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PROGRAMME PROPOSAL

BETTER DONOR COOPERATION TO IMPROVE STATISTICAL, ANALYTICAL AND POLICY SETTING CAPACITY FOR COUNTRIES PREPARING AND IMPLEMENTING POVERTY REDUCTION STRATEGIES

(Prepared by Department for International Development, UK and PARIS21 Secretariat)

The attached paper sets out a proposal for donors to co-operate in providing short-term support to developing countries who are preparing and implementing PRSs to develop a sequenced information strategy and plan its implementation in the longer term.

Most of the resources for this proposal will stem from existing developing country / donor activities although a step increase in this work and some new resources are envisaged. The proposal fits within the wider PARIS21 framework.

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INTRODUCTION

1. A joint conference of developing countries and donors in November 1999 identified an urgent need to initiate analytical and statistical support to countries compiling Poverty Reduction Strategy Papers or engaged in preparing UN Development Assistance Frameworks and / or Comprehensive Development Frameworks. At the same time the meeting set up the PARIS21 consortium to promote well co-ordinated and effective statistical initiatives in global development.

2. This concept note sets out a proposal whereby donors cooperate to achieve widespread, systematic support for developing countries which cannot be achieved with donors working individually as is often the case now. Most of the resources for this proposal will stem from existing developing country / donor activities although a step increase in this work and some new resources are envisaged. The proposal fits within the wider PARIS21 framework.

3. The focus of the programme is to give the countries concerned the support they need:

- to make best use of existing statistical and other information for informing the development of country owned poverty reduction strategies (PRS) and interim PRS papers in particular, and;
- for formulating a long term information strategy, building upon existing systems, which will enable them to produce and use policy relevant statistics to better guide, manage and monitor their own social and economic development.

It is a short term strategic intervention. But there is a clear implication that having identified the needs governments will be committed to developing their key information systems and donors will wish to provide long term support to help the countries concerned implement the strategy.

4. This note is not intended to be a project document. Instead it sets out an approach that interested donors and partner countries can sign up to and use in either existing or new joint activities.

BACKGROUND

5. Developing countries are working to develop the quality and poverty impact of their public sector. They need to develop a consolidated plan for improving the efficiency of public service delivery and the equity of public policy as well as a system to monitor implementation and impact. This need is a priority for those countries wishing to participate in the enhanced heavily indebted poor countries debt relief scheme (HIPC2) who are required to prepare a strategy paper setting out their proposals for public sector action to reduce poverty. Typically the countries involved will not have sufficient statistical and analytical resources at their disposal either to inform the development strategy or to implement it. This programme aims to provide coordinated donor support in these areas so that countries are better able to prepare an effective, nationally owned PRS and to formulate a costed and sequenced information strategy which will build sustainable capacity in the longer term for implementing and monitoring PRSs and an appropriate macro-economic framework.

PROGRAMME PURPOSE AND OBJECTIVES

6. The purpose of the programme is to develop a systematic approach for co-ordinating donor interventions to provide short term statistical and analytical support to those countries compiling PRS papers or engaged in preparing UN Development

Assistance Frameworks and / or Comprehensive Development Frameworks. An immediate priority will be the heavily indebted poor countries preparing a poverty reduction strategy paper during the next 18 months (see list in Annex 1). The support will help these countries identify the information required to plan, implement and monitor their poverty reduction strategies and draw up a sequenced information strategy to meet the priority data gaps in a sustainable and affordable way.

7. The main objectives are:

- to build political support for country ownership and funding of the information processes;
- to strengthen national capacity to prepare and implement interim PRS papers which fully reflect their own needs and development priorities and to build capacity for updating these strategies and for preparing development assistance frameworks;
- to help the countries concerned identify the information necessary to plan, implement and monitor their poverty reduction strategies and, building upon existing systems, to draw up and cost a time-tabled information strategy for meeting the main data gaps in a sustainable way. Whilst capacity building is a lengthy process the aim will be to achieve a sustainable improvement in the availability of key information within 2 years and to achieve some 'quick wins' before this;
- to strengthen and widen national capacity to analyse and use policy relevant statistics and qualitative data to inform policy development and underpin evidence based decision making;
- to ensure that donor resources are provided and used in a coordinated way.

A more comprehensive outline of programme objectives is set out in Annex 2.

