Financing More and Better Data to Achieve the SDGs

Paper for consideration by the Bern Network on Financing Data for Development: revised draft as of 5 July 2019
CONTENTS

Executive Summary  4
Introduction: Scope and Purpose  7
Why Finance Data, and Why Now?  8
  Data are the lifeblood of the Sustainable Development Goals  8
  Current data gaps are significant and multi-dimensional  11
  Data gaps affect the poor disproportionally  12
  Data gaps present a challenge for development co-operation  14
Towards a Better Funding Response  15
  Financing for data: Features, challenges and key factors for improvement  15
  The case for sectoral data financing  18
  Critical actions for better donor co-ordination  21
  An alliance involving all actors  28
Contours of a Possible Data Financing Facility  30
  Country focus  31
  Topic focus  32
Next Steps  35
Annex 1  36
Annex 2  37
References  38
Notes  41

The Bern Network would like to thank the following people for their contributions: Deidre Appel (Open Data Watch), Shaida Baidee (Open Data Watch), Valérie Bizier (FAO), Craig Hammer (World Bank), Paige Kirby (Development Gateway), Ida McDonnell (OECD), Mihir Prakesh (AidData), Christoph Lang (SDC), Simon Lange (OECD), Andrew Rogerson (DDI), Benjamin Rothen (FSO), Jenna Slotin (GPSDD) and PARIS21 team (Johannes Jutting, Julia Schmidt, Rolando Avendano, Francois Fonteneau, Fiona Hetherington, El Iza Mohamedou, Sasha Ramirez-Hughes)
EXECUTIVE SUMMARY

In 2015, nearly 200 countries agreed to a global agenda, unprecedented in scale and ambition, to eradicate poverty in all its forms and create a more equitable, sustainable world that leaves no one behind. At the heart of this agreement, the 2030 Agenda for Sustainable Development, are the Sustainable Development Goals (SDGs). All countries must strive to meet the 17 goals, each of which has its own targets and indicators, between now and 2030 to bring about the transformative change required under the Agenda.

The commitment to leave no one behind starts with the premise that everyone must be counted. Yet more than 110 low- and middle-income countries under-record or fail to record vital events of specific populations. In other words, today we are almost a third of the way towards 2030 and yet many countries still lack even the basic data required to understand the scope of their challenges, let alone create solutions. Those living in poverty are most likely to be excluded; the poorest 20% of the global population account for 55% of unregistered births. Only with more and better support for data systems will these populations be able to meet the goals of Agenda 2030.

National statistical systems gather, analyse and share the datasets – such as births and deaths, growth and poverty, taxes and trade, land and the environment, and sickness, schooling and safety – that governments, the private sector and civil society need to set priorities, target policies and investments, and make informed choices to advance sustainable development.

Yet, although these datasets are part of the basic building blocks of sustainable development, national statistical systems lack, in most cases, the requisite funding to function effectively. Funding data and statistics does not necessarily translate into quick and highly visible development outcomes comparable to, say, infrastructure or vaccination programmes. It is no surprise, therefore, that donors and aid agencies under pressure to demonstrate development results within strict time-frames often choose the more visible options.

To shift this tendency, robust and high-quality investment in national statistical systems and data capacities has to occur. A global alliance for more and better financing for development data should work to support better identification of needs, improved investment proposals, better co-ordination at the country level, and joined-up domestic and external financial support for low-capacity countries.

Within this broader alliance, a new pooled Data Financing Facility could provide complementary funding and convening support and reinforce incentives for better financing for data and statistical systems. Such a mechanism could help fund, firstly, a multi-year joint response to close the most urgent data gaps among the least developed countries, building on national assessment tools and investment proposals; and secondly, seeding and blend-financing for transformative data architecture and service delivery applications.
INTRODUCTION
SCOPE AND PURPOSE

This document summarises the main discussions held by the Bern Network on Financing for Development Data, an open multi-stakeholder collaboration with the objective of supporting the 2030 Agenda for Sustainable Development by promoting more and better financing for data. Composed of aid and development agencies, national statistical offices and ministries, international organisations, private sector partnerships and civil society groups, its aim is to advance the implementation of the Cape Town Global Action Plan for Sustainable Development Data and work towards a robust funding framework to be presented at the United Nations World Data Forum on Sustainable Development Data 2020 in Bern, Switzerland.

The document is proposed as a joint product of a drafting group\(^1\) for consideration by the wider Bern Network on Financing Data for Development. Assuming it garners sufficient support, it could then form the basis for exploratory discussions with potentially interested sponsors.

This document covers three inter-related points:

1. **First**, it explains why better development data are both fundamental for implementing Agenda 2030, and yet still suffer from exceptionally low political attention, resulting in chronic under-investment, particularly in low-income and low-capacity country contexts.

2. **Second**, it looks at ways to improve the quality, effectiveness and coordination of both domestic and external support for development statistics, recognising their dual role as a national public asset and as a tool for donors’ accountability to their home authorising environment.

3. **Third**, it looks at a broader context of data financing needs and suggests responses by different parts of the wider data finance “ecosystem”, including traditional and new bilateral donors, civil society and multilateral organisations. As part of this systemic response, it suggests the complementary and reinforcing role that a possible new multi-donor Data Financing Facility could play.
WHY

FINANCE DATA, AND WHY NOW?

Data are the lifeblood of the Sustainable Development Goals

Data – and especially the basic building blocks of national statistical systems – are crucial for development. They are the lifeblood of the type of evidence-based policy-making that improves people’s lives. They allow governments and development partners to monitor progress and learn from experience. And they are indispensable for the public to hold decision makers to account.

A culture of data use requires systems in which the production, analysis and dissemination of core development data is sufficiently mainstreamed; one in which complementary data products are available quickly, regularly and in comparable forms. These core data systems, which we will refer to here as the “basic building blocks” (Box 1) of national statistical systems, provide key insights into countries’ development paths and challenges.

Unfortunately development data, and within them the added value of basic building blocks provided as public goods, have exceptionally low visibility beyond certain communities of experts. In sectoral areas generating and requiring a lot of data – such as public health and climate change – their significance is well understood. Such interventions are intrinsically data-intensive, requiring fast and accurate feedback loops from assessing current coverage to guiding future decisions. Other areas of intervention may require a lower frequency of data, but still be data-dependent.

