

**Follow-up mission on institutional, organisational and legal advice with respect to the system of official statistics of Namibia**

**Mission for the World Bank to Namibia, April 2008**

*Mission report*

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## **Executive summary**

As required by the Terms of Reference the following was achieved during the mission:

- High level policy makers in Namibia were made aware of the issues regarding improving the position of the CBS; the two alternative institutional options (inside and outside Public Service), the Statistical Development Fund and the Common Statistical Service.
- There were meetings with several key institutions and advisers, including the Bank of Namibia, the Ministry of Finance, the Public Service Commission and the Special Adviser of the President and the Prime Minister.
- There appeared to be general understanding and political support for the changes to be made and there seems to be sufficient momentum to move forwards; it is not unrealistic to expect that key decisions could be made this fiscal year.
- The relevant legal texts were discussed and scrutinized and discussed with the legal adviser. A few changes and additions were recommended, in particular the duty of the Government Statistician to formulate annual and multi-annual statistical work programs and the adding of provisions about archiving micro-data and making them accessible for research purposes.
- A number of examples of (draft) Regulations and standards for the future Common Statistical Service were elaborated.
- Information about international best practices of statistical organisation and coordination were shared with several ministries and other public bodies in Namibia.

# **1. Introduction**

## **1.1 Background**

Reform of official statistics has been high on the agenda during the last decade and a half and work to conclude the process has intensified during 2007 in particular. A number of consultancies were sourced to accelerate the process during the last three years. The government has taken the required basic decisions on the restructuring of the National Statistical Service and set the parameters for the CBS to develop restructuring proposals, focusing on enhanced institutional and professional independence. The establishment of both the Statistics Development Promotion Fund and the creation of the Common Statistics Service are among the arrangements approved in principle. The review of statistical legislation is proceeding in tandem with the complete overhauling of the CBS operational structure.

The initial mission (2007) has identified key follow-up issues that could not be accomplished for lack of time. The need to carry out a focused sensitization of key policy stakeholders during the process of dissemination of the mission report is such a critical aspect. The sharing of best practices in statistics institutional organization is yet another important issue. In particular Namibia intends to establish a Common Statistical Service but the country has no experience on the operations of such services and therefore this follow up mission was supposed to assist the CBS to clarify the practices of this service to stakeholders.

## **1.2 Timing**

The mission was expected to take two (2) weeks; one week in Namibia and the other week in the consultant's home country. In fact, the time spent in Namibia was from 13-23 April 2008, i.e. 10 days, of which 9 worked days (8 week days, one Saturday). Time spent in The Netherlands, including preparation before the mission and finishing the report after it, was 5 days.

## **1.3 Expected Outputs**

1. Sensitized high level policy makers on institutional organization and legal frameworks for official statistics.
2. Draft regulations on relevant sections of the Statistics Amendment Bill.

3. Draft standards to guide the common statistical service.

#### **1.4 Specific terms of reference**

1. Dissemination of agreed policies plans and programs. to key policy stakeholders (DG, Ministry of Finance, State House, Cabinet Committees, Public Service Commission, Bank of Namibia, etc).
2. Elaborate on the concepts of Common Statistical Service and share international best practices.
3. Explain the rationale for the establishment of the Statistics Development Promotion Fund.
4. Propose key regulations required to be issued in terms of the new Statistics Legislation.
5. Assess the need to issue regulations under the current Act if required to support and accelerate the restructuring process.
6. Propose a basic set of standards that will be required to be adhered to in a Common Statistical Service.
7. Comment on the latest version of the Draft Statistics Amendment Bill now translated in a legal language.
8. Provide advice on any relevant aspect.

#### **Summary of recommendations after 2007 mission**

The recommendations I made after my mission in 2007 can be summarized as follows:

1. The Central Bureau of Statistics should become and be recognized as the standard-setter and coordinator of the National Statistical System, the lead agency for the production of official statistics, and the custodian and authoritative source of official statistics in the country.
2. The Central Bureau of Statistics should be restructured, become more visible, more professional and better resourced. Among other issues, it should have its own Information and Communication Technology (ICT) services. A proposed specific organisation structure and tentative staffing levels formed part of the 2007 report.
3. The Central Bureau of Statistics should become a semi-autonomous and self-accounting agency. Cabinet has already given its approval in principle (in 2005; Cabinet Action Letter, Decision No. 15<sup>th</sup>/19.07.05/004). The mission was therefore planned to give some impetus to the reform process through the removal of any possible inherent inconsistencies within

and between agreed policies and plans (Statistical Policy, Layman draft statistical amendment bill, NSP3), in order to advice on a clear way forward.

4. In pursuit of the latter objective, the consultant also attempted to clarify the roles and mandates of the Director General, the Government Statistician and the Statistics Advisory Council, with the view to make them more compatible with the Fundamental Principles of Official Statistics and enhanced credibility of statistics produced.
5. The role of the Director General should be: political accountability for the system of official statistics of Namibia ('Minister responsible for Statistics'). The Director General appoints the members of the Statistics Advisory Council, appoints members of the Statistics Development Promotion Fund Board, makes a recommendation for the appointment of the Government Statistician, in consultation with the Minister of Finance determines remuneration arrangements for the members of the Statistics committees, issues regulations in the framework of the Statistics Act, approves statistical work programmes, causes the annual reports of the Bureau and the Council to be tabled at Cabinet and Parliament, and enters into agreements with regional and international organisations and other national governments on matters which have statistical implications.
6. The role of the Government Statistician should be: professional and executive responsibility for the system of official statistics of Namibia. The Government Statistician is the Chief Executive Officer of the Central Bureau of Statistics, the Secretary of the Statistics Advisory Council, the coordinator of the National Statistical System, the chief of the Common Statistical Service, the Chief Executive Officer for the Statistical development promotion fund (Secretary) and the principal adviser of the Government on statistical matters.
7. The Statistics Advisory Council appoint Statistical committees, provides advice to the Director General and to the Government Statistician on any matter relating to national statistical policy or statistics use and production, monitors implementation of policies and programmes aimed at the orderly and coordinated development of official statistics in the country, reviews and advices on strategies to promote uniform standards and methodologies among the various statistical data producing agencies, advises on the general priorities and direction of the development of statistical programmes, promotes and protects the credibility, integrity and impartiality of official statistics as well as the professional independence of the Bureau, monitors compliance with international recommendations and best practices in the production of official statistics, and considers work

plans and reports of the Bureau for onward submission to the Director General.

