

Future Strategy for the Partnership

A. Introduction

1. Ten years ago, the international community acknowledged that the **progress in human development remained highly unsatisfactory**. Despite robust global growth, poverty was still widespread. Human development indicators, in particular for health and education, showed that billions of human beings were not enjoying the advantages of progress. This emphasis on human development was enshrined in the UNDP's annual "Human Development Reports" published from 1990 onwards. By the end of the 1990s, with concern about debt levels in some 40 'heavily indebted poor countries' (HIPC), the Bretton Woods Institutions decided that from 1999 onwards the benchmark document used as the basis for interventions by the BWIs (and therefore the international community) would focus on combating poverty. Any country wishing to benefit from debt relief and the support of BWIs would have to draft and validate a Poverty Reduction Strategy Paper (PRSP), written and adopted using a participative process. PRSPs and their equivalents have since become the guiding strategy for all low income countries (LICs) eligible for IDA funding.
2. One year later, Heads of States meeting at the United Nations headquarters, agreed the Millennium Declaration, which adopted the eight Millennium Development Goals (MDGs) to be met by 2015. The PRSP approach and the MDGs **provided quantified objectives**, in particular with respect to reducing the level of poverty and improving human development indicators (health, education, gender, and so forth).
3. PARIS21 was created in late 1999 to address *inter alia* the issue of availability of the economic, financial, social and environmental data needed to measure PRSP and MDG implementation. This move in the direction of "results-based management" required access to reliable and regular information about trends. The PARIS21 Partnership therefore concentrated its efforts on **advocacy** for increased use of and support to statistics, **co-ordination** of partners in their statistical programmes, and promotion of **National Strategies for the Development of Statistics (NSDS)** to build capacity strategically. More recently, PARIS21 has also co-implemented the International Household Survey Network to co-ordinate survey programmes and the Accelerated Data Program to archive, analyse, and disseminate survey data.
4. **Efforts over the last ten years, notably within the framework of the PARIS21 Partnership, show that progress can indeed be achieved.** A paper¹ recently co-authored by a group of members of PARIS21 convened by the Secretariat, reviewed the successes of the Partnership over the past ten years and areas for improvement. The study found that among more than one hundred of the world's poorest countries statistical capacity globally has improved since 1999. Overall availability of data has also improved, as has their quality as measured by IMF data quality assessments. While an estimated 140 million people will not be counted in the next census round, this nevertheless represents a 75% reduction on the numbers missed in the 2000 round. External support for

¹ "PARIS21 at Ten: Improvements in statistical capacity since 1999." October 2009.

statistics has increased, but half of the total comes from just three donors who have more than doubled their spending. As of May 2009, there are 60 countries with an NSDS (out of 78 IDA eligible countries).

5. However, in terms of implementation of these strategies, the scorecard shows that improving the statistical system is still not effectively a key concern for countries, even when it is included in the PRSP. In fact, ten years after the creation of PARIS21, the same need subsists: **economic, financial, environmental and social information is essential for drafting development policies and their monitoring/evaluation**. And yet, despite progress, many LICs still do not have a statistical system that enables them to formulate a national strategy by drawing on a quantified diagnosis of reality and to monitor its implementation as well as its impact on target populations. In many cases, under-development determines the quality of the statistical system. Is it possible to have an efficient statistical system in a weak economic and institutional environment, in which political and administrative governance is poor and there are not enough funds available to finance the civil service? Addressing this conundrum is crucial if we are to tackle the recurring problems met by statistical capacity building efforts in LICs.
6. **Accordingly, the choices of the PARIS21 Consortium ought to be focused even more on data demand** in the forthcoming phase. The PARIS21 Partnership must build a wide consensus on the need to promote economic, financial, environmental and social information as a priority in each country's development strategy. With the convergence of so many major international issues (*e.g.*, the financial, food, and climate crises), this is a time when the demand for statistics is very acute and statistics themselves very prominent. Yet the Partnership must continue to improve the supply to create, stimulate, and respond to demand. The present paper successively studies the issues that arise concerning the demand for, and supply of, information for the purpose of development².

B. Anchoring the information system among users: the need to promote demand

7. Demand for statistical data will be the priority of the strategy. The 2009 PARIS21 evaluation, in fact, emphasises this point, calling on the partnership to increase its efforts to access data users, in particular policy makers. Indeed, efforts should be made to improve the demand for, as well as the use of, statistics including impact studies; macroeconomic analysis; short-, medium-, and long-term forecasting and planning, etc. These analytical techniques represent an often missing link between data and policymaking. A careful distinction, however, needs to be drawn between four components of data demand: the public sector, elected bodies, civil society, and the private sector. Each of these has specific requirements and taking them into account will help to build a balance of power in favour of an efficient statistical system serving development, in particular a system that is set on the path to sustainability.