The benefits to development can be better illustrated in practice. Consider the following examples:

- **Household surveys** are a powerful analytical tool that can shed light on how households interact with services and how interventions affect their well-being. In Nicaragua, for instance, national-level household survey data were used to improve the targeting of social programmes, resulting in the government diverting funds away from regressive sanitation projects and towards progressive education programmes in extremely poor communities (SDSN TRENDS, 2018).

- **Census data** are indispensable for a sound understanding of population trends and levels. They are of utmost importance for the efficient allocation of actions taken by government agencies, businesses and development partners. They are also crucial in ensuring adequate electoral representation, and have strong complementarities with nearly all other types of development data.

- **Civil registration and vital statistics** – records of births, deaths and other major life events – produce critical data, for instance on causes of mortality. They are also a gateway to legal identity and entitlements, as well as to essential services and social protection (Cobos et al., 2018).

- **National Accounts** provide insights on economic activity to guide fiscal and monetary policy. Adequate data on GDP and its components, including comprehensive sectoral coverage, trade, currency flows and prices, are crucial in order to manage effectively for macroeconomic stability.

---

**Box 1. What are development data? What are the basic building blocks?**

Development data are all data that can be used to inform development policy-making, set development targets, measure progress towards them and implement development goals. They include both official and unofficial statistics, produced by national statistical offices but also by other government agencies, development partners, private businesses, NGOs and others.

The “basic building blocks” refer to a subset of this data universe and include data produced primarily within a national statistical system. They include at a minimum civil registration and vital statistics, basic administrative data (welfare, tax, health and educational record systems), basic economic statistics (e.g. price data), census data, and data from key surveys (households, establishments and agriculture). In order to produce these data with sufficient quality, frequency and timeliness, production systems within national statistical systems need to be both adequately resourced and mainstreamed.
Data in their own right can improve living conditions, improve service delivery and enable investment. Better development data, when combined with increasingly powerful technologies, have the potential to galvanise wider systemic change in the relationship between states and their citizens. One example of this is the introduction of biometric recognition, but it can be extended to civil registration, targeted welfare programmes or the provision of services (Box 2).

**Box 2. Integrating National Statistical Systems into New Data Ecosystems**
Technological innovations provide a further rationale to invest in better and more development data today. Innovations around the basic building blocks have the potential to lower the cost and increase the speed and accuracy with which data can be produced and analysed. Basic building blocks of development data have strong complementarities with truly transformative technologies and new data sources. For instance, leveraging traditional survey data with a combination of machine learning algorithms and big data is a promising way forward to obtain more granular development data. Yet, these new methods still require basic data to feed the algorithms – they are complements, not substitutes.

Some of these new technologies also offer the opportunity to make data more readily available to users. One example in which the use of digital technology has fostered accountability comes from Nigeria, where the civic start-up BudgIT aims to make government budgetary data more accessible and understandable through digital technology. Its campaign to drive awareness of the 2017 federal budget reached 2.5 million Nigerians and engaged 25,000 people in the review process. This led to action on project allocation and accountability (SDSN TReNDS, 2018b). The opportunities that new technologies provide call for a concerted effort to build the necessary data capacities to make the most of them.

The Sustainable Development Goals (SDGs) have further increased the demand for development data in two dimensions. First, they come with no less than 232 indicators, few of which have been collected before on a regular basis by even the most sophisticated national statistical offices. Second, the specific data-related SDG target, linked to the overarching SDG ambition to “leave no one behind,” calls for data that are not just high-quality, timely and reliable, but also “disaggregated by income, gender, race, ethnicity, migratory status, disability, geographic location and other characteristics relevant in national contexts” (SDG Target 17.18). This aspiration adds new layers of complexity to long-standing challenges within the data community.

**Current data gaps are significant and multi-dimensional**

Despite the importance of data for development, data scarcity is widespread and gaps in core statistical capacity between developing and developed countries persist.

These gaps have been are multidimensional; the following points serve only as a reminder.

- **Lack of data for the SDGs.** In theory, the basic building blocks of national statistical systems would allow us to track progress on a majority of the 232 SDG indicators. However, there are currently no data for about two-thirds of these indicators (IAEG, 2017). While 88 indicators have no defined methodology and are thus uncollectable, a further 55 have a methodology, but data are not yet being collected and reported in most countries. Even sophisticated national statistical offices may have hands-on familiarity with only some 40% of the eventual full range of SDG indicators. In addition to national needs, a recent assessment revealed that, on average, data for only 40 (20%) of the adopted global SDG indicators are currently available, while another 47 global indicators (23%) are considered “feasible” (UNDESA, 2018). And allocated resources to data disaggregation are small: only 13% of countries worldwide have a dedicated budget for gender statistics. Without more and better data, measuring progress towards the SDGs – let alone achieving them – will remain out of reach.

- **Lack of census and poverty data.** Two comparable household budget surveys are needed to obtain a meaningful poverty trend. Between 2007 and 2016, as many as 40 countries produced at most one poverty estimate based on nationally representative household surveys. There has been little progress in this regard, with the share of countries with less than two surveys per decade hovering between 70% and 80% at least since the decade 1995-2004. Eighteen countries did not have a census between 2009 and 2018, up from 11 countries between 2004 and 2015.

- **Missing civil registration and vital statistics.** Only about 65% of all births are
registered globally, and fewer than two in five of the world’s 55 million annual deaths are recorded through civil registration. Up to 80% of deaths that occur outside of health facilities are never registered. Despite their importance for population health and human development, global progress with civil registration and vital statistics systems has been disappointingly slow (see Figure 1, panel b; AbouZahr et al., 2015).

• **Outdated National Accounts.** A recent International Monetary Fund (IMF) study found that out of 189 countries, only half had updated the benchmark year for their National Accounts during the previous decade (IMF, 2018). Failure to “rebase” GDP can have serious consequences on how policy makers, development partners and investors perceive an economy: Nigeria’s 2013 switch to a new benchmark year after a 20-year delay led to an increase in its estimated GDP by 89%, lifting it from low-income into middle-income territory and rendering it Africa’s largest economy by far. Nigerians did not become any richer, but the overdue revision showed that its economy was far less dependent on oil and far less indebted that previously thought. While Nigerians discovered that their national debt relative to GDP looked more manageable than before, the government’s ability to collect taxes suddenly appeared even more limited.