8. The current Statistics Act should be revised taking account of the Fundamental Principles of Official Statistics and best practices in statistical organization and management. A proposed text (a revision of the so-called Layman's draft 2) was part of the 2007 report. As stated above, the attached statistical policy document, draft NSP3 and the revised Layman's amendment bill were all fine-tuned during the mission, firstly to bring them completely in line with the Fundamental Principles of Official Statistics and secondly to adapt them to Namibia's political decision on the organisation model as outlined in this policy documents and further reaffirmed by the Director General during the mission consultations.

## **2. Agenda**

14 April 2008, Monday

- 11.00 Meeting with the Government Statistician, Mr. Hangula, and Ms. Kali, who briefed me on the situation and developments since mid 2007. They mentioned that the Director General of the National Planning Commission (Hon. Mr. H. Angula) had recently been promoted to a full Minister (Ministry of Works, Transport etc.) and that a new Director General had been appointed: Prof. Peter Katjavivi (formerly of the University of Namibia, and more recently Namibian ambassador in Brussels). It is unclear whether or not this change might entail delays of decisions about the statistics reform and the CBS.

- Reading documents, including two draft Statistics Bills, and a document entitled 'Proposal to transform the CBS into an autonomous state agency'.

15 April 2008, Tuesday

- 11.00 Meeting with Mr. Adolf Denk (in the presence of Ms. Kali), the lawyer who had been hired (funded by Lux Development, as it appeared later) to translate the Layman's Draft into legal language. Mr. Denk is a lawyer with the Namibian Financial Authority and also a private consultant. My opinion is that he did an excellent job in transforming 'my version of the Layman's Draft' (including proposals clarifying and sharpening some parts of it) into an acceptable legal text. In fact Mr. Denk was asked to draft two versions: one for 'CBS in civil service' (which is complete and fine,

although a few important outstanding issues and questions marks remain to be addressed; see 3.2 Legislation); the other for ‘CBS outside civil service’ (which is not fully consistent and mature yet).

- 14.30 Meeting with Mr. Mocks Shivute, Permanent Secretary of the National Planning Commission Secretariat (in the presence of Mr. Mbang and Ms. Kali). It was only through this meeting that I became aware of the meeting of 10 April of the senior management of the CBS (see 3.1). The P.S. said he understood the position of the CBS management, but also mentioned that he could have lived with the ‘CBS outside Civil Service’ option as well.

16 April 2008, Wednesday

- Mostly spent waiting for meetings that did not materialize, while working on draft Regulations and Standards for the Common Statistical Service.

- Short meeting with Dr. Alex Verlinden, Chief Technical Advisor for Namibia, on behalf of Luxembourg Cooperation (NAM/342-GIS III), who has been spending most of the last two years at the CBS. He explained that LuxDev had paid for the work of Mr. Adolf Denk and that he had always been in favor of the ‘CBS outside Civil Service’ model. He was not aware of the 10 April meeting and was disappointed by its outcome.

17 April 2008, Thursday

- 11.30 Meeting at the Ministry of Gender Equality and Child Welfare. The Permanent Secretary, Ms. Sirkka Ausiku and about six of her staff attended. The Ministry does very little statistical production by itself, except the occasional donor-funded survey, and is essentially a user of statistics. They expressed understanding the concept of the NCSS, and agreed to participate in committees. In addition, they complained as usual about the lack of gender statistics and statistics about children.

18 April 2008, Friday

- 14.30 Meeting at the office of the Auditor-General.

Ms Kali and I were received by Mr. W.P. Barth, the Deputy Auditor General, who made the best contribution so far to clarifying my/our view of the issues. Like the CBS, the Office of the Auditor-General (OAG) has for

many years been involved in striving for increased professional independence. The Association of Auditing Offices of Anglophone Southern Africa has developed criteria to 'grade' independence of OAG offices, 5 being the highest grade. Namibia is currently at level 2, but the new law the OAG is developing for itself is written for level 5. However, that does not mean the OAG wants to leave the civil service. The OAG is an already rather autonomous body and wants to become even more autonomous in the future, but at the same time it wants to remain in the civil service.

The Auditor-General is a political appointee; the Deputy AG is a civil servant, equivalent to a P.S. (and thus appointed by the Prime Minister). Having a P.S. is synonymous with having one's own 'vote' (meaning separate budget line, the P.S. being the 'accounting officer'). Staff members of the OAG are normal civil servants. The OAG used to be part of the Ministry of Justice. It is ruled by the State Finance Act, but wants to have its own Act. Financially it is entirely dependent on the government (and parliament), for accommodation it is dependent on the Ministry of Works etc. (no extra office space, no extra staff) and for getting new staff graded and reorganizations approved it depends on the Public Service Commission.

In terms of professionalism and independence there are strong parallels between the OAG and the CBS, a big difference being that the OAG is not confronted with the coordination issues CBS must handle in the context of the NCSS. In terms of size, the two institutions are also similar. The OAG has over the years several times submitted proposals for expansion into new areas of work. It takes time and effort (2-3 years) to get such proposals through the Public Service Commission, said Mr. Barth, but it is possible. If CBS has a strong case and political support to grow bigger, they can get it through the PSC as well.

So Mr. Barth quite clearly advised CBS to stay within the civil service. Apart from some other more minor issues the main reasons are: security of funding, and no need to develop and get approval for any special rules.

A very important difference between the status of the OAG and the foreseen status of the 'CBS inside the Civil Service' (as per the current draft Statistics Act) is that the OAG is a self-accounting organisation with its own P.S., while the draft Statistics Act implies that the CBS remains administratively attached to the National Planning Commission and would not have its own P.S. This could prove to be a serious setback in practice, because it seems

that Namibia does not have any workable mechanisms for ‘delegation of authority’ (in particular financial and administrative authority). So without its own P.S., the CBS would still be administered by the P.S. of the NPC.

