting in inconsistencies in statistical outputs.</p>	<p>Develop better systems for managing national statistical systems, with appropriate incentives. This could include more effective statistical governance arrangements through statistical legislation, such as statistical commissions or supervisory councils.</p> <p>The governing body to play a coordinating role in developing a medium- to long-term statistical development plan, and to supervise its implementation.</p>

2. Use of indicator estimates

<u>Key issues</u>	<u>Actions</u>
<p>Different estimates of the same variable are often published without reconciliation or comment, confusing users. There are two cases. First, when different estimates are obtained from different surveys: differences may result from definitions, questionnaire design, or methodology. Second, where estimates of the same indicator are produced from both administrative systems and surveys. In Cambodia, two sets of child mortality estimates used by different agencies have shown opposite trends. In Malawi, the centralized indicator database MASEDA has substantially benefited both users and producers in terms of accessing and assessing statistical information, which in turn have led to a more consistent indicator results.</p>	<p>Countries and international organizations to increase efforts to systematically review and validate estimates from different sources and using different methods, and publish full metadata explaining differences. The creation of a central data repository within each country, with a good metadata system and including all data sources, would substantially improve this situation.</p>
<p>Despite the increasing need for disaggregated data, for example at local levels and for analysis of specific issues, such data are often difficult to access and compare. In Bolivia, significant part of HIPC resources is transferred directly to 314 municipal governments at their disposal for local development projects, but data accessibility and analytical skills at the local level is limited.</p>	<p>Improve data collection, accessibility and analytical skill at local levels. Implementation of tools to improve data accessibility, such as an integrated database of data from multiple sources, mapping techniques, and simple reporting systems within local government entities, is recommended, with appropriate capacity development for improving data use.</p>
<p>Statistical data remains under-used, even though the demand for data is increasing. In some cases this appears to be due to poor data accessibility, or lack of capacity to utilize data. In Cambodia, very few officers in data analysis units of the line ministries have had any statistical training.</p>	<p>Improve accessibility to data by officials and other users, and increase their understanding of statistical data through training programs, user guides, seminars and presentations.</p>

In some cases, indicators produced by the statistical system do not correspond to user needs. This is partly due to lack of line ministries' ability to articulate data demands, partly due to lack of country ownership, and also due to lack of communication between the NSOs and the line ministries. In Cambodia, Ministry of Health did not know that the household socio-economic survey is being conducted by the NIS, and therefore missed the opportunity to influence the survey design to meet its monitoring needs.

Improve the communication between officials in line ministries and national statistical offices, for example during the design stages in surveys and through statistical committees or working groups. Statisticians and statistical producers need to focus on indicators that monitor action plans of the national development strategy (e.g. PRSPs) and are actually used for national resource allocations (e.g. HIPC resources). Indicators chosen by policy makers and managers should correspond to the level of data collection capacity.

3. Surveys

<u>Key issues</u>	<u>Actions</u>
<p>Inconsistent definitions and methodologies used in different surveys resulting in inconsistent time series for some indicators. The evidence tends to show that this is more problematic where surveys have different sponsors. In some cases this is because sponsors are concerned about ensuring cross-country comparability and in others because specific surveys use methodology designed for particular projects/researches. A comparison of three household surveys conducted in Malawi (the Integrated Household Survey 1998, the Demographic and Health Survey 2000, and the Core Welfare Indicator Questionnaire 2002) shows that the composition of the household, the statistical unit of all three surveys, is different in each case. Here, the Malawi government has had the objective to implement a consistent and coordinated household system, but has been unable to achieve this because of the way that household surveys are funded.</p>	<p>Improve comparability and standardization of survey methods and instruments over time and between different surveys within each country, both by the implementing agencies and by those sponsoring surveys. One way countries may achieve this is to strengthen or establish an effective review body for large-scale surveys. Another approach would involve setting-up agreements with Governments concerning survey outcomes, clearly allocating responsibility for survey results to the official bodies responsible for implementation.</p>
<p>In countries where capacity to collect data from administrative sources is limited, and likely to be constrained in the short term by lack of capacity in administrative systems, users will remain heavily dependent on household surveys for key social statistics. Users in Malawi, for example, do not have confidence in national school enrolment data from the Education Management Information System, and rely exclusively on attendance data from household surveys.</p>	<p>Countries with limited capacity to obtain statistics from administrative sources should plan to implement a minimum survey/census program. This should consist of a population census every 10 years, and a survey program that produces on an annual basis estimates for indicators responsive to annual policy changes, and every 5 years or so obtains detailed demographic, health, education, agriculture and income or expenditure data.</p>

4. Data obtained from administrative sources

<u>Key issues</u>	<u>Actions</u>
<p>Indicators produced from administrative systems are often considered to be weak by users, particularly in countries where general administrative capacity is low. In Cambodia, because of the weak vital registration system, the only health related MDG indicator that can be produced through administrative processes is the immunization indicator, and even this has to be validated by survey results. In Malawi, national school enrolment data are not used by policy makers because the number of children of school age reported to be at school exceeds the number of children of school age estimated by the population census.</p>	<p>Alongside efforts to improve household survey systems, systems to collect data from administrative sources should be strengthened especially in order to monitor intermediate policy outputs. Improvement programs should be comprehensive but realistic, and create reporting incentives that do not distort data.</p>