• **Lack of capacity to produce disaggregated data.** Even when data are available, they are often insufficiently disaggregated, making it impossible for policy makers to track or compare the situations of different population groups (IEAG, 2014). For example, many countries do not yet have the strategies or skills to ensure robust gender-disaggregated data collection.

• **Lack of legal frameworks.** Only 37 countries have national statistical legislation that complies with the UN’s Fundamental Principles of Statistics. This legislation is strikingly absent in the least developed countries, small island developing states and middle-income countries across the continents (UN, 2013).

### Data gaps affect the poor disproportionately

The lack of data is typically more severe in low-income countries where informality and weak capacity prevent the use of readily available administrative data. Only around 70% of all low-income countries have conducted a census over the last ten years, none have complete registries of vital statistics, and almost 60% use outdated benchmark years for their GDP estimates (see Figure 1).

![Figure 1. Low-income countries are more likely to lack core development data](image)

Even in middle-income countries with some basic statistical capacity in place, data on the poorest and most marginalised population groups are often lacking. While in Nigeria and Pakistan, two middle-income countries, 31% and 42% of children are registered, children in the bottom fifth of the wealth distribution are more than eight times less likely to have been registered than children from the top fifth. Most developing countries remain far from the ideal of counting everyone and leaving no one behind. A survey among national statistical office heads indicates that most offices tend to prioritise indicators related to poverty, food security, health and well-being; still, most express a lack of capacity to produce these indicators (HLG-PCCB/PARIS21, 2018).

This growing gap between expectations and capacity argues for a massive effort in data generation and collection and statistical capacity development at the country level, particularly with regard to national statistical offices but also involving new partnerships and new actors, users and data generators.
Data gaps present a challenge for development co-operation

Lack of data also hampers effective development co-operation. A 2017 survey among DAC members found that 16 out of 21 respondents found challenging to ensure that development co-operation decisions, programming, monitoring and reporting are based on evidence from statistics and data. While development partners try to use country data for their own information needs, the actual level of use varies from country to country as data gaps and quality issues are often quite severe.

In line with this, the 2019 Progress Report of the Global Partnership for Effective Development Co-operation (OECD/UNDP, forthcoming) states that the majority of governments have national development strategies and report on progress but that they lack national statistical capacity to monitor implementation comprehensively. The report calls for concerted efforts from partner countries and development partners alike: partner countries must strengthen statistical capacity and national monitoring and evaluation systems while development partners can play a key role in strengthening statistical systems by using them, investing in them and co-ordinating their support.

Financing for data: Features, challenges and key factors for improvement

Financial efforts to strengthen data capacities have been modest in the past. Recent trends in the financial support for statistics suggest that international calls to improve development data are not translating into a corresponding increase in financing. Over the period 2006-16 the international support to statistics represented, on average, 0.3% of official development assistance (ODA), with uneven support across regions (PARIS21, 2019).
Yet the financial requirements for building adequate data systems are significant. The total estimated cost of all the objectives of the Cape Town Global Action Plan, a roadmap of key actions for modernising national statistical systems, reaches USD 5.6 billion annually (Annex 1). Assuming an ambitious scenario of domestic resource mobilisation in low- and middle-income countries, closing the funding gaps for SDG data demands and Global Action Plan implementation requires a doubling of the current external support for statistics from 0.33% (around USD 600 million) to 0.7% per year (around USD 1.3 billion; PARIS21, 2019). Against this ambitious scenario, investing in national statistical systems needs to become a strategic priority for low- and middle-income countries and providers of development co-operation alike.

To respond effectively to the financial challenge, it is also important to understand the context in which the sector operates. Development data funding presents some features that are common to other areas of development, quantitatively and qualitatively, but also some specificities.

Quantitatively, salient features include:

- **Domestic resources** fund the bulk of the statistics/data effort. These proportions are at least as high as in social services such as education and health.
- **External assistance**, less prominent except in low-income country contexts, also includes a large number of project components primarily aimed at monitoring donor-supported investments in other thematic areas, like health.
- **Sources of external funding tend to be concentrated in few donors**, with just five donors supplying more than two-thirds of funds. Statistical assistance has a much higher-than-average multilateral content (considering both core and earmarked funding), with bilateral donors often supporting these initiatives.
- **Philanthropic funders**, primarily the Bill & Melinda Gates Foundation, have emerged as major actors, providing a high share of total support for development data (2.3-2.6%).
- **The share of loan financing is significant**. At 38%, it is slightly higher than the ODA average across all sectors (33%) but much higher than for education (4%) or health (15%).

Qualitatively, development data funding exhibits some unique challenges, as well as others in common with the broader international development effectiveness agenda:

- **Lack of awareness and blurred attribution chains**. National statistical systems tend to have unusually low visibility among policy makers and users in general, internally as well as externally, and attribution of tangible outcomes to improved capacity is especially difficult.
- **Fragmentation and lack of harmonisation**. Many data-related aid activities consist of small volumes of earmarked technical assistance, often linked to multiple donor-driven reporting requirements.
- **Poor alignment to country systems and strategies**. Funding for national data systems has often been seen as an add-on to other sectoral projects. External support tends to focus on single products and one-off data instruments (e.g. a single survey) rather than strengthening product lines and underlying data systems.
- **Poor sustainability, predictability and transparency**. Ensuring long-term sustainability of funding, predictability of disbursements and transparency of donor activities are serious challenges.

Three key factors could improve the effectiveness of the development data ecosystem, above and beyond the factors for other sectors that are perhaps more familiar to general managers in aid agencies:

1. **Better recognition and visibility of basic statistical building blocks as a public good**. Within a growing trend towards data generation, “purpose-oriented” or “applied” statistics are prioritised by domestic and foreign actors, as compared with “basic” and multi-purpose data systems, to which it is harder to attribute outcomes directly. This parallels the notion that public goods tend to be chronically under-provided, absent corrective intervention in the public interest.

2. **A common objective for the multiplicity of actors in today’s data ecosystems**. National statistical offices are an important but not the only domestic public-sector data producer, alongside line ministries and...
other agencies in the national statistical system. Line departments within government may have their own incentives to produce data to increase their subsequent budget allocations, for example on rising education enrolments or agricultural yields. National statistical offices may not always guarantee co-ordination, quality control or financial independence, which can make them reliant on external resources, too.