19 April 2008, Saturday

Work on Regulations and standards.

21 April 2008, Monday

Meeting with the Public Service Commission (together with Mr. Hangula).

We had a meeting with the Chairman, Ambassador Eddie S. Amkongo, and five Commissioners (two women, three men).

Mr. Hangula introduced the purpose of the meeting and explained some backgrounds and recent developments. He explained the dilemma (in or out of the Public Service), the concept of the Common Statistical Service and the purpose of the Statistical Development Promotion Fund. I explained the status of the draft Statistics Amendment Bill (inside the Public Service) and gave some comments about national statistical systems in other countries.

Commissioner 1 expressed a preference for the CBS to remain within the Public Service and said that ‘parastatals’ had their own problems. Commissioner 2 commented that it would have been better if the Public Service Commission would have been consulted earlier. I mentioned that a planned meeting in 2007 had been canceled by the PSC.

My question: Does having a separate ‘vote’ (budget line) require to automatically also having a Permanent Secretary? The Chairman thought not necessarily and pointed to the Electoral Commission and the Anti-Corruption Commission where the Commissioner was also ‘accounting officer’, without being a P.S. So this model could also apply to the CBS.

Commissioner 3 asked whether or not the ministries would keep their own statisticians. We explained that yes, this was inherent to a decentralized system. The Common Statistical Service, however, would be the instrument to achieve unity and coordination, in conjunction with the Advisory Council.

Commissioner 4 asked about availability of Namibian statisticians and HR planning in general. That was part of the role of the NPC too, wasn't it? What do we know e.g. about foreigners working in Namibia? Why are universities and students not aware of shortages in certain professions like statistics? And looking at Schedule I he wondered which of the listed statistics were being produced and which not? I remarked that only some of the list was actually produced and that in order to produce everything on a regular basis the CBS would have to more than doubled in size, and be empowered to attract good people.

Commissioner 5 asked about any African success stories that could be emulated. This generated some discussion, during which I also spoke about the advantages and disadvantages of centralized and decentralized systems.

Note: The Commission did not specifically comment on my remark that one of the main problems was: how to get better grading for professional statisticians?

Most important lesson of the meeting: CBS should have been more proactive in involving stakeholders like the PCS. ('Take the problem to them to make it *their* problem instead of just your problem').

22 April 2008, Tuesday

9.00 Meeting at the Ministry of Labour. Present were from the CBS Mr. Hangula and Mr. Sindano (head of National accounts) and from the Ministry Mr. K.J. Hikuama-Mupaine (Director Labour Market Services), Ms. Kali (identical twin sister of Ndamona Kali of the CBS - Deputy Director), Mr. Sikanda Tonycent (Chief statistician) and Mr. Albius Mwiya (Project counterpart - Namibian-German Government Cooperation).

After Mr. Hangula had introduced the issues and handed over relevant documents (including a copy of the UN Handbook of Statistical Organisation), the discussion focused on the work of the Ministry in statistics, which is actually very limited. There is a Labour Force Survey (about once per two years) and a Wages Survey (in principle annually). The number of statisticians in the Ministry is 3, and is planned to be 5 - excluding temporary interviewers. Interviewers are recruited from registered unemployed. For establishment surveys (Wages) the selection criteria are more stringent than for household surveys. Non-response from businesses is

a very big problem. There is no trust; respondents are wary about the use of the information. Statistical data are not released until after the Cabinet of Ministers has approved them.

The Ministry understands the concept of the Common Statistical Service and is in principle in favor of the 'Inside Public Service' model. In their view, the 'Outside Public Service' model would imply that the CBS takes over all statisticians and then seconds them to ministries.

An issue of special concern that was raised concerned the preservation of micro-data for future research. Is it possible that CBS assumes this task at a central level?

11.00 Second meeting with Mr. Denk. I asked him to scrutinize the Amendment Bill once again on a few topics: the Annual Statistical Work Plan (or Programme), Multi-Annual Work Programmes and micro-data.

15.00 Meeting with Ambassador Kalomoh, special advisor to the President, the Prime Minister and the Minister of Foreign Affairs. Present from NPC/CBS: Mr. Hangula, Dr. Asoka Sepala Seneviratne (from Sri Lanka/New Zealand, seconded by UNDP Namibia as Special Advisor to the Director General). After Mr. Hangula had introduced the issues, we had an interesting conversation about statistical systems and government structures in different countries. The Ambassador appeared to be an admirer of The Netherlands. He commented that institution building was a weak point in Namibia, but also that Namibians had been excluded from higher education for a long time and that it was still a young nation. He thought that developing independent professionalism and thus more credibility was essential for the future of Namibian statistics. If possible he would support the envisaged developments.

23 April 2008, Wednesday

09.00 Meeting with the Bank of Namibia.

The Director of Research was not available, so the Bank was represented by Mr. Abed P. Iyambo, manager International Affairs (chair of the meeting), Mr. Simana Chimana (Senior Economist, Statistics and Publications Division, Research Department), and three other colleagues; the NPS/CBS by Mr. Hangula and Dr. Seneviratne. A previously agreed meeting between

the Director-General of the NPC and the Governor of the Bank had not happened. The Bank had received the texts of the two versions of the Amendment Bill.

After introduction of the options and plans by Mr. Hangula, Dr. Seneviratne and I there was some discussion about the issues and the plans. Mr. Hangula mentioned that he hoped the decision making process would be finalized soon and that the new Act could come into force before the next fiscal year was to start (March 2009). The Bank, like other parties, was asked to give comments within the next two weeks. There was some agreement among the participants that the 'inside Public Service' option was the more realistic of the two, also because that was the model the Cabinet had already agreed on. More important than which model was chosen, achieving a quick decision and moving forward was needed. Secondly, adequate additional funding and staffing by professionals was essential for the CBS; and even then recruiting the right people would not be easy considering the availability of statistical professionals in Namibia. The Bank did not object to the Statistical Fund and generally understood and welcomed the idea of the Common Statistical Service.