8. By the end of the intervention a country will have a clear understanding of the statistical and other information requirements needed to inform, plan, implement and monitor public sector activities aimed at reducing poverty. This will include economic and social development, including health, education etc. Country needs for capacity building in the analysis and use of information for evidence based decision making will be identified. A realistic and sustainable information strategy will have been drawn up by the country setting out a costed timetable for meeting its information requirements over the medium to long term. This will include a statement on how it will fund these requirements set within the context of its wider development strategy - including donor support.

9. Long term donor support for the statistical and analytical capacity building needs identified by this programme is not covered in this proposal. However as a matter of policy it should be integrated into wider development programmes, e.g. sector wide approaches, to ensure that the demand for information is not divorced from the supply.

PROGRAMME APPROACH

10. As no donor can simultaneously provide statistical support to many different countries a co-operative partnership is essential. Accordingly each country will be invited to work with one or more donors with whom they already have a relationship. Country ownership and leadership are important. Each donor may take a lead on behalf of donors or a supporting role in one or more countries, but is not expected to become heavily involved in every country. Donors playing a major role with a country should provide a focal point for support and help the national government co-ordinate the help of other donors. Supporting donor members will provide additional help or funding in areas where they have a particular interest or technical resources.

11. It is anticipated that the programme will provide useful lessons on the best way to manage and implement multi-donor support so details of how the work should be carried forward in-country should not be prescriptive at this stage. Some countries will have already begun considering an information strategy and require less support than others. However a typical programme of support for countries just starting the process might involve:

Stage 1: Regional Workshops

- Intended to raise awareness of this proposal and its objectives.
- Will involve PRSP co-ordinators, policy makers and statisticians from developing countries, donor agency staff and government statisticians from donors operating in the region. Also relevant regional organisations, e.g. SADC, UEMOA, Afristat, UN Regional Agencies and Development Banks.
- Should identify existing developing country / donor interventions in this field and agree which donor(s) will work with which countries. Should also identify the key stakeholders for each country and a co-ordinator for the following stages. Typically this is likely to be a representative of the main Government Ministry working with poverty reduction strategies.

Stage 2a: Initial Country Based “Round Table” Discussions

- Intended to set out present national policies and strategy documents and the broad social and economic policy areas to be covered in the PRSP.
- Will involve key users of statistics from Government Departments, civil society and other stakeholders, national statistical institutions and donor agency representatives and statisticians.
- Should agree the scope of the country exercise and priorities.

Stage 2b: Detailed Stakeholder Discussions

- Intended to assess specific information needs of individual groups of stakeholders and to carry out a stock-take of the coverage, timeliness, quality and relevance of existing information by sector. Capacity issues will be reviewed covering statistical, analytical and policy assessment needs within the public and the private sector (essentially who, what, where). Linkages between the PRS papers and country UNDAF or CDF activities will be assessed and means of developing a harmonised approach agreed. Will begin building partnerships as necessary at country level and between national and international stakeholders.
- Will involve and bring together through workshops, etc. users and analysers of statistics from Government Departments, civil society and other stakeholders, national statistical institutions and donor agency representatives and statisticians.
- Should agree the main short and long term information needs for implementing, managing and monitoring (nationally and internationally) national PRSs and identify priority data gaps - setting out where existing data systems need to be improved and where new data sets are needed. Opportunities for quick information gains - eg further analysis or better dissemination of existing data - should be explored and implemented where appropriate.

Stage 3: Assessment of Desired Outputs, Costs, Benefits, Constraints and Alternatives

- Intended to assess alternative strategies and cost benefit of improving existing data systems and meeting the priority data gaps both in the short term and longer term. Intended also to identify the capacity building needed to alleviate

the resource and institutional constraints in both the supply and use of policy relevant statistics that would otherwise impede or prevent the required improvements.

- Will involve key Government users and statisticians.
- Should agree a costed and sequenced information strategy that is both realistic and affordable. Should also set out a funding proposal.

12. No new procedures for project coordination in country are envisaged. Instead project management will rely on national officials and existing mechanisms for national/donor co-ordination. Resident representatives of the major multilateral institutions are well placed to provide continuity of support for this. These Representatives can also provide a link for enabling country teams working on this to learn from and share information with similar countries undertaking the same process elsewhere.