Improved accountability loops. Development data are used for decision-making and accountability, but perhaps too much international emphasis has been given to the latter at the expense of the former. Domestically there are mixed incentives operating on politicians, as data investments also enable civil society, media and political opponents to hold them accountable. In terms of foreign aid support to national data systems, donors are accountable to their home constituencies for results and therefore seek to document these results as a requirement of programme funding. However, the data they fund may not always be within the priorities of the national statistics strategy and may sap, rather than enhance, core capacity. In 2015, for example, 81% of projects by OECD DAC members were aligned with developing country objectives, yet less than 50% relied on country data sources (OECD/UNDP, 2016). Better co-ordination mechanisms could tackle this issue, as discussed below.

The case for sectoral data financing

Measuring the capacity of countries to produce a core set of statistics in different sectors underlines the low capacity of developing countries in most sectors, but particularly in the social sectors. Progress across different data sectors is uneven (Figure 3). Nearly 100 countries have insufficient capacity to build effective civil registration and vital statistics systems or develop and report quality education statistics. But some sectors, such as health and macroeconomic data, are performing better than others. This uneven progress is due to the priorities that countries attach to different sectors – but it is also influenced by donors’ priorities and financial support. Sectors which have experienced high-level political attention and continuous technical and financial support show greater progress. Examples include the IMF’s programme for macroeconomic data and the support by a group of donors to health statistics. This is an obvious but important point to consider: data sectors that have been prioritised and enjoy external financing thrive, but their development does not seem to contribute to raising the broader statistical capacity of the country. With this recognition, how can sectoral financing help lift the overall statistical capacity of a country and build a strong and sustainable foundation?

Figure 3. Number of countries with capacity to provide fundamental statistics, 2016

![Figure 3](http://databank.worldbank.org/data/reports.aspx?source=statistical-capacity-indicators)


Sectoral data financing has shown many benefits that can help build better financing for development data. The major benefit has been the expansion of the small pool of donors for statistics, bringing in new and highly motivated donors that are interested in specific sectors. One example is the Bill & Melinda Gates Foundation, now providing a higher share of total support for development data than all DAC donors. Sectoral data financing also puts the spotlight on data domains that need more attention in the national planning processes. The recent attention to improving gender-disaggregated data, for example, has encouraged many countries to start considering what parts of the national data ecosystem need to be modified to produce disaggregated data on the status of women and girls in health, education, the labour force and economic empowerment.
Also attracting more recent attention is the task of scaling up the collection of agricultural data, supported by the new 50 X 2030 Initiative. Under the banner of “Data to End Hunger”, it was set up to bring together a pool of donors with contributions promised to add up to USD 500-700 million for an ambitious effort to conduct regular surveys of farming households in 50 low- and middle-income countries by 2030. Another fund that supports sectoral data is the Global Financial Facility “Every Woman Every Child” initiative, with over USD 1 billion raised by donors including the Bill & Melinda Gates Foundation to improve health outcomes – and also to invest in building effective civil registration and vital statistics systems in targeted countries. A third example is the recent multi-donor trust fund set up by the IMF, the Data for Decision (D4D) Fund, which attracted USD 33 million to support statistical capacity building in macroeconomic statistics.

The current pattern of support for specific sectors by specific donors or pools of donors is likely to continue as donors look for specific results in their priority areas. But sectoral financing has its drawbacks, too. It can distract national statistical systems from building a strong foundation, and instead lead to advancing only specific instruments or surveys. It can also enhance competition among providers for the time and attention of national statistical system managers. An integrated approach, taking into account the function of sectoral financing, could be designed to overcome these challenges (Box 3).

Box 3. How could sectoral financing work?

- Countries and national plans take charge and, while benefiting from the interest of donors in certain sectors, use National Strategies for the Development of Statistics and sectoral statistical plans as an organising framework to set priorities and establish needed budgets, including domestic and external financing needs.
- Donors and agencies host multi-donor trust funds focused on a specific sector, such as education, gender, nutrition or agriculture, and work together through the Bern Network or existing sectoral data coalitions to ensure that their contributions benefit the full national data ecosystem while prioritising the sector(s) of their interest.
- Partners share the innovative approaches to data production used in sectoral statistical capacity building programmes that could benefit other sectors, such as new technologies and alternative data sources.
- A map of all sectoral data funds, with better information on goals and progress, helps donors and country recipients do better planning, moving beyond the present dearth of data on financial support for sectoral statistics in which donor support is often buried in larger projects.

Critical actions for better donor co-ordination

Development partners and countries could better align incentives for producing data through more structured co-ordination mechanisms. With few exceptions, donors’ commitments to statistics tend to be minor and based on their own strategies and reporting requirements. In addition, traditional support for development data has largely focused on technical assistance. This type of support has targeted specific sectors rather than taken a whole-of-government approach, and has not yielded substantial increases in statistical capacity. In the context of a more complex data ecosystem, development providers can reshape their approach to statistical capacity development to promote country ownership, align support with country priorities, focus on data use and users, utilise new funding mechanisms, improve mutual accountability and transparency, establish channels for harmonisation and emphasise results-based support.

The Cape Town Global Action Plan emphasises the need for a country-led framework for planning and implementing statistical capacity building to achieve the 2030 Agenda. Under this mandate, four of the six strategic priority areas are directly concerned with the role of donor co-ordination (see Figure 4). The statistical community has widely recognised and agreed on the objectives outlined in the Global Action Plan, yet financial backing is still missing.

Figure 4. Mapping co-ordination in the Cape Town Global Action Plan

In light of the Global Action Plan’s strategic areas, donor co-ordination in statistics could be strengthened through five critical actions:

**Critical action 1: Boost statistical capacity through a demand-driven, holistic approach designed to strengthen the entire statistical system**

Improving statistical capacity involves investments in people and institutions as well as improvements in the environment in which national statistical offices work. Nevertheless, capacity development efforts are often limited to providing technical assistance, often overlooking the broader enabling environment. While solving technical bottlenecks is necessary, a demand-driven, holistic approach is needed to strengthen the entire statistical system. Today’s investments in capacity development could benefit from these new approaches that are broader in substance and scope, reaching far beyond national statistical offices to include other actors with potential to produce and use better data (Box 4).