### 13.30 Meeting at the Ministry of Finance.

Mr. Hangula, Dr. Seneviratne and I had a meeting with Ms. Dagmar Honsbein, Director for Economic Policy.

After our introduction, Ms. Honsbein indicated that the Ministry was against creating another 'parastatal', so it would rather support the 'inside Public Service' model<sup>1</sup>. There was as I understood no objection, in principle, against the Statistical Fund. As in the case of the Bank, the Ministry was well aware of the fact that only additional resources would be required for the CBS, but that in addition the availability of qualified professionals was a difficult issue. This is a general problem of Namibia, and the meager educational outputs at this stage indicate that it will remain a problem for a long time to come. It is even a problem for the private sector. The Ministry would give any other (detailed) comments it had about the legal texts within the next two weeks.

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<sup>1</sup> It was not until then that I heard that the 'outside model' had originally been advised by Prof. Ben Kiregyra from Uganda.

## 15.00 Meeting at the Ministry of Fisheries.

Ms. Anna Erastus, Director of Policy Planning (which includes 6 divisions, one of them for Statistics) chaired the meeting. There were 8 other staff members of the Ministry present, including those who were directly responsible for statistical work, which is quite extensive, considering the importance of fisheries for the economy. Efficient data collection poses many problems of methodology, organisation and timeliness. Some technical support was currently given by Iceland, in particular as regards the introduction of handheld devices for data collection at fish landing stations.

Mr. Hangula, Dr. Seneviratne and I explained the issues, including the ideas behind a Common Statistical Service. There was general support for more cooperation and coordination between the various statistical services in the Namibian public service. Standards and regulations were welcomed.

The Ministry would submit comments on the legal texts within two weeks, as required.

### 3. Progress achieved since mid 2007

#### 3.1 Position of the CBS

10 April 2008 the senior management of CBS had a meeting to discuss various aspects of the transformation of the CBS into an autonomous state agency. Present were:

1. Mr. F.S.M. Hangula, Government Statistician (chairperson)
2. Mr. S. K. Mbangu, Director
3. Ms L. Kafidi, Deputy Director Demography and Social Statistics
4. Ms N. Kali, Deputy Director, Economic Statistics

I am quoting the text of the report of the meeting practically *verbatim*, because it not only contains a comprehensive analysis of the pros and cons of the options, but also illuminates some aspects of the bureaucracy in Namibia. The report is ‘official’ and CBS has submitted it to the Permanent Secretary of the National Planning Commission Secretariat. (Permanent Secretaries are the top civil servants of ministries in Namibia and are extremely powerful in the bureaucratic machinery. In fact, nothing happens without their explicit approval. They also take all financial decisions, big and small, because they are the ‘accounting officer’.)

What follows (including paragraphs 3.1.1, 3.1.2 and 3.1.3) is the text of the report of the meeting.

The purpose of the meeting was formulated as follows: ‘The Central Bureau of Statistics in the National Planning Commission is undergoing transformation to become an autonomous state agency. There is a trend internationally to make NSOs autonomous agencies of government. Autonomy here refers to professional independence, and to achieve professional independence requires administrative independence. Professional independence guarantees credibility, impartiality and effectiveness of the institution. Of course leadership plays a vital role in the effectiveness of the organisation. CBS is faced with a choice between autonomy **within** or **without** regular public service. It is believed that both models offer professional autonomy with some smaller variance in

administrative flexibility which possibly will have different impact on professional autonomy in the end. The advantages and disadvantages of both models are outlined below. It is difficult to establish a criterion to judge on the basis of advantages and disadvantages between the two models, and this remains a subjective matter. Everything being equal, consensus tends to drift towards Outside Regular Public Service Model. However, consideration is made as to how ready the political level is prepared to accept such a drastic “evolution”.

### 3.1.1 Advantages and Disadvantages of the ‘Inside Regular Public Service’

Advantages	Remarks
1. Easier application of the Common Statistical Service	Same resistance applies, and also it has some degrees of application, depending at what degree you want to implement this.
2. Secured funding through normal budget	
3. Still institutional independence can be achieved	
4. Already established rules and regulation with regard to human resources, public finance etc	
5. Not affected by negative (public) perception of non performing parastatals, with high salaries	
6. More ground work has been covered with regard to this model, in the context of draft statistics policy, NSP 3, and earlier consultations.	
7. Firm commitment on autonomy by political office bearers	

<b>Disadvantages</b>	
1. Bureaucracy (Red Tape) <ul style="list-style-type: none"> <li>• Inflexibility with regard to human resources management<sup>2</sup> and development.</li> <li>• Prolonged procurement procedures</li> <li>• Limited budget flexibility</li> <li>• Limited “scope” for professionalizing of the entity.</li> </ul>	
2. Limited Technological Advancements	
3. Hindered Management flexibility	
4. Budget subjected to State Finance Act and tedious Treasury regulations.	

### 3.1.2 Advantages and Disadvantages of the ‘Outside Regular Public Service’

1. Management flexibility and institutional independence in terms of: <ul style="list-style-type: none"> <li>• Human resources practices</li> <li>• Budget</li> <li>• Procurement</li> <li>• Quicker decision making process</li> <li>• Professionalizing and retention of staff</li> </ul>	More freedom comes with more responsibility.
2. Wider scope for IT development	
3. Effectiveness and Efficiency in service delivery	
4. More amenable to innovations	
5. Easier to attract donor resources	
6. Improvement of remuneration and career path	
7. Develop prestige for statistician profession	
8. Firm commitment on autonomy by political office bearers	
<b>Disadvantages</b>	
1. High potential for negative perception by policy makers and administrators on various issues, e.g. high salaries	
2. To a certain extent poses a challenge in the administration of the Common Statistical service. Feud between parties may develop.	It may be difficult to enforce standards while you are

<sup>2</sup> Including delayed disciplinary procedures, delayed recruitment, retention of professional staff etc.

	outside government, but it also depends on how professional and credible the institution is.
3. There may be a funding risk.	
4. More ground work has been covered with regard to this model, in the context of draft statistics policy, NSP 3, and earlier consultations.	