5. Funding

<u>Key issues</u>	<u>Actions</u>
<p>Central government funding does not meet core statistical requirements. In Malawi, fieldwork costs for only one national household survey in the last 10 years has been funded by government, the remainder being funded by donors and external agencies. A regular household survey is not part of the budget of the statistical office.</p>	<p>Governments to establish an agreed core statistical program to meet key requirements (such as those arising from PRSPs), and resources for these programs to be eventually allocated through national budgets, even if donor funding is required in the short term.</p>
<p>Taking into account likely future funding, many countries face financing shortfalls in their statistical plans. In Cambodia, available government funding for the national statistical system is estimated at \$7.5 million at most over the next five years, and current donor commitments total about \$11 million over the same period. Total available funding is therefore about \$18.5 million. The requirement over the same period for a reasonable comprehensive system is expected to be around \$24 million (including a Demographic and Health Survey, Household Socio-Economic Survey, and the population census). This approximates to a funding gap of about \$1 million per year.</p>	<p>Countries to develop medium and long-term statistical development plans, and governments and donors need to work in partnership to fund statistical activities and capacity development according to these plans, wherever possible using pooled funding through government budgeting mechanisms.</p>

Attachment 2: Summary of PARIS21 International Study

The idea behind this study is to complement the Country Case Studies, to provide a better understanding of processes behind the international statistical system as it relates to the key development indicators contained in the MDG monitoring set. Although the focus of data improvements needs to be on national statistical systems, there is recognition that the process of obtaining data from national sources, and turning those data into usable indicators with cross-country comparability, is a complex and challenging one. The aim is to provide those working in the international statistical system with low-cost suggestions for rapid improvement in key areas.

Most of the research work for this study has been conducted by Oxford Policy Management, with funding from DFID. Detailed information has been obtained from those key international agencies with responsibility for specific sectoral statistics. Initial findings were broadly endorsed by a conference of international and national statistical agencies hosted by the World Bank in June 2003. Since then, refinements have been made to the study to provide a broader and deeper set of information on which to base key conclusions.

Key findings

1. In some cases there are inconsistent definitions applied by international agencies to the same indicator. The study documents examples where this arises because indicator definitions are not clear, not consistently applied by international organizations, or are not applied by countries when collecting data (HIV/AIDS indicators, literacy rates). It also examines indicator definitions that cannot always be readily applied to specific country circumstances, particularly where data are collected as a by-product of administrative systems (measles immunizations, births attended by skilled health personnel).
2. The use of different data sources to produce certain indicators makes cross-country comparability difficult. This is often dictated by data availability at country level; for example, welfare measures are based either on income or consumption, and there are often difficulties comparing the estimates calculated from surveys using each method. Differences between employment estimates derived from administrative records and labor force surveys are well known.
3. Since there is no systematic record of household surveys conducted by individual countries, systems which utilize estimates derived from household surveys occasionally fail to make use of all available data. Surveys with useful and valid data are sometimes missed by agency search mechanisms, even though sophisticated semi-formal sectoral networks exist, and agency field offices are often used to identify data sources. For example, the Pakistan Integrated Household Surveys (PIHS) were not identified as a useful source of mortality data by UNICEF and WHO, yet the PIHS is widely recognized to be one of the most important data sources for key indicators (including child and infant mortality) since 1996.

4. Although greater efforts are being made by agencies to more fully utilize data from household surveys, there are areas where the use of survey data to supplement data collected through administrative systems would improve the coverage and quality of data estimates. The main example is school enrolment data, which could be supplemented or validated with attendance data from surveys (although it should be noted that UNESCO Institute of Statistics are already actively attempting to utilize survey data more fully).
5. Collection of data using agency questionnaires is sometimes problematic. Although many agencies utilize their field offices, questionnaires do not always reach their intended recipient, or receive due attention when they do – particularly if they are long and onerous to complete. Countries do not always have adequate capacity to manage the questionnaire completion process well.
6. International population data are inconsistent, but are utilized heavily by some agencies, both to calculate indicator values for countries (e.g. as the denominator in six MDG indicators) and to generate regional and global estimates. There are three main sources: the UN Population Division, the World Bank, and the US Census Bureau. Data from these sources often differ; in one country in every six, for the year 2000, differences between the lowest and highest estimate vary by more than 10%. Differences in population estimates – particularly where the size of specific population sub-groups needs to be estimated – can make dramatic differences in indicator estimates.
7. Data presentation practices can cause misuse of indicator data. Estimates tend to be presented without full metadata detailing data sources, specific limitations, or freshness, and are sometimes presented representing a range of years. The result can be confusing to data users, who may not be able to, for example, easily distinguish between data updated last year on one web site, and data updated this year on another - and may even try to compare the two. The report documents cases where apparently different estimates for specific indicators and countries are reported by different agencies, but where the difference is actually caused by data freshness.