**Box 4. New approaches to statistical capacity development**

Since 2016, PARIS21 has engaged with various actors in the statistical community to propose a new approach to the current way of delivering capacity development. Capacity development 4.0 (CD4.0) is defined as the process through which a country’s national statistical system, its organisations and its individuals obtain, strengthen and maintain their abilities to collect, produce, analyse and disseminate high-quality data to meet users’ needs.

CD4.0 acknowledges different levels – people, organisations and the enabling environment – and the need to establish capacity in each. It places emphasis on the development of soft skills such as leadership, change management, advocacy and networking capacities, while strengthening the user perspective. It also integrates a donor perspective and stresses the importance of donor co-ordination for delivering capacity.

Source: PARIS21 (2019)

**Critical action 2: Promote international engagement and standard-setting**

Donor co-ordination could adhere to international standards, in particular the UN Fundamental Principles of Official Statistics. A possible co-ordination mechanism would involve a code of good practice and country compacts for support to statistics. Assistance providers (including foundations, big-data corporations and non-DAC governments) could also sign up for an international code of practice aimed at ensuring coherence and alignment behind national priorities. Both strategies would recognise the national statistical offices as independent bodies with a mandate to coordinate national statistical systems.

Donors could also build an alliance to share strategic plans as well as information on focus countries, sectors, support for specialised activities, tools and portals. Such an alliance could improve the distribution, sequencing and monitoring of support for development data. Providers would need to remain flexible and open to making needed adjustments over time in setting their priorities. An alliance could also help to bring in new partners and ways of delivering support. New players have much to contribute to the functioning of official statistical systems, while the private sector and civil society organisation have access to unique datasets and technical expertise (OECD, 2017).

**Critical action 3: Improve co-ordination for knowledge sharing**

Any co-ordination structure with global ambition should play a role in centralising information on the deployment of statistical capacity development programmes. One low-hanging fruit is making accessible an international inventory of projects and best practices supporting statistical capacity development in low-income countries. This would eventually avoid “data and country orphans” and improve resource allocation. Such an instrument could include a continuously updated, real-time dashboard of both existing capacity development initiatives and future offerings by new external providers, including non-governmental actors. The PARIS21 Statistical Capacity Monitor, for example, aims to become a one-stop source for the most relevant and
publicly available indicators on statistical capacity. The information would be provided to all countries as a public good, and be an initial step to reduce overlapping activities in the field.

In the medium term, however, any long-sighted strategy for co-ordination should aim to integrate donors’ strategies into established legal frameworks, consultation processes and statistical planning tools. Donor co-ordination should first establish mechanisms to support national legal frameworks that adhere to international standards, and should recognise the national statistical office as an independent body with the mandate to co-ordinate the national statistical system. Such support involves giving these offices the legal infrastructure to access data and engage with emerging actors, including non-official data sources.

Donors’ programmes can also target domestic co-ordination as an explicit objective for strengthening data systems. They can promote best practices in data sharing among domestic data producers, enhancing data collection in centralised and decentralised systems and promoting engagement with new actors.

**Critical action 4: Create pooling arrangements for improving support to development data**

The establishment of pooling arrangements, including data compacts and basket funds for coordinating investment in data, is another promising approach to increase donor co-ordination. Pooling arrangements promote co-ordination among providers by proposing a stable and predictable source of funding. They can reduce transaction costs, promote a results-based financing approach, ensure that activities are aligned with National Strategies for the Development of Statistics, and support funding initiatives that increase domestic resources in support of statistics (see Box 6).

Co-ordination through pooling instruments can also be challenging at some levels. Agendas between providers can diverge and set hurdles to a common action plan; administrative rules (such as for procurement and disbursement) can differ substantially among providers; and donors’ visibility and reporting in relation to their domestic constituencies can be more complex than with individual funding. Any coordination mechanism should take these aspects into consideration by designing institutional mechanisms that guarantee a unified approach while remaining flexible.

**Box 5. Donor co-ordination through National Strategies for Statistics**

A National Strategy for the Development of Statistics (NSDS), which establishes priority statistical programs and activities, is a valuable coordination mechanism that informs how national statistical systems are to be financed. As it responds to national data demands arising from major policies such as the national development plan, it provides for a robust framework for investment in data and statistics. Through a consultative process with different actors, the NSDS, together with sectoral statistical plans, aims to be a multi-donor focal point for funding statistics, with counterpart domestic funding. This is largely due to strong government ownership in the development of the NSDS which serves as basis for donor funding.


**Box 6. A pooling arrangement for funding data: the case of Rwanda**

In Rwanda, the creation of a basket fund has allowed multiple donors to direct their funds in a consistent way towards budget gaps identified by the National Institute of Statistics of Rwanda in its National Strategy for the Development of Statistics. Donors are aligned behind the priorities identified in the National Strategy, and direct funding to corresponding agencies within the national statistical system rather than the statistical operations of individual agencies. Negotiations between Rwanda’s Ministry of Finance and Economic Planning and individual donors resulted in an agreement with each development partner operating in a maximum of three sectors as outlined in the country’s Economic Development and Poverty Reduction Strategy. Within government, too, co-ordination is extensive. A National Strategy Steering Committee and National Partnership Group, chaired by the Ministry of Finance and including other line ministries and development partners, meets every quarter to approve quarterly and annual reports produced by the National Institute of Statistics. Other countries, such as Sierra Leone, are testing the idea of a similar data compact structure in the future.

Source: Sarwar et al. (2018)
Importantly, funding co-ordination entails donors’ support and alignment to national statistical and development plans. In practice, major requests to governments, donors and multilateral agencies for the funding of basic building blocks can be presented through these multi-stakeholder co-ordination mechanisms. Through pooling structures, both donors and countries can commit to implement National Strategies for the Development of Statistics, ensure that statistical legislation is up to date and in line with the UN Fundamental Principles of Official Statistics, support skills development for the data sector, and endorse that activities are adequately funded. Governments can use this platform to pledge additional resources, which others can match-fund to varying degrees.

Pooling arrangements will also require partner country commitments. National governments can re-commit to increased multi-year budget allocations for development data. Through such mechanisms, the national government can coalesce donors around its priorities for development data, encourage adherence to basic principles of donor alignment and coherence, and match partner contributions with domestic resources to demonstrate commitment and set a path towards future sustainability. Ideally, co-ordination around support for development data should cover support for basic statistical building blocks – both systems and capacity – as well as sectoral data initiatives.