### 3.1.3 Conclusion

After extensive discussion of the advantages and disadvantages between the two models, the meeting has felt that the model within Regular Civil Service is recommendable on account of current assessment of the status of CBS, more especially human resource situation.

However, some information that has become available is that most development partners (such as Lux Development and other stakeholders) are keener to support the model outside Public Service because of management independence.

This ends the text of the report of the meeting of the CBS senior management of 10 April 2008.

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### 3.1.4 Interpretation

My interpretation of the discussion and in particular the conclusion is as follows:

1. The CBS being outside the Civil Service has advantages in terms of managerial issues: HR management, remuneration, financial management and (perceived) professional independence of the institute.
2. However, the CBS management has the following misgivings about this alternative:

- Maybe there is not sufficient political support for this option.
- The legislative work that has been done so far is complete for the ‘in Civil Service’ option, but not complete for the ‘out of Civil Service’ option.
- The CBS being a ‘parastatal’ might meet extra resistance in implementing the idea of the Common Statistical Service than as part of the Civil Service.
- There is no guarantee of sufficient and sustained funding; there might arise a situation that the government would demand the CBS to generate substantive own income in order to be able to execute the national statistical programme.

My own views on the matter are:

1. I think that a ‘parastatal’ CBS might fit with a centralised statistical system, but probably not so well with a decentralized system. The CBS being outside the Civil Service could make the implementation of the Common Statistical Service concept more difficult. (‘Who are these well-paid people telling us what to do?’)
2. However, centralization of statistics in Namibia is an option that has never been seriously considered and seems to have very few supporters, if any. Centralization would probably widely be seen as the CBS building an empire; and also ministries losing an area of work (however small it may be) and staff. Ministries are not keen on that.
3. The bureaucratic culture of Namibia unfortunately entails that ministries are islands, which may be true in many countries, but is certainly the case for Namibia. The concept ‘Common’ (Statistical Service) is understood in an abstract sense, but may be rather difficult to implement, even when the CBS remains part of the Civil Service.
4. The Namibian bureaucratic style is not conducive to cooperation. A strange contradiction in this regard is that while the Namibian Civil Service is relatively small and many civil servants appear to know each other personally, getting anything of substance organized (e.g. a meeting) involves formal proceedings - a letter has to be sent from one P.S. to another etc. Even the correspondence style for such letters is curiously stilted. Arranging a meeting by telephone or e-mail seems to be near impossible. Delegation of authority is an unknown phenomenon; even minor financial and operational decisions require

P.S. approval. For a ‘production facility’ such as the CBS, where normally many decisions need to be made daily, this is particularly stifling. The Government Statistician, despite his job title, has very little authority in a practical sense.

5. This bureaucratic climate is also the reason why, once again (as in 2007), it appeared to be difficult to set up meetings for me with ministries. The CBS said (14 April) it was trying to set up meetings with:
  - Ministry of Finance (producer of external trade statistics by Customs and Government Finance Statistics)
  - Ministry of Labour
  - Ministry of Health
  - Ministry of Trade and Industry
  - Ministry of Fisheries
  - Public Service Commission
  - Bank of Namibia

Only some of these planned meetings have actually happened. In a few cases an already agreed appointment was cancelled.

6. In addition, the bureaucracy is legalistic, meaning that nothing happens without legal underpinning, and all loopholes being closed. To quote a Namibian insider: ‘This is a rule-based society. Nothing happens unless there is a regulation saying that it must’. An odd example is that while it seemed to me that the Director-General of the National Planning Commission, under the existing Statistics Law, could have set up the Statistical Advisory Council long ago, as I also suggested in the 2007 report, this was now said to be impossible for a legal reason. The reason is supposed to be that, when Namibia became independent, all the functions of the (South-African) Administrator-General were transferred to the Namibian government, including specific mandates for ministers to implement certain laws. In that context, however, the mandate of the Director-General of the NPC to implement the Statistics Law had never been formalized. My understanding is that there is currently no one mandated to implement the Law. This means that the President has to grant official ‘power of attorney’ (Assignment of Administration) to the Director-General to implement the Statistics Law; a process that is currently underway and

was said to be a formality, but will take time anyhow. I have seen a draft Proclamation for the Government Gazette (of 30 March 2008), but I have not been able to verify whether or not this Proclamation has actually been published yet.

### 3.1.5 Four models

Model 1 Centralized Statistical System - CBS in Civil Service	Model 2 Centralized Statistical System - CBS outside Civil Service
Model 3 Decentralized Statistical System - CBS inside Civil Service	Model 4 Decentralized Statistical System - CBS outside Civil Service

Theoretically, these would be the four models to choose from. Professionally, I would be in favor of Model 2, but that option is not realistic in the Namibian context. My second favorite option would be Model 1, but I am probably biased towards the idea of centralization of statistics. Model 4 is not to be recommended because it would make the Common Statistical System unworkable *in the short term*. In the longer term, if the CBS under Model 4 would be sufficiently funded, and could pay competitive salaries, it might attract the better statisticians from ministries, which would lead to attrition of statistical work of ministries and thus maybe to implicit, ‘silent’ centralization. However, even ignoring the damages this model might cause in the short term, there are too many ‘ifs’ involved to make this a sound option. This leaves Model 3 as the only realistic one for Namibia. So in this regard I do understand and endorse the choice made by the CBS.

## 4 Legislation

As mentioned before, the draft produced by Mr. Denk looks fine in principle. However, a key issue that still needs to be addressed and resolved is the administrative/financial autonomy of the CBS. A possible solution to this issue would seem to be following the same model that applies to the Office of the Auditor General (OAG) earlier mentioned.