B.1. Public sector

B.1.1 The needs of public finance and sector ministries

8. **The civil service has major needs in terms of economic, financial, environmental and social information**. For example, the Finance Bill — a crucial instrument of public policy — requires a large volume of current data, both to determine expenditure and assess revenues. The budget's

² A more detailed version of parts B and C of this paper is available in J. Le Nay "Strategy for statistics development: an introductory note": presentation for the PARIS21 Consortium Meeting; November 2009, Dakar.

macroeconomic framework requires up-to-date national accounts, as projections are based on them. Also, the Medium-Term Expenditure Frameworks (MTEFs) require data to set quantitative targets reflecting the desired objectives and to monitor the results among the target population. Reforming statistical information systems is a prerequisite for the success of both of these processes.

9. **Sector ministries are key players in setting priorities for improved information.** Sector ministries can formulate proposals only if they can draw on precise knowledge of the situation in the sector. One should recall that a major proportion of information on each sector is collected by the relevant ministries, before some of it is sent to the institution in charge of national statistics. So efforts to mobilise sector ministries are required to tackle the serious flaws in terms of sector information.

B.1.2. The needs related to good governance

10. **Governance is a key dimension of development.** As noted above, it fuels civil society's demand for information. Within the civil service, this dimension has often been neglected until now. Good governance supposes developing assessment of public policies. Such assessments by bodies in charge of controlling public management, notably public finances, depend on an efficient statistical system for economic and social information as a prerequisite if they are to fulfil their mandate.
11. In sum, within public institutions, there are players who, to a varying extent, request information without which they cannot carry out their missions. In its future work, the PARIS21 Partnership needs to **turn these potential users into proactive agents** working to implement efficient economic and social statistical systems through appropriate partnerships.

B.2. Elected bodies

12. **Too little attention has been paid to the key role of parliaments** in setting national priorities and monitoring their achievement based on sound evidence, **and sub national elected bodies** (Regional and Municipal Councils, etc.) in similar responsibilities at their own level. Only a strong, preferably independent, statistical system can provide the essential information needed for elected officials to fulfil their role. For instance, parliamentarians are required to (i) vote on the budget and the priorities and resources within it, (ii) vote on other important bills such as those requiring evidence and those related to the governance of the national statistical system (NSS), and (iii) act as a fact-check on the Executive Branch. Therefore, it is important to better advocate the value and use of good statistics to Parliamentarians and to strengthen the institutional capacity of Parliaments.

B.3. Civil society and the media

13. **The development approach (PRSP, CDF, etc.) is intended to be participatory.** It significantly changes the process of formulating development strategies by trying to ensure the country and its citizens buy into the strategy. These frameworks are supposed to include monitoring and evaluation (M&E) mechanisms with a significant participatory content. Emphasis is put on the participation and support of intermediate bodies: trade unions, employers' associations, and representative organisations of civil society. In other words, the goal is to forge a consensus on development strategies and on the resources allocated to implementing them.
14. **The development approach supposes that instruments are available to measure the implementation of strategies and results that are achieved.** In practice, PRSP and MDG monitoring

reports are not able to play their expected role and enable a dialogue to be carried out with civil society on the strategies and their results. Why? Because of the poor quality of the statistical system, which often fails to produce the necessary data or process and analyse them. As a result, the desired participatory approach cannot succeed. This situation calls for two kinds of responses: (i) the mobilisation of civil society, to ensure it effectively exerts pressure to achieve the stated official objective of providing access to information, and (ii) a careful attention to the necessary re-orientation of the products and studies of statistical institutions to better address the demands of other (non-governmental) stakeholders involved in the participatory approach of PRSPs and MDGs.

15. The **role of the media** in using, promoting good statistics and informing should be better acknowledged in NSDS processes. In fact, NSDSs should be supported by true communication strategies which take into account areas of interest and needs of different stakeholders. Moreover, significant efforts have to be made in advocacy toward and training of the media.