13. Best practice emerging from country activities will be disseminated through the PARIS21 consortium to provide opportunities for lesson learning. In the opposite direction those with specialist skills and experience can provide strategic advice and guidance to country teams.

PROGRAMME FUNDING

14. Voluntary contributions from donors will be requested by OECD to finance regional workshops and the participation of representatives of developing countries in programme meetings and associated events. These contributions will initially be set at a total of \$300,000 to cover the estimated cost of 3 workshops. This total includes \$60,000 to finance participation.

Building on existing activities

15. Country based activities will be funded where possible from existing donor interventions. This implies that where these exist developing countries and donors will need to agree that on-going activities are widened to include those set out in stages 2 and 3 of paragraph 11. This approach reduces the need for specific new funding but, importantly, increases the convergence between existing donor interventions in this area.

Assistance for countries not currently supported

16. For those countries needing help but who are not currently supported special arrangements will need to be made. These will need to be financed. This could be done either by a donor agreeing to provide new funding and support bilaterally or through a special fund supported by donor contributions with consultancy inputs being purchased on the open market. The analogy here would be with a much smaller and more basic version of the European Commission's PHARE and TACIS programmes or the World Bank's trust fund for statistical capacity building. This route would require donors to put money into a common fund, which would then be managed by a steering committee. Such a common fund might also suit some donors who wish to contribute to the programme but who do not have the technical resources to carry out bilateral activities in statistics themselves

17. Donors wishing to support this programme can contribute either through existing or new bilateral interventions or by contributing to a common fund. When committing themselves to the programme donors will need to specify which of these means of support they will provide so that their inputs can be co-ordinated with other donors. As the programme is intended to be cooperative rather than tightly co-ordinated, the two financing streams can move ahead independently. Support through existing donor mechanisms can begin immediately whilst the common fund could be set up later if sufficient need exists.

COMMON FUND AND ITS MANAGEMENT

18. The wish is for the programme to be co-ordinated with the minimum of formal procedures and bureaucracy. However if a common fund is set up then more comprehensive administrative overheads will be required including a joint memorandum of understanding to cover the financing details and spending programme.

19. Possibilities for the management and location need to be explored. A simple management structure is essential to retain flexibility and quick response to requests for help. How this could be done is for discussion.

PROGRAMME COST

20. The total notional cost for the above activities is estimated as:

- Regional Workshops: assume 3 workshops @ \$80,000 each \$240,000.
- For each country assume:
 - Stage 2a: 2 week mission for 2 people (statistician and development specialist);\$40,000
 - Stage 2b: 3 x 2 week missions for 2 specialist consultants, \$120,000
 - Stage 3: 3 week mission for 2 people (statistician and development specialist), \$40,000
 - budget for funding country workshops or other events, \$10,000

Total cost per country: \$210,000

- Common Fund Management Costs

- Secretariat: \$100,000 - \$200,000 per year
- Donor Country Participation in Steering Committee: \$40,000 per year

21. The above estimates exclude the time and effort of developing country officials and donor agency staff resident in country. Where consultants are used these may be expatriates or, for preference, local or regional experts.

22. Originally it was estimated that some 28 countries would be preparing PRS papers during 2000. (The situation is changing constantly and Annex 1 suggests 46 during the next eighteen months or so). Assuming 28 countries in the initial programme the total notional cost of providing the above support is estimated at \$6.1 million. The real additional cost will be less as much of the work will be carried out using the resources of existing donor interventions (see programme funding above).

TIMETABLE

23. It is proposed that a meeting of interested donors be called for mid - May to finalise this proposal and to set out the way forward. This meeting will include partner country representatives. It is envisaged that the regional workshops should begin in June or July 2000. Country activities should follow as soon as possible thereafter. These are expected to be completed within a six month time-scale for any one country.

LINKS TO OTHER GUIDANCE

24. Much guidance is already available on developing PRSPs, on statistical technical cooperation and analytical frameworks and on building statistical and analytical capacity. This programme does not intend to duplicate this work or to develop systems from a zero base when the developing countries concerned will already have in place functioning information systems and analytical capacity. Instead it seeks to provide systematic and co-ordinated donor support to help countries identify the information systems, analytical and policy design skills they themselves need to support their own development. In doing so existing guidance will inform the interventions but the way they are carried forward will be governed by countries own needs and resource and capacity constraints. A programme to identify capacity building needs will complement this assistance.