Some suggested actions

1. Household surveys. Consolidate household survey networks, and create an international household survey database. Informal, semi-formal and formal networks already exist, and there are several examples of household survey databanks maintained by international organizations. The study proposes a joint effort to consolidate these initiatives, to improve data availability, more widely share knowledge and information, and to enable improved cross-country comparability. Proactive use of household survey data in improving estimates made primarily from administrative sources is also suggested.
2. Practices of the international statistical system. A systematic review of data collection and reporting practices. This should examine more closely the agency questionnaires and their use, and seek for a possible consolidation of reporting practices in order to minimize

response burden and improve effectiveness. Rules and systems which define responsibilities of countries and agencies in the reporting process should also be reviewed to improve data quality.

3. Population estimates. Improvements in the use of international population estimates, including the provision of more complete documentation of sources and methods, and information on the precision of estimates. The study also suggests that it would be helpful for MDG reporting purposes if major producers of population data were to agree on a common set of estimates to be used in MDG calculations and reporting.

4. Methodology. Improvements in the management and use of common methodologies and definitions, including increased efforts to collate and promote definitions and guidelines (it is recognized that the UN MDG indicator metadata published in 2003 addresses some of these issues.) Greater attention needs to be paid to country-level data collection systems, to try to accommodate international definitions and requirements without distorting national requirements.

5. Dissemination. Increase the level of detail in metadata in published international databases, and make changes to data management and presentation practices to increase the information available to users and minimize the potential for misinterpretation and confusion, particularly when comparing data from different international sources.

Attachment 3: Main Components of Census Costs

Census need to be more cost-effective. But they will remain costly despite the use of modern, relatively low-cost, computer technology. There is a fine balance between keeping census costs to a minimum and preserving the unique advantages of a census. UNFPA has found that unless sufficient resources are available at each stage of the census, the quality and value of the entire census can be jeopardized. Three activities tend to take-up the bulk of census operation costs.

First, census maps. Accurate maps provide the basis for a variety of census operations, including setting enumerator assignments, ensuring completeness of coverage, estimating travel time and costs, and establishing field offices. They also provide the basis for producing thematic maps for spatial analysis of the census. The use of GIS, with ground-truthing, can lead to significant cost savings in the determination of enumeration areas. Further, the continuous and multiple use of maps by and across different government departments can help spread cartographic costs.

Second, population enumeration. This is the most expensive census operation. Each person and every living quarter in a country must be enumerated within a short period of time. Enumeration costs depend upon factors such as method of enumeration; the source of supply of enumerators, the geography and topography of the country and the number of questions asked in the census questionnaire. Sampling can reduce census enumeration and processing costs, and improve the quality of information. Sampling at enumeration reduces field-training and processing costs in the main census, and enhances data quality for difficult topics and provides additional information from selected households. However, considerable care needs to be taken in sample selection and implementation to avoid biases in the results.

Third, data capture, processing, analysis, preparation of reports and dissemination. Continued advances in computer systems technology, such as electronic scanning of marks and characters, have greatly increased the speed and reliability in producing and disseminating tabulations, increasing the extent to which automation can be applied as the standard method of processing. However, modern high-level data processing technology, and the skills to handle it, are frequently in short supply in developing countries. And it is by no means self-evident that, in labor surplus situations advanced technologies, such as sophisticated scanning devices, should necessarily be chosen to replace more labor-intensive methods. Although avoiding human transcription errors, such as data misreading or mispunching, the technology may have limited application in the years following a census. By contrast, a large number of stand alone personal computers and related equipment items bought to facilitate census data processing may help permanently upgrade institutional capacity.

Attachment 4: STATCAP - A New Lending Program to Support more Efficient and Effective Statistical Systems in Developing Countries

Why statistical capacity building?

During the past 50 years, the developing world has experienced strong but very uneven progress on sustainable growth and poverty reduction. The new post-Monterrey partnership for development has identified the main components for improving on this record: the need for good country-specific and country-owned policies and institutions, as well as a continuing commitment to provide effective development assistance. There is broad consensus that the Millennium Development Goals (MDGs) identify the desired outcomes, as well as the means for measuring progress. Throughout the development community there is now agreement that consistent and coherent implementation are the key towards achieving the MDGs, with a shared accountability and a new focus on results.

Better statistical data and improved analysis, while they are clearly not all that is needed, can create the political will for these changes to take place, and are crucial for the process of better measuring, monitoring and managing for development results. Without good statistics, governments cannot deliver efficient administration, good management, and evidence-based policy making. Statistics provide a means for the public to monitor the activities of government and make decisions about their own lives. An effective and efficient national statistical system, providing the data needed to support better policies and to monitor progress, is a crucial component of good governance. The ability to provide regular and reliable data on the economy and the well being of the population is an important indicator of good policies and institutions. Disseminating good quality data that have integrity increases transparency and promotes accountability. It complements important government processes, such as budget management and auditing.

A wide range of social, economic, demographic and environmental statistical data is needed to support the development process, to provide the evidence base for policy formulation, to support implementation, to monitor progress and to evaluate outcomes. A sophisticated international statistical system has been developed over the years to meet the needs of the development community, with a network of agencies compiling information and disseminating internationally comparable data. The quality of the output, however, is only as good as the source data, which originate from individual countries. Most of the data needed to monitor progress towards MDGs, for example, originate in national statistical systems, which must also provide data for national policy makers and the general public on a wide variety of topics. But the quality and availability of these data depend upon the capacity of institutions involved in national statistical systems, which are often undervalued and under-funded.

