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**Statistical Information Management Project:
A Successful Cooperation between China and Canada**

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I. Background

In September 1996, the Chinese and Canadian Governments signed a Memorandum of Understanding for the Statistical Information Management Project (SIMP). This is a seven-year technical assistance project arranged by the Canadian International Development Agency (CIDA) and its Chinese counterpart of the Ministry of Foreign Trade and Economic Cooperation (MOFTEC), and implemented by Statistics Canada (STC) and the National Bureau of Statistics of China (NBS).

The Canadian Government was to contribute 9.9 million Canadian dollars to the project while the Chinese Government to contribute 6 million Canadian dollars. The large inputs demonstrated the recognition by both governments that the Chinese statistical system was very important in China's on-going economic transition from a planned economy to a market economy, in China's better understanding of itself and the entire world, and in the world's better understanding of China.

The ultimate goal of SIMP is to enable progress in the development of a modern and efficient statistical system responsive to the needs of economic reform.

Towards this goal the project will :

- Help the NBS in reforming its statistical system by the adoption of international standards and methods;
- Assist in enhancing NBS' capacity to serve user needs, and to ensure broader dissemination of statistical data;
- Promote coordination within the statistical system in China, and enhancement of the role of NBS as its main coordinator; and
- Assist NBS in efficiently producing reliable data, covering a wide range of policy-relevant issues.

The project covers a wide range of areas that the Chinese statistical system was going to deal with during its development: Organizational management, economic measurement and capacity building. There are a number of subprojects under each of the three areas.

II. Why Is the SIMP?

In the past two decades since 1979, China has been going with determined steps along the road of transforming its economy from central planning to a market-oriented system. Such a transformation has requested the Chinese statistical system to reform its functions so as to respond to the changing requirements. On the other hand, the Chinese statistical system and its coordinator NBS have made their efforts to go towards that direction and

are ready to go further. On such a basis, the SIMP could be established.

China has made considerable progress in statistics over the past years. However, the National Bureau of Statistics has experienced many difficulties in its pursuit of reforms for the purpose of establishing itself as an efficient central statistical agency. Those main difficulties now include the following:

- Unfamiliarity with the policy issues that a central statistical agency shall deal with under the market economy;
- Insufficient knowledge of organizational management of the statistical system in the changed environment;
- Unfamiliarity with new concepts and methods;
- Shortage of skilled human and financial resources;
- Shortage of training and development infrastructure.

The SIMP, together with other international assistance projects, intended to address those issues.

Statistics Canada and the National Bureau of Statistics of China started statistical exchanges in the early 1980's, well before the existence of the SIMP. During the period, great progress was made in the Chinese statistical system. Both agencies had every reason to believe that the establishment and implementation of the SIMP would be a success and would help the Chinese system to make greater achievements. Apart from the requirements made by both statistical agencies, the SIMP has been a priority project in the development cooperation framework between the Chinese and Canadian governments in both its design and implementation stages. The two governments support the idea that better statistics will help to produce better government policies socially and economically. All the efforts are needed to make the SIMP. There have been the efforts and there is the SIMP.

III. How to Make the SIMP Go?

The National Bureau of Statistics of China and Statistics Canada have closely worked together to make the project a success. NBS believes that the following are the very important bases on which we established and have implemented the SIMP:

- Equal partnership. The National Bureau of Statistics of China is a recipient agency of international assistance and understands that NBS will benefit from the project at this stage and for many years to come. However, NBS and Statistics Canada believe that both agencies are equal partners in the establishment and implementation of the project. It is NBS that will put what it has learnt into practice under the Chinese specific conditions and expand those results to other fields.
- Careful design. The SIMP has nine subprojects in different fields, all of which support NBS' work priorities and Statistics Canada has expertise readily available. For each subproject, both agencies make full consultations with each

other via correspondence and discussions before an initiation agreement is signed by the senior managers of both agencies. The agreement provides analysis of background information, makes clear and achievable overall and specific objectives, indicates measurable and sustainable expected outputs, spells out the qualifications of the steering committee and project teams, makes full commitments in terms of human and financial resources, and produces a detailed time schedule for the implementation.

- **Powerful management.** The chiefs of both agencies are involved in the management of the project. Coordinating committees are set up within both agencies with their deputy chiefs directly engaged in the project management. Project teams are composed of the core members of project areas. Constant contacts are maintained between project managers in both agencies. Project review mechanism is in sound operation together with governmental coordinating organizations. Mutual understanding exists between the two agencies when they have disagreements and disputes.
- **Project guiding principles.** In order to ensure the success of the project design, implementation and review, both the National Bureau of Statistics of China and Statistics Canada developed the document as the Principles for the Technical Cooperation Program. The document, signed by the chiefs of both agencies, includes 20 principles from the identification of project areas to the review activities.

IV. How Useful Is the SIMP?

The project is in the fourth year of the seven-year implementation period and major achievements have to be made available when the activities are completed. However, we have already identified many important impacts on the NBS' work.

- The SIMP Project has assisted NBS to get greater insight into the functioning of a modern statistical system that NBS is striving for. Statistical managers become more reform-minded with international standards, market concepts, information technology, data collection methods and user-oriented dissemination.
- Appropriate elements of the knowledge gained through this Project have been used to modify management practices, revise statistical priorities, and initiate new processes in formulating future NBS programs. Financial management is introduced in the organizational development.
- Statistical legislation was improved by revising China's Statistics Law. In a couple of days, the government will issue further detailed new regulations governing the statistical practice throughout the country.
- Statistical managers in ministries and local governments are more cooperative by supplying useful statistics for NBS. An inter-ministerial committee has been

established to maintain dialogue and encourage data sharing among producers of official statistics.

- The national accounts system is designed to have better estimates by the implementation of the perpetual inventory method for the measurement of fixed assets and depreciation; the estimation of the output and value added of the real estate industry; and the enhancement of the analytical and technical capacity.
- NBS and Statistics Canada are working together with the production of a video training course on survey skills development, which is designed to make impact on China's surveys in a very practical manner and on the teaching philosophy and quality in this regard at Chinese universities.
- NBS has started its initial building of Metadatabase not only for data dissemination but also for program coordination within NBS and between NBS and other ministries.

V. Conclusion

The National Bureau of Statistics of China is determined to go further together with China's economic development and with the international statistics. All that the SIMP means is to speed up the pace of this process, to help China know where to go and how to go, and to turn the Chinese statistical system to a better one at present and in the future.

China is a developing country, enjoying as well as suffering the transition to a market economy. Accordingly, the Chinese statistical system is enjoying and suffering its transformation to an efficient one. That is why China appreciates the SIMP and all the other international projects at this stage.