B.4. Private sector

16. **The private sector is a key player in development.** It is the main source of the production of marketable goods and services. Like any other economic agent, companies base their decisions on available information. While the sector accounts for a small portion of the labour force in LICs, it can be mobilised around an efficient system of economic and social statistics. Statistical institutions have, however, tended to consider companies just as suppliers of information (annual company and employment surveys, statistical reports on tax returns, etc.) rather than a major user of their outputs. Thus in most LICs, statistical institutions hardly provide any useful information to companies. Yet, they have demands in terms of analysing the economic environment, forecasting activity in their sector, as well as in the sectors of their suppliers and clients, and studying the behaviour of economic agents.
17. **Taking better account of demand from the modern private sector could yield benefits.** It could, ultimately, lead employers' associations to call on political decision-makers to promote capacity building in statistical institutions. Companies are usually prepared to pay for good quality data and this could help increase the resources available for improving the statistical system. A partnership between the statistical system and private sector representatives could enable (i) users to better articulate their needs for data, and (ii) producers to better anticipate and address user needs.

C. Adapting supply

18. **For decades, most aid for developing statistical systems has been aimed at improving supply.** However, the scorecard for external aid to statistics is hardly encouraging. Substantial assistance has been provided over the past 50 years, but it has not led to the creation of many institutions that are strong, credible and autonomous with respect to external support. External aid, *de facto*, consists mainly of substitution assistance, which has failed to produce sustainable institutions. It demonstrates the limitations of technical assistance, creating an oasis of relative prosperity in civil services that are starved of resources and lack motivation.
19. External assistance has always sought to train statisticians. However, high-level graduates in statistics and economics, because of their skills and reputation, are recruited for executive positions that provide compensation and working conditions well above what can be offered on average by statistical departments or institutions. As a result, these institutions cruelly lack

qualified personnel. Overall, the civil service proposes working conditions and compensation that could hardly be described as motivating.

20. Despite the substantial assistance provided, supply remains seriously deficient in most LICs and many statistical systems are unable to carry out their role, in particular since the shift in the development paradigm to a goals- and results-based approach. The lack of clearly defined national priorities in statistics also plays a role in worsening the supply situation. Very often, NSSs try to respond to donor-related demands as they normally carry funding with them and overlook other demands from national stakeholders. This situation partly explains why potential users of information in countries have failed to defend actively the statistical system. Statistical production would be more relevant and thus better adapted to user needs if co-ordination within the NSS and within the donor community were improved — two recommendations that in fact emerged from the 2009 PARIS21 evaluation.
21. Statistical systems have been frequently criticised for following technical rationales that result in very stringent and expensive data production processes. Also, user needs are hardly taken into account and dissemination of information is inadequate. The excessive technical burden to produce information dwarfs the resources statistical institutions have at their disposal and this reduces production and delays dissemination. Another approach is therefore needed. PARIS21 partners should promote the use of the latest methodological and technological solutions in developing countries, so that statisticians can produce and disseminate data more efficiently while responding to user needs and **not jeopardizing quality and conformity with international standards**.

C.1. Getting supply to be closer to user needs

22. **We need real determination to better take into account user interests and requests.** There is significant unmet demand for indicators that cover the situation of households by region and by gender and which better describe employment and incomes. Qualitative surveys monitoring how the population perceives development also provide useful information for decision-makers and civil society.
23. **It is time for a daring policy in terms of disseminating information.** Promoting a participatory approach of development—consisting of a dialogue on policies and a participatory monitoring and evaluation of PRSPs and MDGs—implies radical change to an approach based on **transparency and independence**. If relevant economic, financial, environmental and social information is available for all interested players, then the statistical systems would make great strides in building public confidence and trust.

C.2. Widening the field of observation and of analysis

24. **Statistical institutions have traditionally focused on producing economic, financial and social data**, including demographic data. However, since the 1990s, with the promotion of human development, PRSPs and MDGs, other kinds of information are sought. Such new information is so far not well covered by the conventional institutions in charge of collecting and processing data.
25. **A prime example is the environment, where many methodological issues are far from being solved.** There are already many indicators that enjoy a wide consensus, but they do not always address the issues directly. Key variables of the environment, including the situation with respect to water and sanitation, should be better covered by public institutions.

26. A second example is information on governance to enable citizen participation in development.

The key issue is to provide citizens with information to monitor the actions of government and to help shape policies to meet their most pressing needs. This involves both the type of information collected, but also the way it is presented. For it to be usable it needs graphic rather than tabular presentation, bearing in mind the diverse audience for whom this information is intended.

27. Statistical institutions often give less emphasis to analysing information than to collecting and processing it. They often receive substantial funds to carry out surveys, so these are given more attention than analysis of the results. But it is analysis that is decisive since it helps prepare and influence the content of policies.

28. Lastly, safeguarding data must be a key concern of any public information institution. Archiving as a discipline is struggling to receive resources in most LICs. This requires effort if confidentiality is to be respected and data are to be preserved for comparative and in-depth analysis.