25. Guidance that this programme will call upon includes:

- Guidance on the scope and format of PRSPs
- Guidance on UNDAFs and Common Country Assessments
- IMF Special Data Dissemination Standard and General Data Dissemination System
- UN Fundamental Principles of Official Statistics
- UN Practical Guidelines for Technical Cooperation in Statistics
- OECD Poverty Network Guidelines

ASSESSMENT AND EVALUATION

26. Once the programme has been in operation for a year the PARIS21 Secretariat will organise a formal review of progress. The views of all countries participating will be sought. A key question to be considered at this review will be an evaluation of the approach and an assessment of the value and cost of applying it more widely to other countries for consideration by donors and partner countries. The conclusions of this review will be forwarded to ECOSOC and the UN Statistical Commission as part of a wider report on PARIS21 activities.

5 June 2000

Annex 1: Countries Scheduled to prepare Poverty Reduction Strategy Papers over the Next 18 Months

<i>PRSP Countries, scheduled FY00 and FY01</i>	
<i>Region</i>	<i>Country</i>
AFR	Benin*
	Burkina Faso
	C.A.R.
	Cameroon
	Chad
	Côte d'Ivoire
	Ethiopia
	Ghana*
	Guinea
	Guinea Bissau*
	Kenya
	Madagascar*
	Malawi
	Mali*
	Mauritania
	Mozambique
	Niger
	Rwanda
	Sao Tome & Principe
	Senegal
Tanzania*	
The Gambia	
Uganda*	
Zambia*	
Zimbabwe	
EAP	Cambodia
	Lao PDR*
	Mongolia
	Vietnam*
ECA	Albania
	Armenia
	Azerbaijan
	Bosnia & Herzegovina
	Georgia
	Kyrgyz Republic
	Macedonia FYR
	Moldova
	Tajikistan
LCR	Bolivia*
	Guyana
	Haiti
	Honduras*
	Nicaragua*
MNA	Djibouti
	Yemen*
SAR	Pakistan

Note: The asterisks indicate the UNDAF pilot countries where UNDG will work with the World Bank on the PRSP initiative.

Annex 2: Programme Outputs and Tasks

Building political support and partnerships in-country

Engage with policy makers to start the process of developing a philosophy of evidence-based policy making;

Involve statisticians at an early stage with relevant policy initiatives;

Develop a strategy for disseminating information and data within the participatory monitoring process and for building capacity in civil society to use that data;

Assist national governments identify an appropriate process for funding this strategy.

Building capacity to plan and implement Poverty Reduction Strategies

Develop strategies for building capacity in institutions with responsibility for collecting statistics, undertaking analysis and building evidence based policy making and participatory monitoring.

Identify the physical legal and institutional constraints impeding successful capacity building and develop strategies to remove them.

Identifying the Strategic Information Required

Help countries bring together existing social and economic statistics and analysis to inform the development of a PRSP and other relevant development frameworks e.g. the UN Development Assistance Framework (UNDAF) and the World Bank's Comprehensive Development Framework (CDF);

Help country policy makers and statisticians assess and harmonise the information needs of PRSPs / UNDAF / CDF and identify key data gaps, building on any recent work carried out under the Common Country Assessment;

Develop plans to build sustainable information systems that build upon existing national programmes, covering as appropriate:

- sectoral management information systems;
- key macro-economic and social statistical series;
- short term and leading indicators of PRSP (and CDF or UNDAF) progress;
- information required for participatory monitoring by Government and civil society;

Put together a sequenced information strategy that meets priority needs for information and capacity building in a sustainable and affordable manner and to manage the process of transition from supplying immediate data needs to the longer-term objective of building sustainable capacity.

Build Capacity to Use and Analyse Policy Relevant Statistics

Help national governments identify suitable interim/leading indicators and longer term indicators for planning and monitoring progress with the information strategy as well as the wider poverty reduction process;

Develop a strategy for disseminating information and data within the participatory monitoring process, and for building capacity in civil society to use that data.

Co-ordinating Donor Efforts

Develop close partnerships between developing countries and donor consortia;

Assess requirements for longer term support and means of providing this support;

Synthesise the results of the first group of 28 countries to form guidelines for subsequent action in other countries.