**Critical action 5: Improve monitoring of investments in data**

Measuring support to statistics comes with several methodological challenges. Double counting of donor activities, in particular in multi-recipient projects; differing country capacities to absorb investments in their data systems; and a lack of transparency in providing funding for development data often inhibit efficient and effective management of funding. Recently, the DAC Working Party on Development Finance Statistics has made efforts to revisit the OECD purpose codes for tracking statistical capacity building, aiming to improve financing for data at the sector level (OECD, 2019). In the future, more funding agencies should commit to making data more open and accessible. Improving the measurement of financing for development data will facilitate the design of better monitoring tools, as is the case today in sectoral funds (Box 6).

**Box 7. Emerging initiatives in other sectors**

**Global Fund to fight AIDS, Tuberculosis, and Malaria:** As one of the most successful examples in achieving long-term commitments from the international donor community, the Global Fund partnership model is designed to promote innovative solutions to global health challenges. Countries take the lead in determining where and how to best fight AIDS, tuberculosis and malaria. Programmes need to have proven, effective and time-bound results in order to receive continued funding. Local Fund Agents carefully monitor and verify programme performance and results. The Global Fund regularly publishes data on finances, allocation and results.

**International Finance Facility for Immunisation:** This facility of Gavi, the Vaccine Alliance, uses “long-term pledges from donor governments to sell ‘vaccine bonds’ on the capital markets” that serve to both make capital available for Gavi programmes and attract long-term financial commitments from donors to enhance programme predictability.

**Global Partnership for Education:** With the aim of improving literacy, the Partnership co-ordinates donors effectively through its Board. The Board is comprised of 19 constituencies representing all partners including donors, developing countries, civil society, the private sector and multilateral agencies.

**50 X 2030 Initiative:** The Initiative’s partnership for “data to end hunger” brings together developing countries, a set of major bilateral and foundation donors and a collective of technical agencies, including the UN Food and Agriculture Organization, International Fund for Agricultural Development and World Bank, sharing their respective expertise – for example, in farm-level production data and household-based surveys.

Source: Rogerson and Calleja (2019a).
An alliance involving all actors

No single institution can take on the entire data funding challenge; a financial mechanism for development data will involve commitments from multiple stakeholders. The objectives outlined in the Cape Town Global Action Plan provide a roadmap to apply comprehensive mechanisms for better donor co-ordination. Contributions from national governments still play a major role in funding national statistical systems, yet these national commitments should align with external partners to be efficient and sustainable.

A comprehensive response requires considering the roles of multiple actors. On the side of external assistance commitments:

- **OECD DAC donors** could commit to provide additional pooled funding, to spend on an agreed improved and traceable basket of data capacity for development. This target would contribute in aggregate to close the financing gap as already described, and could help bridge gaps faster for poorer countries – for which some specific targeting (analogous to the UN Target for ODA to Least Developed Countries) could also be formulated. DAC donors could also support ambitious and coherent data activities within other thematic funds they support.

- **Non-DAC sovereign assistance providers**, like Brazil, China, the United Arab Emirates and India could be invited to make similar commitments, in terms and metrics suitable to them and in agreement with their national partners. A possible triangular co-operation funding option in a data facility could partly fund South-South sharing of expertise with interested countries.

- **Foundations**, who already have proportionally much higher data spending shares than official donors, could maintain and improve on those commitments, especially by supporting development data within existing and new thematic initiatives and by helping join up knowledge and software developed by the data institutions they support. They could also contribute to specific facilities – as the Bill & Melinda Gates Foundation has announced it intends to do within the 50 X 2030 Initiative – and ensure adequate funding within them for basic national statistical system underpinnings to complement and sustain these initiatives.

- **Thematic global funds**, for example in health, could agree to continue their high levels of data commitment and develop and share open-source software relevant to their mandates. More importantly, they could commit to give sufficient priority to supporting national data and statistics capacity along with specific instruments and applications. This is indeed the case already across existent thematic global funds which have explicit data commitments, such as the Global Financing Facility, Umbrella Facility for Gender Equality, Global Environment Facility, Global Partnership for Education, 50 X 2030 Initiative and Jobs Umbrella Multidonor Trust Fund.

- **The major multilateral funders of development data**, such as the World Bank, the European Union and the UN system, could take on and fast-track large data investments, including those designed or piloted through the project preparation window of a data facility. While their activities are indirectly supported by their bilateral funders, they have multi-year core funding streams and access to large-scale market finance to complement donor-provided resources. In fact, prioritising and making large-scale investments through trust funds, leveraging International Development Association (IDA) and International Bank for Reconstruction and Development (IBRD) resources and catalysing domestic resource mobilisation, is already happening: over the past three fiscal years, the World Bank committed USD 1.4 billion in lending for data activities, much of which was leveraged through donor financing.
Within the commitment for more and better funding, there is scope for a complementary and reinforcing pooled funding arrangement; we provisionally title this a Data Financing Facility. This could, over time, consolidate some of the functions and residual funding of several existing data-related multi-donor trust funds already in place. However, it is not intended to replace or to control the much larger parallel flows of assistance from bilateral donors and international agencies. It would only cover a minority of the additional funding needs, in co-operation with other sources both domestic and international.

Like the recently replenished Global Financing Facility (related to maternal and child health), the Data Financing Facility will be more than just one new funding channel among many – in particular alongside additional national government finance and bulk support through IDA credits. It hopes to act in the service of, and under guidelines set by, a wider stakeholder partnership, to help mobilise a better-aligned and co-ordinated funding response to national development data plans.

The Data Financing Facility’s three key aims would be to:

1. **Encourage partner country awareness of and commitment to development data**, and especially the basic building blocks described above, leveraging additional domestic budget resources as well as external financing.

2. **Incentivise improved in-country investment proposals and additional participation by both existing donors and new actors.**

3. **Support and convene research and development and experimentation, in new development data technologies and delivery mechanisms.**

Ideally, the Facility will:

- work to time-bound goals and widely agreed results metrics
- be able to work closely with all main sources of domestic and international public finance
- include fast, transparent and robust approval and disbursement processes
- be able to identify technically sound, credibly independent investment assessments
- be equally accessible to different types of recipients and implementing partners
- be learning- and innovation-driven.

**Country focus**

The Facility could focus on a subset of low-income countries – those where the need to support basic building blocks is most clear – as identified by relevant assessment...
tools and processes. Its scope could expand to other topics and countries – for example, low-middle-income countries still eligible for IDA instruments – if and when its resource envelope permits.