Why a new program?

Many national statistical systems are caught in a vicious cycle where inadequate resources restrain output and undermine the quality of statistics, while the poor quality of

statistics leads to lower demand and hence fewer resources. Sustainable improvement in the statistical systems of developing countries – true capacity building – requires programs to increase both the demand for and the supply of statistics. In other words, there must be a break in the cycle, encouraging countries to develop the capacity to conduct sophisticated statistical activities reflecting their own agenda and to make better use of these data in managing their development programs. STATCAP has been designed to address this situation by providing substantial resources for both investment and current operations, based on a country-owned and developed strategy.

The need for action now is driven by the new demands for statistical data from the preparation of poverty reduction strategies, from the need to monitor progress towards the MDGs and by the new emphasis on implementation and results, post-Monterrey. While the World Bank and other donors have invested in statistical activities for many years, much of this investment has been piecemeal, uncoordinated and short-term, often as a component of another program. It has tended to focus more on meeting immediate demands of key users, rather than sustainable capacity building. To address these issues, STATCAP is designed to enable countries to make significant investments in statistical capacity, to both improve efficiency and effectiveness in the future and finance the most urgent current statistical activities. It will be implemented using the principles agreed by PARIS21¹ of country ownership and donor coordination, adopting a long-term strategy based on individual country needs and local conditions.

How will STATCAP work?

STATCAP is a horizontal Adaptable Program Loan (APL), based on a sector wide approach. Under the APL, individual countries will obtain separate loans or credits to finance comprehensive or sectoral national statistical capacity building projects. National projects will be appraised and prepared for approval following normal provisions for investment lending. The program will treat specific country projects developed within the global framework as “phases” of a horizontal APL, with approval by Management.

Participation in STATCAP requires the preparation of a Project Appraisal Document (PAD) using a standard template. The PAD is based on interventions identified in a Statistical Master Plan (SMP) for the country. The SMP will cover the entire national statistical system and will draw on existing national strategies and capabilities; the resulting Project may either focus on specific sectors or take a comprehensive approach covering the entire statistical system. In most cases, preparation of the SMP will involve an evaluation of the capacity of the statistical system, a review of strengths and weaknesses, and a review of the needs of data users. It will incorporate proposals for institutional strengthening aimed at building sustainable national statistical capabilities through human and technological resources development, and the adoption of sound management practices, following international statistical standards. The SMP will provide the rationale for the proposed investment operation and supply the essential background information needed by the Task Team Leader to prepare the Project

¹ PARIS21 (**PAR**tnerships **I**n **S**tatistics for the **21**st Century) is an international consortium, sponsored by the UN, OECD, the World Bank, the IMF and the European Commission.

Appraisal Document (PAD). The structure of the SMP is designed to link directly to the preparation of the PAD.

The SMP is normally prepared by National Statistical Agencies through a consultative process with both data providers and users, supported by consultants, and with technical advice and support from the Bank. It will be grounded in existing national strategy documents and processes, but in countries where there is no existing statistical strategy process support may be needed to initiate this before the SMP can be completed. Financial assistance for the preparation of the SMP and for country strategy processes may be available from the Trust Fund for Statistical Capacity Building (TFSCB) or other grant facilities.

What will STATCAP finance?

STATCAP provides flexibility in financing, including meeting recurrent costs, providing new means for financing investments and making best use of all sources of technical support and advice. It may focus on the development of statistics in specific sectors, or may finance the implementation of a comprehensive statistical development plan. It supports the long-term development of the national statistical system and may involve a series of separate grants or loans as appropriate. It covers all aspects of statistical development and it is expected that individual country projects will include four main components:

1. Improving statistical policy and the regulatory and institutional framework, including issues such as independence and confidentiality, the adequacy of legislation and the dialogue with data users;
2. Supporting the development of statistical infrastructure, including such aspects as business registers, sampling frames, classifications, database structures and geographic information systems;
3. Upgrading and developing statistical operations and procedures;
4. Providing investments in physical infrastructure and equipment.

Assessing success

Each separate project or phase will identify specific targets and indicators of success, based on goals set out in the SMP and agreed through a consultative process. Countries will be encouraged to use international standards and frameworks such as the IMF's General Data Dissemination System (GDDS) and Data Quality Assessment Framework (DQAF) and the UN's fundamental principles of official statistics, as mechanisms to assess progress. Increasing use will also be made of the indicators of statistical capacity building that have been developed by PARIS21.

Progress to date

The first two countries participating in the STATCAP program are Burkina Faso and Ukraine. Statistical Master Plans have been developed and agreed by both countries, and

projects resulting from these plans (of \$10 and \$32 million respectively) have been appraised. Presentation of these two projects to the World Bank Board of Executive Directors, together with the overall guidelines for STATCAP, is expected in March 2004.

Preparation of projects for a number of other countries is ongoing. Kenya has developed a Statistical Strategy, and is developing a more detailed Statistical Master Plan in preparation for a STATCAP project. A Project Concept Note for a STATCAP project has been prepared for Nigeria, and the development of a Statistical Master Plan is being supported by the Trust Fund for Statistical Capacity Building. Through the Trust Fund assistance is also being given to Yemen and Moldova, to help them prepare a Master Plan. In both cases, a STATCAP project will be considered once the Master Plan has been prepared and agreed.