The question is whether or not article 13.5 of the draft Act (Statistics Amendment Bill 2008) suffices to give the CBS the financial/administrative autonomy it needs to have. The text of the draft reads: ‘The Government Statistician shall be responsible for the management and control of the Bureau’. It is unclear to me what this means exactly and to what extent this

fits with the Namibian bureaucratic system. Article 20.2.b. is even more explicit: 'The Government Statistician is the accounting officer for the Bureau and the (Statistical Development) Fund'. But the question remains: is it possible for the head of a government organisation in Namibia to be responsible for management and control and to be the 'accounting officer' if this organisation does not have its own 'vote' (budget line approved by parliament) and consequently (?) its own P.S.?

If my understanding of how things work in Namibia is correct, it means that for financial autonomy the CBS would need to have its own P.S. and its own 'vote'. If the analogy of the OAG is followed this would mean that there are two options:

- a. The Government Statistician would also be the P.S. of the CBS. In the Namibian bureaucratic context this would mean that he is appointed - as a civil servant - by the Prime Minister (probably at the recommendation of the Director General). The current text (Article 15.1 and 15.2) says, however, that the GS is appointed by the President at the recommendation of the Director General, which implies that the Government Statistician is a political appointee. This being so, he cannot at the same time be a P.S. and a civil servant.
- b. The Deputy Government Statistician shall be the P.S. of the CBS, as the Deputy Auditor General is the P.S. of the OAG. But then the draft text also needs to be amended, because now both the GS and the Dep. GS are political appointees.

Note: meanwhile I have been reassured on this issue. It is possible that CBS gets its own 'vote' with a politically appointed GS as the accounting officer.

In addition, I have asked Mr. Denk to check the text on statistical work programmes and on micro-data. It should be made explicit that the GS has to submit an Annual Work Programme (and ideally Multi-Annual Programmes as well) to the Director General and that such programmes are approved by either the DG or the Cabinet of Ministers to guarantee funding. As to micro-data, article 20 (5f) seems to give the GS a handle on issuing a regulation or a standard, but maybe this should be put in more specific wording.

Mr. Denk also explained that under Namibian law, there is a difference between a 'regulation' and a 'standard'. Both are published in the Gazette,

but a regulation can only be issued at the level of a minister (in this case the DG of the NPC), while standards could be issued by the GS.

Apart from these important legal issues I have no comments about the draft Statistics Amendment Bill 2008.

## **5 Common Statistical Service**

### **5.1 The concept**

In general terms it is not difficult to understand what the purpose of having a 'common statistical service' is. In countries with a centralized system of official statistics the term 'central statistical service' might be used, although it is not often used in practice. 'Common statistical service' is a term that typically applies to decentralized systems.

To introduce the issues, here are some texts from the United Nations Handbook of Statistical Organisation, version 2002. There are many organisational forms of systems of national official statistics.

#### **5.1.1 Single institutions**

A system of this nature is typified by the establishment of one department within the government to organize and operate a scheme of co-ordinated social, economic and environmental statistics pertaining to the whole country. This department collects, compiles and publishes statistical information and, in addition, collaborates with other departments of government in the compilation of administrative and specialized statistics.

The advantages the Handbook cites for this form of organization are respectively:

- Concentration of specialized and scarce manpower in one centre.
- Co-ordination of programmes within one office.
- Concentration of scarce equipment and know how to operate it.
- Easy recognition of the institution that guarantees quality, impartiality, and freedom from political interference.

A national statistical service is centralized if the management and operations of the statistical programmes are predominantly the responsibility of a single

autonomous government agency, headed by the country's chief statistician. Centralization can include out-posting of staff to other departments or the delegation of certain functions to geographically separate units, which however remain subordinate to the central authority.

### **5.1.2 Multiple institutions**

There are two advantages that are usually given for decentralized systems. The first is that the statistical agency is close, both physically and intellectually to the subject matter policy office. In this case it may be more likely that statistical entities will be responsive to policy needs and be aware of impending requirements. The second has to do with the chief statistician. As the Handbook points out the chief statistician is enormously important in defining the culture of the institution, and in providing intellectual and ethical leadership. In a decentralized system a poor choice for the head of one agency or institution will not directly affect the culture in the other agencies.

The Handbook mentions three types of decentralized systems:

- A statistical system decentralized by subject with a co-ordinating authority.
- Statistical systems decentralized by subject with no central control or co-ordination.
- Statistical systems decentralized by subject with a minimum of control or co-ordination.

The system with no control or co-ordination is to be avoided. The current Namibian system comes close. The future system should be of the first type.

So far, the forms of decentralization that were discussed had to do with institutions outside the central statistical agency dealing with certain subject matter areas. An entirely different form of decentralization that exists in many countries, in various forms, is regional decentralization. This form of decentralization too, may imply certain coordination problems. Whether such decentralization is, on balance, efficient and effective depends very much on national circumstances. Often it is a function of either the size or the country or of the governmental (federal) structure.

### **5.1.3 Importance of brand name recognition**

Usually a stand alone statistical agency is recognized as an identifiable agency within the central government, its director reports to a minister or equivalent; generally it occupies its own building and in the eyes of the public its activities are attributed to the agency itself, rather than associated with the governing ministry or an equivalent governing body. Thus in countries where an Institute of Statistics compiles the CPI, the public would recognize that the CPI is compiled by the Institute of Statistics and not, for example, by the Ministry of Economic Affairs.

Being a recognizable agency within government goes with budgetary recognition. This means that in the government accounts there will be one line mentioning the Institute and the corresponding appropriation. Virtually in all countries where the statistical system is of some size and there is a dominant agency, that agency stands alone whether or not it is called an 'Institute'. In smaller countries though the examples of Directorates or Directorates General nested in a ministry are numerous.

Recognizing quality in statistics and using them with trust are closely associated with the recognition of the agency that has compiled them. The more instinctive the recognition, the greater the chance of taking the information at face value because of the element of trust. But for recognition to be instinctive the agency must be visible and its visibility increases if it stands on its own as part of central government.

### **5.2 Coordination tools**

Regardless of where on the continuum is the particular structure of a nation's statistical system some coordination will be necessary. Coordination is desirable for a variety of reasons, including:

- To create a national statistical system in which the outcomes of various data collections are comparable or can at least meaningfully be related to each other, harmonization of concepts, definitions, classifications and sampling frames is necessary.
- To avoid duplication of effort, as well as undue burdening of respondents, agreements about efficient and effective data collection are required, including the use of non-statistical government data files.