**Topic focus**

The Financing Facility could have two complementary thematic focus areas, probably organised as separate windows, as they are likely to involve different actors, types of spending, and perhaps also funders.

**Window 1** would provide national statistical authorities with a credible multi-year (for example five-year) match-funding response for some of their most urgent data capacity gaps, building on national budget commitments. The Facility’s support could disburse against incremental recurrent costs of running data systems (such as staff salaries); discrete costs of specific additional outputs, such as surveys; and periodic investments in technology upgrade and renewal. Appropriate cost sharing/matching ratios would need to be defined, which could either taper off with rising country income, or be set at the same level for all low-income or least developed countries. Criteria would need to be agreed for judging, within the overall funding envelope available, whether a country’s specific development data capacity needs and lack of access to other external support qualify it for the Facility’s assistance. Country proposals for grants from this window would be submitted by the national mechanisms (described above in critical action 4) and would be subject to light-touch peer review. Further grant tranches could be made available, contingent on countries’ satisfactory performance against agreed capacity development outcomes in their first implemented proposal.

**Window 2** would provide seeding and blend-financing for transformative, leapfrogging data architecture and service delivery applications, so that countries are not left behind by waves of progress while they struggle with existing challenges. The category of data architecture could include major shifts in data technology and systems (such as mobile-based capture, cloud storage and satellite imagery analysis), while the service delivery category could include critical developmental underpinnings such as civil registration and vital statistics systems, universal biometric ID, or cash benefits administration. This window is likely to include “smart funding” involving leveraging other financial sources, such as large IDA grants and credits for governance-related outcomes, as well as private investor involvement in new technologies, supported by de-risking tools such as guarantees or subsidies for reaching particular population groups.

Given the riskier approach of this window, state-of-the-art advice could be sought through an independent expert review panel, who would vet proposals in these areas; suggest improvements; and recommend them, modified as necessary, for approval (see Annex 2 on Facility governance). Broad criteria for this endorsement would need to be agreed, allowing a degree of discretion to the panel.

---

**Figure 5. Contours of a Data Financing Facility**

**OBJECTIVES**

- Raising awareness & donor commitments
- Improving in-country investments
- Convening new data technologies

**COUNTRY FOCUS**

- Prioritising low-income countries unsupported in development data needs

**THEMATIC FOCUS**

- **Window 1**
  - Multi-year match funding for national statistical authorities
  - National Budget
- **Window 2**
  - Seeding and blended-in finance for leapfrogging data architecture
  - Private Sector
  - Smart Funding
  - Guarantees

---
Time-bound delivery goals would need to be agreed, framed in terms of outcomes and presenting the number of countries who would benefit (e.g. 20 under-aided countries or 30 low-income countries, if that is the subset chosen), the scope for capacities and services to guarantee a minimum set of basic building blocks and the time horizon for implementation. As there is no one-size-fits-all formula for capacity building at country level, actual programme composition must be locally determined, within a clear set of general objectives. Defining these features in a clear, actionable, verifiable and persuasive way is a prerequisite for the whole initiative to gain traction.

Box 8. Lessons from previous Multi Donor Trust Funds

Multi Donor Trust funds have been a customary financing mechanism for providing coordinated pooled financing and channeling aid resources, also in the data sector. In principle, they can facilitate donor coordination and harmonization, reducing transaction costs and strengthening systemic capacity to deliver results. However, evaluations have shown that not all trust funds adhere to the Paris Declaration principles of country ownership and donor coordination nor contribute to increased harmonisation and accountability (Calleja and Rogerson, 2019a; IEG, 2011).

Emerging trust funds today are more sensitive to some fundamental principles (i.e. country-led, independent, transparent, clear mandate for financing, performance-based financing). Some financing facilities are starting to establish several sub-facilities for splitting core competencies and areas of work. One example is the World Bank's new "Umbrella 2.0" Trust Fund, a programmatic Multi Donor Trust Fund with a thematic and/or geographic scope. The model aims to improve previous trust fund arrangements, introducing the possibility of accommodating donors' interests in supporting a narrower thematic or geographic scope, by 'integrating preferences' in their contribution or by 'associating' their financing with other trust funds. In the case of association, an Umbrella aims to preserve specific donor attribution, and through economies of scale bring efficiency gains and allow for a focus on reporting and visibility.

These new approaches can be valuable when designing a facility to address the identified challenges in financing development data (i.e. awareness, predictability, sustainability, alignment, harmonisation, transparency).

Next Steps

This paper summarised the position of a global alliance of data actors looking to improve the quality and quantity of funding for development data that is vital to ensuring that the SDGs can be measured.

The paper marks the end of the Bern Network’s technical work, and it will now turn its focus to advocacy and generating the political interest needed to catalyse change.

The Bern Network’s current strategy, agreed in January 2019, has the overall objective of working towards presenting a new robust funding framework to be launched at the 3rd UN World Data Forum on Sustainable Development Data in October 2020 in Bern.

Connecting with its members through regular meetings that bring its community together, the Bern Network is defining a timeline of strategic milestones for the next phase of its work. Upcoming events including the HLPF in New York in July 2019, the Senior HLPF and SDG Summit in September 2019, the World Bank meetings in October 2019, and Financing for Development Forum in 2020, are a few of the key opportunities that the Bern Network will use to promote its message and expand its membership. In particular, it is actively working to include more donor and recipient voices in the global conversation. It is also seeking to secure enhanced commitments from multilateral agencies, including thematic global funds, specifically to support the basic building blocks, alongside specific sectoral objectives. The next stage of the Bern Network’s mandate will be decided by its members after the 2020 World Data Forum.