Meeting the Data Challenge

**A funding proposal for
PARIS21
and the
Trust Fund for Statistical Capacity Building
for 2004 to 2006**



Meeting the Data Challenge

Proposal for PARIS21 and the Trust Fund for Statistical Capacity Building

2004 to 2006

Summary

Over the past three years, substantial progress has been made in meeting the data and reporting challenge of the global development effort in the first quarter of the twenty-first century. An effective development model, which brings together both users and providers of statistics and which puts developing countries at the center, has been developed and piloted. A broad network of the key stakeholders has been established and a substantial amount of experience and expertise has been built up. There is also widespread agreement that the problems that PARIS21 and TFSCB were set up to address are even more important today than they were in 1999. At the same time, the international environment is perhaps even more receptive to and supportive of the statistical effort. And yet a renewed and enhanced effort is still required if the data challenges of the global monitoring and results agenda are to be met in time.

This proposal, therefore, provides for a new business plan for PARIS21 and the Trust Fund for Statistical Capacity Building to cover the period 2004 to 2006. The aim is to build on what has been achieved in the first three years of operation and to take advantage of the new opportunities for statistics arising from the new results and global monitoring agenda. The business plan will also support the new investment expected to be made in statistical capacity over the next few years. In particular the proposal provides for a scaling up of the PARIS21 approach that has been successfully piloted since 2000. Through an extension of effective advocacy, dialogue, coordination and strategic planning for statistics the objective will be to cover all developing countries by the year 2010.

To achieve this will require an annual expenditure of the order of \$9 million, or about \$27 million over three years. These funds will support the technical work of specialist task teams, develop the advocacy and knowledge base for statistical capacity building, implement a partnership and information exchange program, and support strategic planning and targeted capacity building in developing countries.

Building a culture of evidence-based policymaking and monitoring

The Millennium Declaration, signed in 2000 by 189 heads of state and government, provides a clear statement of what development is about. It identifies a specific set of targets and places responsibility on all countries to monitor and report on progress. This new process puts evidence at the center of the global effort to reduce poverty and promote economic and social development. It presents a major opportunity and a challenge to the international statistical community.

Even before the Millennium Summit, there was recognition that moving to an evidence-based approach to development would place new demands on national statistical systems, especially in the poorest countries. At the end of the twentieth century, very few developing countries had the capacity to generate the data to monitor even a limited set of development indicators. And, despite decades of technical assistance and financial aid directed toward statistics, most national statistical systems were not performing adequately. Externally funded initiatives were not being sustained, and many national systems were caught in a vicious spiral of under-performance and under-funding. It was clear that a new approach was needed and to respond to this situation, the World Bank, the International Monetary Fund, the United Nations, the Organization for Economic Cooperation and Development and the European Commission together organized an international meeting on statistics for development in Paris in November 1999.

At the Paris meeting, it was agreed that a new approach was needed to build the statistical system needed for development in the twenty-first century. The fundamental principle was partnership - between developed and developing countries and between the providers and users of statistical data. It was also agreed that there was a crucial need to build and strengthen the capacity of national statistical systems. But this process had to be driven by developing countries themselves if it was to be sustained. The key was to reduce donor dependency, and to improve coordination at all levels.

Both the Partnership in Statistics for Development in the 21st Century (PARIS21) and the Trust Fund for Statistical Capacity Building (TFSCB) were set up to help put the recommendations of the Paris meeting into effect. PARIS21 was seen as a follow-up process, to promote dialogue and to advocate for more effective and sustained statistical capacity building. A small secretariat was established at the OECD headquarters in Paris to implement a work program promoting dialogue between data users and providers and strengthening coordination among donors around a country-led development process. In a parallel process TFSCB was set up as a World Bank-administered, multi-donor trust fund to provide grants to developing countries for statistical capacity building activities.

Since their inception, both PARIS21 and the Trust Fund have been seen as part of the same process of building a culture of evidence-based policy making. PARIS21 is a network promoting dialogue and advocacy, and TFSCB provides the financial and technical resources to kick-start a sustainable capacity building process. Through small and quick-acting grants of up to \$400,000 over two or three years, countries have been able to address key capacity constraints in their statistical systems and to develop a strategic approach to building an efficient and effective national statistical system.

What has been achieved so far?

Both PARIS21 and the Trust Fund have been in operation for about three years, and separate, but linked, evaluations were carried out in 2003. Both reviews concluded that the initiatives had generally been successful, in relation to the broader discussion as well as in delivering key outputs. While some changes are needed, to sharpen the focus and to broaden the impact, the evaluators recommended that both PARIS21 and the Trust Fund be continued for another three years, that is, until the end of 2006. These recommendations have been accepted by the Steering Committee for PARIS21 and the Consultative Group for the Trust Fund respectively. In summary, the two evaluations concluded that the evidence available on the overall effectiveness of the PARIS21 approach is promising, even though it is not yet conclusive. There is virtually universal agreement that the needs it was designed to meet are more important today than in 1999, and the overall environment more favorable to progress. In particular the main achievements are seen as:

- The development of a robust model for statistical capacity building that places developing countries at the center of the process and which is widely supported;
- The establishment of a broad network of agencies, organizations and individuals interested in and committed to developing a culture of evidence-based policy making and the results agenda;
- The setting up of effective, but light management structures that bring together the key players, but which do not impose a heavy overhead and which are seen as being responsive to change; and

The development of a cadre of data producers and users with a vision of what needs to be done and increasing levels of the experience and expertise needed to bring this about.