- To strengthen the position of and enhance the image of official statistics, coordination of dissemination methods and pricing is very useful.
- To represent a country's interests internationally, coordination of international policies is needed.

### **5.2.1 Incentives**

If the various agencies in the system have the distinct view that they are better off by not being part of a co-coordinated system, it is unlikely that that co-ordination will succeed no matter how well legislated. Governments are wary of enforcing coordination with severe sanctions, and without these, only incentives are likely to work. With respect to data collection activities, there are in fact objective reasons why a ministry may decide to continue operating its own statistical cell rather than assign the work that it has carried out in the past to the central statistical agency. Those reasons include:

- The view that users' demands can only be met accurately and on time if the work is handled within the ministry.
- The impression that the central statistical agency does not possess the skills and knowledge required to do a good job, largely because the ministry is in charge of a very specialized area or because its infrastructure is better suited for the particular statistical activity.
- The view that the statistical work of the ministry is an offshoot of its administrative procedures and is therefore handled more efficiently than if taken over by third parties.
- The acknowledgement by the ministry that in any case its legislation prevents the sharing of information with other statistical agencies and that the effort to change the law would exceed the benefits derived from transferring from such sharing the responsibility.

The incentives involved in taking part in a well co-ordinated system could include any of the following:

- Sharing of information that would improve the ministry's capacity of statistical response, assuming it has the same attributes (classification, standards, coverage etc.) as the statistics produced centrally.

- Access to statistical expertise which the statistical cell in the ministry might lack.
- Influence in determining priorities in all-purpose statistical initiatives such as the Census of Population or in relevant classification systems
- Engaging in joint statistical activities so as to provide leverage to its own budget

Of course, the relative weight of any of these will vary over time, and according to the individual agency's stance on whether or not the prospects of coordination might be beneficial, given its programme, users, and budget. Chances are it will not be moved by such abstractions as the benefit of an integrated system of social and economic statistics. It may not even be moved by the argument that its credibility with users will rise, as will the receptivity of respondents, once they are aware of the efforts made at avoiding duplication and simplifying requests. In the majority of situations, such gains will not be immediately evident. But a clear demonstration that the ministry's users feel better off if they are provided with a broader range of data may be the decisive factor.

### **5.2.2. Useful mechanisms**

Co-ordination will invariably result in the loss – real and perceived – of independence by those coordinated. For example, the avoidance of duplication could mean that a particular statistical cell may have to rely on the statistical or administrative work of others to find its information. It may find that it is no longer free to adapt standards and nomenclatures to its convenience but will have to settle for those adopted by the majority or imposed by the co-ordinating agency. Sooner or later, the proximity of the cell's practices and results to those of other statistical agencies will lead users to question their consistency, and eventually coordinated answers will be called for.

Frequently seen coordination tools are nomenclatures and some combination of questionnaire and budgetary control. The application of these controls can be formal or informal, depending on tradition and an assessment of the most efficient way to ensure compliance. There may even be a law concerning the details of coordination. Matters are helped if there is a political decision or at least a decision made at the highest level of the civil service that the only legitimate standards of classification are those promulgated by the central statistical agency. In many countries, the statistical agency will act as a

mediator between international organizations and domestic statistical agencies. The former are perceived to have the legitimacy and knowledge required to determine standard classifications.

In the case of questionnaires, and even administrative forms that request information to be used for statistical purposes, one way to ensure co-ordination is to create a logo or a visa indicating that the form has been inspected and approved by the relevant central body. It is important that in exercising control, the central statistical agency be seen as a facilitator, not as an impediment to initiatives. This is not easy. An inter-agency commission that approves data collection instruments; controls respondents' burden; and is not associated with any particular agency but is provided by the central statistical agency, might allow for the perception of the central statistical agency as a coordinating friend rather than as a controlling enemy.

In general, co-ordinating mechanisms tend to be in the form of committees, formal or informal, but in any case sufficiently manageable to meet regularly and reach decisions that the represented parties can put into practice. For the work of these committees to be fruitful, they must have the power to approve forms certifying the use of certain nomenclatures used for statistical purposes; they require support from higher levels in the political hierarchy; and officials in each ministry or agency with a stake in the statistical system must demonstrate that they regard taking part in collective initiatives as a necessary duty.

The central statistical agency should remember that its concerns will seldom be the highest priorities for other departments and agencies. Accordingly, it should shoulder the burden of maintaining coordination. So long as it perseveres and takes its responsibilities as co-ordinator of the system seriously, thoughtfully, and in a spirit of co-operation, the central statistical agency can give cohesion to the system. If the statistical agency were to show the least bit of impatience or lack of interest, the other participants would take it as a signal that the coordination effort should be of little consequence to them.

### **5.2.3 National Statistics Council**

Co-ordination may be considerably helped where there is a National Statistics Council. Having a nationally visible, prestigious figure serve as chair on a sustained basis provides an opportunity to launch the council and

give it substantive powers. The central statistical agency or the chief statistician should find an ex-officio role in the council, thereby strengthening the office's influence in discussions about co-ordination.

#### **5.2.4 Coordinating budgets and standards**

A powerful budgetary tool to ensure co-ordination is to estimate a budget for total statistical activities and to give the co-ordinators the power to allocate it, with fairness regarding quality and response burden in mind. A co-ordinating agency armed with the power to make budgetary allocations will find it a good deal easier to impose standards, although it is clearly in the best interest of users and of the statistical system to integrate, rather than to maintain sets of non-comparable statistics.