If you believe in data and its crucial role in the SDG agenda, we are calling for your participation to support this group. Currently composed of aid and development agencies, national statistical offices, ministries, international organizations, private sector partnerships, and civil societies, each new voice allows the message to be spread further and this vital topic to be moved up the political agenda.
Summary of updated Cape Town Global Action Plan costings, in relation to SDG costs and ODA

Current high-ambition costings of the full Cape Town Global Action Plan\(^2\) aggregate to USD 5.6 billion per year through 2030 for 75 low- and low-middle-income (IDA) and 69 upper-middle-income (IBRD) countries. Assuming, as in earlier published estimates, that 95% of middle-income country costs but only 50% of low-income country costs will be covered by domestic resources, developing country governments are estimated to cover a share of USD 4.3 billion (77%) from domestic resources, leaving a gap of USD 1.3 billion (23%) for other domestic sources and all external assistance. The bulk of this gap relates to IDA countries, given the cost-sharing assumptions above. The overall gap is roughly twice the current level of ODA scored for statistics and development data, USD 600 million, occupying a 0.33% share of ODA (PARIS21, 2018a).\(^3\)

While private and non-governmental resources and non-traditional development co-operation providers could mobilise resources to this end, the short-term prospects for this goal, especially in low-income country contexts, are low. A reasonable goal in the interim could be for development partners to allocate a higher contribution for development data. The international community could consider adopting a nominally higher target (also counting more systematically all data components embedded in various thematic programmes, and not yet accurately identified as such in ODA reporting).

A complementary perspective on such numbers is to set the aggregate development data costs (which are only partially incremental to current spending levels) against the orders of magnitude estimated for overall incremental SDG costs. For low-income developing countries,\(^4\) the IMF (2018) estimates these costs at USD 520 billion per year. Adequate data as defined in the Cape Town Global Action Plan is therefore equivalent at most to a 1.1% investment stake in the success of these countries’ whole SDG endeavour. While predicting which countries will miss which specific SDG targets as a result of their data deficits is unlikely, many low-income developing countries and population segments within them remain among the most vulnerable groups.

Preliminary assessment of governance options for the Data Financing Facility

The High-Level Group for Partnership, Coordination and Capacity-Building for Statistics for the 2030 Agenda for Sustainable Development (HLG-PCCB, 2018) stated that the location of a Data Financing Facility should “take advantage of the institutional setup and experiences dealing with large financial funding mechanisms as well as leverage the institution’s operational capability and provide unique access to ministers of finance”. There are different advantages and challenges to the choice of the hosting institution, which will be discussed in the future by the members of Bern Network.\(^5\)

The Facility could be managed through a small, dedicated Secretariat reporting to the host institution. This staff would be accountable to, and support, a non-resident Board with broad stakeholder representation, integrating all the main elements of the broader Bern Network.

The Board would monitor overall Facility as well as Partnership progress. Individual country grants would normally be approved by the Secretariat upon advice of named peer reviewers (Window 1) or endorsement of a standing independent review panel (Window 2). A smaller Executive Committee including the main funders would set allocation policies, approve reviewer rosters and adjudicate proposals only in pre-defined exceptional cases, e.g. by size, apparent risk, on appeal by the proposing country or on request by the Secretariat. In cases of blend-financing by the Facility of a package also involving external grants (IDA, budget support or other), as is the case with the health Global Financing Facility, normal Board approval processes would apply.

The hosting institution would undertake close co-ordination with all other multilateral data funding instruments, and consolidation of the management of other facilities in related data areas. While many different institutional arrangements are possible, they should aim at leveraging external resources and catalyse domestic resources.
REFERENCES


Financing More and Better Data to Achieve the SDGs


NOTES

1. The drafting group includes members of the OECD Development Co-operation Directorate, Open Data Watch, World Bank, Global Partnership for Sustainable Development Data, and Development Gateway.

2. A national statistical system is the combination of statistical organisations and units within a country that jointly collect, process and disseminate official statistics on behalf of the national government. See https://paris21.org/national-statistical-system-nss.

3. For instance, censuses inform the sampling frames of household surveys. Whether household surveys are representative of the population therefore depends crucially on the accuracy of census data. Census data also provide the denominator for a range of indicators defined as rates.

5. For information, please see http://www.data4sdgs.org/50by2030.


7. The Bern Network could help to produce a set of guidelines or best practices for making the sectoral data financing work for the full national data ecosystem.

8. The World Bank is mainly funded by contributions from governments of its wealthiest member countries. Every three years, Bank leadership meets with representatives of these member countries to replenish this primary funding (called the IDA process) for the next three-year period. The organization is now on its 19th replenishment (IDA19). Its last (IDA18) replenishment in 2016 was $75 billion. The negotiations on the size of the replenishment are driven by commitments by the Bank to focus these resources on five specific priorities (or “special themes”) of the contributing governments. The scope of these special themes is still under development, but most likely will cover the following areas: (i) fragility, conflict and violence-affected states; (ii) governance and institutions; (iii) climate change; (iv) gender; and (v) jobs and economic transformation. More information at http://ida.worldbank.org/replenishments.

9. The pros and cons of various pooled thematic fund designs, including free-standing global funds and multi-donor trust funds hosted by the likes of the World Bank, UN and IMF, and also hybrids like the Global Financing Facility, are discussed in detail in Rogerson and Calleja (2019b). The 50 X 2030 Initiative, also relevant but still under development, is briefly reviewed there also.

10. For details, see Rogerson and Calleja (2019b).

11. One of the five IDA19 special themes, governance and institutions, could include the first-ever (proposed) horizontal policy commitment for data in an IDA replenishment. These funds, currently under discussion, would commit to support relevant government institutions in IDA countries to build capacity and reduce gaps in core data needed for “evidence-based policy making”. The proposal could include a range of (recipient-executed) projects including household surveys, population censuses, enterprise surveys, establishment censuses, agricultural data, price data, administrative records and big data/analytics.

12. Details in Rogerson and Calleja (2019b). Lower estimates, based on funding in-country capacity costs but not additional costs of e.g. global monitoring and coordination, put the gap at USD 300 million per year in the medium-ambition case and USD 100 million in the low-ambition case (for SDG statistical production but not capacity development).

13. This is slightly higher than previous estimates (see SDSN et al., 2015 and GPSDD, 2016) due to differences in terms of scope and coverage. Prior costing exercises have primarily identified the cost of measuring the SDGs. This estimate is higher due to the broader scope of costing the Cape Town Global Action Plan, which includes the cost of measuring the SDGs and adds costs for co-ordination on data for sustainable development, innovation and modernisation of national statistical systems, dissemination and use of sustainable development data, multi-stakeholder partnerships, and mobilising resources and co-ordination efforts for statistical capacity development.

14. Roughly speaking, these are countries with per capita annual income of below USD 2,700, and some island states. The category goes beyond IDA countries, but it does not include all IBRD ones.

15. For other considerations on possible governance arrangements, see Rogerson and Calleja (2019b).