C.3. Factoring in specific and emergency contexts within international standards

29. There is a need to take account of the specific context in the organisation and planning of the statistical system, within the universal methodological principles. Development in certain states is determined by specific constraints. These include:

- (i) **Small island states**, which are numerous in the Caribbean and the Pacific, have resource and information needs that are different from those of larger states.
- (ii) **Crisis states**, and states pulling out of crisis, have significant specificities related to the type of information required—in particular of a humanitarian perspective—to ascertain their situation, target emergencies and act.

30. Wide-scale natural disasters (for example, those resulting from climate change) call for information to organise the appropriate action to meet the population's needs. Clearly, disasters significantly disrupt the ability to collect the necessary information. Accordingly, one has to set up an information system covering zones at risk, which will be available to use when the risk materialises. Likewise, one has to put in place **alert systems** to gather pertinent information on risks to be measured.

31. Conceptual progress is needed to define the information systems that are best adapted to such contexts. The international community is best placed to promote these approaches and disseminate them. Subsequently, it is up to countries to include them in their information systems.

D. What objectives should the PARIS21 Partnership set for itself?

32. In light of the foregoing diagnosis of the most pressing needs, and bearing in mind that LICs remain the priority, the PARIS21 Partnership is fully committed to the implementation of the Dakar Declaration on the Development of Statistics, approved on 18 November 2009, precisely to resolve these issues. In particular, the following five main objectives for the PARIS21 Partnership are proposed for the coming years:

33. Stimulate increased demand for and better use of data: Since the establishment of the Partnership, efforts have been made to promote a continuous dialogue between users and producers as a key element for developing the NSS. The present strategy places the enhancement

of the demand for and use of data at the top of the PARIS21 Partnership's list of priorities for the future. Efforts in this area would greatly benefit from a stronger emphasis on promoting techniques for using statistics in decision making processes, such as impact studies, macroeconomic analysis, short, medium and long term forecasting and planning, MTEF methodologies, etc.

- 34. *Facilitate the co-ordination of stakeholders to better address an evolving agenda:*** Co-ordination must be improved at both national and international levels. In line with the principles of the Paris Declaration and the Accra Agenda for Action, donors and developing country governments have a joint responsibility to better co-ordinate and increase effectiveness of development aid. For this purpose, the PARIS21 Partnership should better promote country ownership, through the establishment and proper functioning of joint Government–donor groups on statistics at the country level, as well as the use of country systems. Internationally, the PARIS21 Partnership should facilitate the establishment of partnerships to address important issues, such as: (i) guidelines for improvements to national statistical systems, including specific requirements of small island developing states, crisis states, or those at risk of natural disasters; (ii) development of advocacy materials; (iii) promotion of better sequencing of surveys, for example through the tools developed by the IHSN, and the alignment of these surveys with NSDSs; (iv) promotion of the availability of these tools to facilitate the production and dissemination of data, for example through the ADP; and (v) mobilisation of greater financial and technical resources for sustainable and efficient statistical systems.
- 35. *Advocate for increased involvement of national stakeholders in statistical development:*** The PARIS21 Partnership should scale up advocacy efforts to encourage the full spectrum of users to lobby national decision-makers to mobilise the resources necessary to meet their needs and thereby ensure that the whole system subsists over time. Users should be mobilised through training courses and workshops aimed at promoting awareness of the benefits of an efficient statistical system. Moreover, users and producers must be better involved in the NSDS, striving for a more sustained and truly participatory process.
- 36. *Promote better-quality and effectively implemented NSDSs:*** The PARIS21 Partnership must press ahead with its initiatives in favour of NSDSs and their implementation, and monitor this approach, highlighting the lessons drawn from experience. The PARIS21 Partnership should provide guidance on better-quality NSDSs, based on truly dynamic processes that take better into account evolving user needs and serve as a coherence framework for sectoral statistical strategies. In doing this, lessons should be drawn from the limitations of both the original guidelines and how they were applied. These include: insufficient anchoring among users; poor integration of sector-specific statistics; limited inclusion within national development plans; problems ensuring co-ordination of support in the field; inability to gather the funds needed to finance operations; and inadequate, incomplete implementation.
- 37. *Enhance the status of statistics in major international initiatives:*** The PARIS21 Partnership should continue to play a key role in the Managing for Development Results agenda, calling for efficient statistical information systems as a prerequisite for successful development. The Partnership would benefit from its continued association with other major initiatives to promote statistical issues in burning topics such as climate change, agriculture, HIV/AIDS, the financial crisis, and of course the MDG/PRSP agendas. The Partnership should also monitor new, emerging international agendas to seize opportunities to advocate for the development of statistics in those domains.