There is general agreement, therefore, that the ideas put forward by the 1999 Paris meeting still show the best hope of overcoming the obstacles to sound statistical development. Both PARIS21 and the Trust Fund have proved effective, but neither can achieve the broad goals or change a culture of decision making on their own. Particularly in Sub-Saharan Africa, where PARIS21 activities have been in place the longest, a new partnership involving statisticians and policymakers has been established. Regional meetings, information exchanges, and the work of task teams have stimulated debate and discussion about statistics and have broadened involvement in the development process.

On its side, TFSCB has invested more than \$11 million in more than 50 statistical capacity building projects in developing countries. It has also remarkably successful in stimulating additional investments from other sources. For each dollar committed by the Trust Fund, about 90 cents has been provided from other sources, including government budgets. More recently, Trust Fund projects have been focused on assisting countries develop their own statistical development strategies and implementation plans, and there has thus been direct follow up to PARIS21 regional and national workshops.

The changing environment for statistical capacity building

The environment for statistical capacity building is evolving, and the approach of both PARIS21 and the Trust Fund must anticipate and adapt to new trends if they are to continue to have an impact. It is also important to recognize that many other players are active in statistical capacity building, making it crucial to ensure greater coordination. There is a

need to develop and broaden the overall vision (Box 1). At the same time, the demand for the outputs of national statistical systems is increasing.

Box 1 The need for an overall vision

The demand for indicators has increased with the Millennium Development Goals and Poverty Reduction Strategy Papers, but has yet to be translated into general support for national statistical systems.

- ❑ The development of national statistical systems is not yet part of overall development policy in many developing countries.
- ❑ Relations between the central statistical office, other data producers, policymakers, and other data users are weak.
- ❑ The operation and development of many national statistical system depends largely on donor support—support perceived as uncoordinated, and often defined by international needs rather than country needs.

To address these problems countries need to have an overall vision for a national statistical system that:

- ❑ Addresses national, regional and international needs for data.
- ❑ Is an integral part of the country's development and poverty reduction strategy.
- ❑ Serves as a coordinating framework for international and bilateral assistance.
- ❑ Includes all the main data producers and makes better use of existing data processes.
- ❑ Promotes better data quality by following international standards and good practice.
- ❑ Is based on a detailed analysis of current strengths and weaknesses.

Both PARIS21 and the Trust Fund have started promoting this agenda, but the successes of the past three years need to be consolidated and the approach promoted much more widely.

The international process to monitor the 48 indicators of progress identified in the Millennium Development Goals has created unprecedented demand for statistical data on almost all aspects of development. At the national level, there has also been an increase in demand for a wide variety of statistical indicators, driven to a large extent by the need to prepare, implement, and monitor national poverty reduction strategies (Box 2).

Box 2 Building capacity to monitor progress

The eight Millennium Development Goals, defined at the Millennium Summit in New York in 2000, were unanimously agreed to by 189 heads of state and governments. They represent a common view of the progress that must be achieved if global poverty is to be reduced and if basic aspects of human development are to be realized. The Goals are defined further in terms of 21 key targets, with progress monitored by 48 internationally agreed indicators.

Most of these indicators, at least 35, can be monitored only by data generated by national statistical systems. While most of the indicators relate to a specific aspect of development, the production of reliable and up to date numbers requires a comprehensive and well-operating national statistical system. For indicators expressed as ratios, good data are needed for the denominator as well as the numerator. National statistical systems need the capacity to carry out frequent censuses and household surveys, monitor the operation of the economy, collect environmental data, and use data generated from day-to-day administration. Even in 2003—with just 12 years to go to 2015, the target date for most of the Goals—very few developing countries have the required capacity, and there are still major gaps in the data coverage. Urgent action is needed now if the capacity that is needed is to be built in time to monitor progress by 2010.

Other changes are being driven by the evolving international architecture of development. An emerging international consensus, coming out of the UN's Conference on Financing for Development that took place in Monterrey, Mexico in 2002, emphasizes a country-led approach to poverty reduction and a new focus on results. Both components have important implications for the statistical community. The results agenda, in its requirement for clear and unambiguous measurements of what has been achieved, presents opportunities - but also clear challenges. As a result, perhaps for the first time for many years, the demand for better statistical data is being articulated not only by technicians, but at the highest political levels. Numbers now matter.

The challenge for the statistical community, therefore, is not only to produce better numbers, but to do so on a scale and in a time frame that are relevant to policy makers. Some successes have been achieved in the past three years, a new approach to statistical capacity building has been developed and significant improvements in data availability and quality can be identified in a number of countries. If the unprecedented political support for results and statistics is to be sustained, however, much more needs to be done. A renewed effort is now needed to extend the PARIS21 approach to the whole of the developing world and to build the evidence base that data users are demanding.