#### **5.2.5 Placement of staff**

The tools of co-ordination mentioned so far exclude co-ordination through the placement and intermingling of staff. Managing statistical professionals is an issue that is relevant in only a few countries. Essentially it entails placing in the hands of a capable authority, the Government statistician being the obvious choice, the power to certify that one is allowed to work in the public sector as a statistician. The system can have additional attributes. For example, the school or institute that trains statisticians may be attached to the statistical agency. If it is highly respected, it may find itself catering to private as well as to public sector needs. In those circumstances, the Government statistician becomes not only the effective head of public sector units conducting statistical work, but head of the statistical profession irrespective of where they work. Where co-ordination is exercised through staff members that share the same training and professional leadership, many of the coordination tools mentioned may not be required. If the need for such devices does arise, they will be created more or less spontaneously, without the need of any great formality. A number of agencies have implemented the regular exchange of staff as a means to expose staff members to a broader range of ideas and practices. If the central agency is the interlocutor with other countries' agencies, it will enhance its prestige and status and serve to foster the ability to coordinate. Even though this is practiced on a small scale, and involves relatively few countries, the idea is praiseworthy, as it strengthens the sense of international community. It can also be used as an incentive by a central statistical agency, particularly in the case of

developing countries, if the exchange takes place between the agency and its peers abroad.

### **5.2.6 How to use coordination tools**

Regardless of the tools employed, there is one other important consideration. This has to do with the manner of the application of the tools. More specifically the application can be done in an informal manner or there may be a formal process. In the first place there may be an informal agreement between the several statistical agencies and the agency that is doing the coordinating (or a separate coordinating body) that the coordinating agency will have the authority to apply the tools above. In well-established statistical systems this informal application can indeed be very powerful. If there is a lengthy tradition behind the agreement the force to continue their use will be very powerful. In new or reasonably new systems, however, this may not be the case and a more powerful application mechanism may be needed, supported by legislation. However, legislation alone is never sufficient. At least as important are pro-active coordination efforts by the coordinating agency.

### **5.3 Application to Namibia**

Looking at the above coordination tools available for the future Common Statistical Service of Namibia, my comments would be as follows:

- *Sharing of information that would improve the ministry's capacity of statistical response.* This is perhaps the most promising incentive to be used. CBS has already initiated training activities, for which 'decentralised' statisticians have been invited. In addition, systematic information sharing is important to ensure that statisticians in the Namibian civil service get to share the same concepts, standards and values, in other words that all statisticians are 'on the same page'.
- *Access to statistical expertise which the statistical cell in the ministry might lack.* This instrument is closely related to the previous one. A prerequisite is, of course, that CBS does have better statistical expertise than ministries, but this is very likely the case.

- *Influence in determining priorities in all-purpose statistical initiatives such as the Census of Population or in relevant classification systems.* This can relatively easily be achieved by setting up committees.
- *Engaging in joint statistical activities so as to provide leverage to its own budget.* This is an instrument to be explored more intensively. I am not aware of specific ‘joint statistical activities’, though it is unlikely there never have been any.
- *Nomenclatures and some combination of questionnaire and budgetary control.* Promoting shared nomenclatures is closely linked to the instruments mentioned under the first bullet point. Questionnaire and budget control are not explicitly foreseen by law and are probably difficult to implement in the short term. However, informal discussions about questionnaires can possibly be organised more systematically. A starting point could be to set up a ‘questionnaire depository’ at the CBS.
- *Committees, formal or informal.* Committees are an instrument that should be used much more.
- *National Statistics Council.* I have urged before as I am arguing again that setting up and activating the National Statistics Advisory Council should be a top priority.
- *Budgetary co-ordination.* Unlike budgetary control, this much more informal approach may be achievable.
- *Co-ordination through the placement and intermingling of staff.* The law does not explicitly provide for this instrument, but some degree of stimulating moving staff around and intermingling might well be achievable.

#### **5.4 Instruments implied or mandated by law**

Even the current Statistics Act mentions or implies a number of mandates, possibilities and instruments for statistical coordination, very few of which have been seriously used thus far.

- Director-General formulates national statistical policy.
- National Statistical Advisory Council.
- Strategies aimed at the promotion of uniform standards and methodology.
- Common Statistical Service; career paths; conditions of service; training requirements; professional standards.
- Statistical standards.
- Dissemination policy.
- Rules for data processing and meta-data.
- Business Register.
- Enhancing public awareness.
- Pricing policy.
- Criteria for designation as official statistics.
- Quality criteria.
- Code of practice.
- Confidentiality and disclosure.

Many of these issues require the CBS to actively develop and promulgate 'Regulations and standards'. I believe that, if introduced properly, such 'Regulations and standards' will not be seen as unwelcome interference by the CBS, but rather as welcomed forms of leadership, guidance and support.

## **5.5 Regulations and standards**

Some of the better developed National Statistical Offices in the world<sup>3</sup> have explicit and well-documented policies about various aspects of statistical work, such as standards for quality assurance, use of definitions, informing the users, methodology, etc. Instead of starting from scratch, the Namibian CBS would be well advised to borrow from such policies, and adapt them to Namibian requirements, if necessary. As an attachment to this report, I have added a number of examples of such standards and regulations, not necessarily in order of importance. The management of the CBS could scrutinise these examples and decide which ones are useful in the Namibian context and how they can be adapted and introduced.

I would suggest that the introduction of any of the 'Regulations and standards' is accompanied by a seminar for interested statisticians in the

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<sup>3</sup> In particular, I have used several examples from Statistics Canada.

civil service, and even users of statistics when useful. Such a seminar would serve several purposes:

- To introduce and explain the standards
- To discuss the applicability of the standards to Namibia and any changes that might enhance them
- To enhance the visibility of the CBS as the lead organisation of Namibian official statistics
- To get statisticians together to get to know each other better and to discuss issues of common interest

Depending on the complexity of the standards, the seminar could be half a day or a full day. It is important that participants are encouraged to participate actively, and not only as passive listeners.

The following list of topics for which I suggest standards be issued is by no means exhaustive, but serves primarily as an illustration.

- Guidelines for the development and documentation of standards
- Survey principles
- Concepts, variables and classifications
- Coverage and frames
- Quality standards
- Sampling
- Code of Practice
- Standard statistical units
- Questionnaire design
- Response and non-response
- Press releases
- Informing Users of Data Quality and Methodology
- Data collection and data capture
- Data editing and imputation
- Dissemination of official statistics
- Administrative data use
- Marketing.

## **Annex I Regulations and standards**

**[Electronically attached as zip-file]**