A new opportunity for statistical capacity building

The overall PARIS21 approach, developed over the past three years has proved to be successful. The basic paradigm, based on partnership, ensuring that developing countries take the lead, focusing on both demand for statistical data as well as supply and emphasizing effective coordination has proved to be effective and robust. We now have a clear idea of how to proceed, involving a three stage process. An initial stage of advocacy, consultation and dialogue leads to the development of a clear vision of what needs to be done and the articulation of a strategy of how to achieve this, followed by sustained investment in human resources, technology and infrastructure. Where countries take the lead and where this process is effectively integrated with other development initiatives, the evidence is that it can be remarkably effective (Box 3).

Box 3. Mozambique

The Strategic Plan provided the basis for the monitoring and evaluation of Mozambique's first poverty reduction strategy (Action Plan for the Reduction of Absolute Poverty) that from 2001 to 2005. It enabled key poverty indicators to be identified and ensured that the investments needed to sustain data systems were in place. As a result of the strategic plan the statistical system was able to meet the demands of the poverty strategy process and ensure that scarce resources were used effectively. It also provided a mechanisms for coordinating donor assistance at a time when many different donors were interested in supporting poverty monitoring.

Clearly, PARIS21 and TFSCB are not the only, or even the most important, players involved in statistical capacity building. Many other agencies fulfill crucial roles, from the UN Statistical Commission, to the specialized UN agencies, and bilateral and multilateral donors. Some work in specific sectors; others focus mainly on one part of the process. The value of the two initiatives is that they bring the statistical community together with policymakers and data users and empha-

size a coordinated and broad-based approach. A key part of the advocacy of PARIS21 is to encourage countries to take the lead in determining what their national statistical systems should do. The Trust Fund helps provide the technical and financial resources to support this process.

An extension and expansion of the overall approach and of the work of PARIS21 and TFSCB is also likely to be needed to ensure that new resources being made available for investment in statistical capacity are used effectively and efficiently. Because official statistics will remain (largely) public goods, their production will continue to be financed from tax revenue, and governments will clearly be the main financiers of routine activities. For developing countries, however, both bilateral and multilateral aid donors will be important sources of investment finance for many years to come. Recently, many donors seem to be giving more attention to investments in statistics - in part in response to the global results and monitoring agenda, but also to provide the data they need to manage their own programs. As a result more resources are becoming available for statistics, including those through a new World Bank financing instrument - STATCAP. All the indications are that there is likely to be a step-increase in the level of investment over the next few years. If these new resources are to generate a return in terms of better statistical data, then it will be essential to ensure that the activities of PARIS21 and TFSCB are continued and expanded.

A new business plan

This proposal, therefore, calls for a new business plan for PARIS21 and the Trust Fund to cover the period 2004 to 2006. The aim is to take advantage of the new opportunities for statistics coming out of the results and global monitoring agenda and to support the new investment expected to be made in statistical capacity over the next few years. In particular the proposal provides for a scaling up of advocacy, dialogue, coordination and strategic planning for statistics to cover all developing countries by the year 2010. The key elements of this business plan are as follows.

- The goal is to continue to promote a culture of evidence-based policy making and monitoring in support of development and poverty reduction.
- This will be done by enabling all developing countries to have prepared strategic development plans for their national statistical system by 2006 and to have detailed implementation programs or statistical master plans in operation by 2010.
- Responding to the recommendations of the evaluation and the new agenda for statistics, PARIS21 will continue to support national capacity building by working mainly at the global and regional levels through advocacy, by developing tools and methods, and by monitoring and reporting on progress.
- The Trust Fund will concentrate its resources on supporting the preparation of national strategies for statistical development and implementation programs, with a more focused approach to capacity building. It will supplement efforts by other agencies and will aim to support capacity building programs that may be financed by national budgets, by bilateral donors, and by multilateral processes such as the World Bank's new STATCAP financing vehicle.
- The main objective will be for least an additional 30 developing countries to have in place a funded capacity building program by the end of 2006. That would reduce by 75%

the number of countries unable to report on progress toward the Millennium Development Goals by 2010.

- Overall the emphasis will be on improved coordination and management.

To achieve these outputs annual spending by PARIS21 and the Trust Fund is estimated at \$9 million, or about \$27 million over three years (table 1). The PARIS21 funding includes just under \$850,000 that is already secured and carried forward from 2003. These funds will support the technical work of specialist task teams, develop the advocacy and knowledge base for statistical capacity building, implement a partnership and information exchange program, and support capacity building at the national level.

The Trust Fund's requirements are based on a work program that envisages two kinds of projects: those supporting the preparation of statistical development strategies and master plans, and other more general projects providing support to capacity building. It is envisaged that about 10 strategy and master plan projects will be approved in 2004 and 15 a year after that. There are likely to be 5 to 10 other projects approved per year, focusing on activities that make more effective use of existing data and data processes. Particular links will be made with other initiatives, including the IMF's General Data Dissemination System (GDDS).

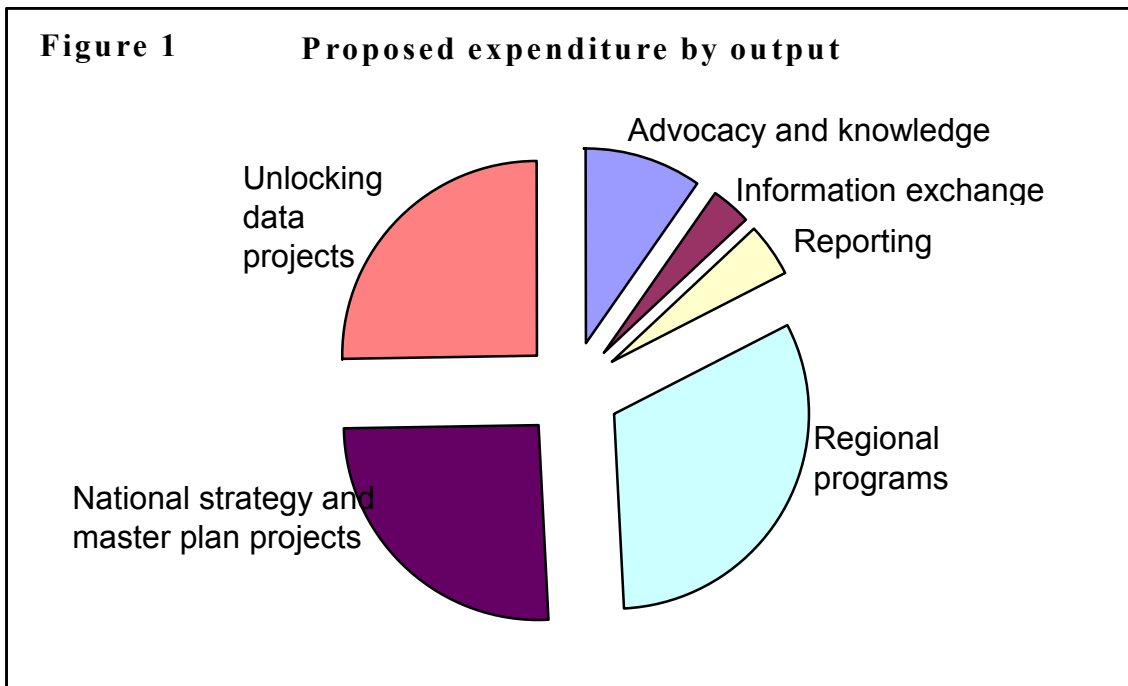
A small sum is also included in the Trust Fund's budget to provide support for project preparation to enable the poorest countries to have easier access to the Trust Fund. An overhead of 9% is included in the budget, the standard percentage for World Bank administered multi-donor trust funds of this type. This overhead goes to meet some of the administrative costs incurred by the World Bank. It is estimated, however, that providing the management and supervision required, and as recommended by the evaluation, will cost more. The estimated additional contribution of the World Bank to trust fund management and project supervision over and above the overhead is about \$2.4 million over three years (Figure 1 and Table 1).

Conclusion

Over the past three years, substantial progress has been made in meeting the data and reporting challenge of the global development effort in the first quarter of the twenty-first century. An effective development model, which brings together both users and providers of statistics and which puts developing countries at the center, has been developed and piloted. A broad network of the key stakeholders has been established and a substantial amount of experience and expertise has been built up. There is also widespread agreement that the problems that PARIS21 and TFSCB were set up to address are even more important today that they were in 1999. At the same time, the international environment is perhaps even more receptive to and supportive of the statistical effort. And yet a renewed and enhanced effort is still required if the data challenges of the global monitoring and results agenda are to be met in time.

This proposal, therefore, proposes an increased funding program for PARIS21 and TFSCB over the next three years as a core part of the global effort to meet the Millennium development challenge. Most of the pieces needed to scale up the PARIS21 approach are in place, and the potential for a substantial increase in the level of investment in statistical capacity is good. What is needed now is a renewed international commitment to the overall process

and a financial commitment of the order of \$9 million per year for three years. The amounts required are not large, but the potential benefits are substantial.



**Table 1. Financing needs of PARIS21 and the Trust Fund, 2004–2006
(thousands of dollars)**

Expenditure	2004	2005	2006	Total
PARIS21 management	\$808	\$602	\$985	\$2,395
Task teams	\$83	\$77	\$77	\$236
Advocacy and knowledge base	\$590	\$490	\$490	\$1,569
Partnership and information exchange	\$254	\$189	\$189	\$631
Reporting	\$502	\$248	\$65	\$814
Regional programs	\$3,549	\$2,926	\$2,177	\$8,653
Total PARIS21 expenditure	\$5,786	\$4,531	\$3,983	\$14,299
Less funding already secured	\$847	\$0	\$0	\$847
Funding needs for PARIS21	\$4,938	\$4,531	\$3,983	\$13,452
Statistical development strategy and statistical master plan projects	\$1,500	\$2,250	\$2,250	\$6,000
Other projects	\$2,000	\$2,000	\$2,000	\$6,000
Support for proposal preparation	\$250	\$250	\$250	\$750
Overhead (9%)	\$338	\$405	\$405	\$1,148
Funding needs for the Trust Fund	\$4,088	\$4,905	\$4,905	\$13,898
Grand total	\$9,026	\$9,436	\$8,888	\$27,350

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