UNITED NATIONS
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ECONOMIC AND SOCIAL COMMISSION FOR ASIA AND THE PACIFIC

Committee on Statistics

First session
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Bangkok

Statistical capacity-building in economic statistics:
the role of the Asian Development Bank

Corrigendum

The dates of the session *should read* as above.

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**Statistical capacity-building in economic statistics:
the role of the Asian Development Bank**[1]

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[1] This document was contributed by Ms. Chellam Palanyandy, Officer-in-Charge and Principal Statistician, Asian Development Bank. It has been reproduced without formal editing. The views expressed are those of the authors and do not necessarily reflect the views of the United Nations.

Statistical Capacity Building in
Economic Statistics : the role of the Asian Development Bank

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Outline

○ Economic Statistics – an assessment

○ Pressing needs of SCB

○ Meeting the challenges

○ ADB strategy

What is Economic Statistics

- Economic statistics – comprises of statistics describing different aspects of economy

- Covers: Employment, Income, International, Money, Prices, Production, Transportation etc.

- Economic statistics enable government and business decision-makers, researchers, household and individuals to follow and understand the performance of the economy.

- The framework which captures the entirety of economic statistics is the System of National Accounts

What is Economic Statistics (cont'd)

- The SNA is a sophisticated system developed in response to changes in the global economy and its data demands; and serves as a comprehensive framework for economic statistics.

- SNA compliance as a yardstick to assess economic statistics

Two criterion to assess the status of economic statistics

○ Compliance with 1993 SNA Concepts
  ● Covers inclusion of items affecting the levels of GDP and GNI

○ Scope of Accounts
  ● Measured in terms of "minimum requirement dataset" which comprises seven recommended tables by the UNSD; indicates progress in adoption of the 1993 SNA

Conceptual Implementation of 1993 SNA

Fiscal Years 2002 to 2005 (Assessment 2006)	No. of Countries	SNA 1993	% of Total
UN Member countries[1]	192	101	53 %
Developed	**28**	**26**	**93 %**
Transition Economies	**28**	**28**	**100 %**
Developing	**136**	**47**	**35 %**
Africa	53	9	17 %
Caribbean & Latin America	33	19	58 %
Western Asia	15	7	47 %
Eastern, Southeastern & Southern Asia	23	10	43 %
Asia	38	17	45%
Oceania	12	2	17 %

Source: Information provided by UNSD, August 2006.
[1] Western Europe, Northern America, Japan, Australia, New Zealand

Scope of Accounts (Minimum Requirements)

Fiscal Years 2002 to 2005 (Assessment 2006)	No. of Countries	Six Tables	% of Total	Seven Tables	% of Total
UN Member countries[1]	192	94	49 %	58	30 %
Developed	**28**	**24**	**86 %**	**15**	**54 %**
Transition Economies	**28**	**17**	**61 %**	**17**	**61 %**
Developing	**136**	**53**	**39 %**	**26**	**19 %**
Africa	53	12	23 %	7	13 %
Caribbean & Latin America	33	20	61 %	11	33 %
Western Asia	**15**	**8**	**53 %**	**2**	**13 %**
Eastern, Southeastern & Southern Asia	**23**	**11**	**48 %**	**5**	**22 %**
Asia	**19**	**50 %**	**7**	**18 %**
Oceania	12	2	17 %	1	8 %
Source: Information provided by UNSD, August 2006.					
[1] Western Europe, Northern America, Japan, Australia, New Zealand					

Constraints to SCB

- ADB had undertaken a study in 2005/2006 among selected DMC to
  - Realistically assess existing country capacities and to identify gaps and weaknesses in the national statistical system

  - Draw lessons form past experiences and get recommendations to provide inputs in planning and designing future SCB projects for DMCs

- The following were among the pressing needs identified amongst weakly performing DMCs in Asia Pacific.

Constraints to SCB

- Enabling environment
  - ○ Legal and institutional framework – Statistics Law?
  - ○ Statistical Coordination Committee or a National Statistics Council
- Statistical Master Plan
  - ○ No strategic or forward planning
  - ○ Ad hoc data collection; some data collected as and when funding is available
- Coordination amongst data producers
  - ○ Line ministries
  - ○ Levels of government

Constraints to SCB

- Underinvestment in training and human resource development
  - ○ General lack of professional and trained staff
  - ○ Shortage of technical skills/competence
  - ○ Inability in building and maintaining an able core of competent staff
- Staff motivation and incentives
  - ○ Workloads vis-à-vis compensation schemes
  - ○ Loss of capacity from loss of competent staff due to low salaries

Constraints to SCB

- Budgetary shortfalls
  - Low priority accorded to National Statistical Systems
  - Underfunding of statistical activities with expanded mandate
  - Underinvestment of statistical infrastructure, including IT
  - High donor dependence for data collection activities- issue of sustainability

Additional challenges facing NSS

- Compilation of statistics has been made more difficult with new developments:

  - Globalization of economy
  - Emergence of new operating models of enterprises
  - Lengthened value chains of production across borders
- As economies transit form industrial production towards services and knowledge economy, demand for new areas of statistics is increasing eg. statistics on science, technology and innovation activity

Additional challenges facing NSS

○ Emergence of intangible factors of production and intangible capital has made measurement more difficult

○ Increased demand for micro data as research has shifted to relying more and more on micro data for analysis

○ Added challenge of adapting to new international standards - revisions to manuals and classifications (ISIC Rev.4: CPC Ver.2; SNA 2008)

○ Additional demands from international organizations such as Human Resources Index ; Millennium Indicators; International Comparison Program; Environment and climate change statistics

Meeting the challenges

● Improvement to the legal and institutional framework (Statistics law)

  ○ Elevate the NSO from statistical division in ministry to department level

  ○ Provide the authority and /or clarity to NSO as the nodal statistical agency

    ● Collect, produce and disseminate designated official statistics

    ● Set national statistical standards pertaining to classifications, concepts, definitions and statistical units along international recommendations.

Meeting the challenges (cont'd)

- Create a Statistical Coordination Committee or a National Statistics Council
  - National Statistical Council - develop into an effective vehicle to rationalize the NSS and its operations
  - Assist in taking discussion of statistical coordination of agencies, resources and technology beyond the NSO borders into the realm of plan, program and policy.
  - Retain visibility and stand out for their high-quality statistics and services
  - Keep key users and stakeholders involved and engaged (and produce statistics relevant to users)
  - Advocate increased counterpart funding by govt. in donor supported statistical activities

Meeting the challenges (cont'd)

- Statistical master plan
  - Plan, strategize and manage work program
    - Prioritize the needs for official statistics (jointly agreed by stakeholders)
    - Identify plans for future/new data collection
    - Reviews contents of survey instruments to adapt to meet new statistical requirements
    - Review the processes, methods and operating principles applied in the production of the statistics
    - Regularize surveys/censuses
  - Avoid donor driven programs and priorities
  - Help focus the government on budgeting

Meeting the challenges (cont'd)

- Dissemination policy
  - Data dissemination strategy - consistent with international quality, periodicity and timeliness requirements
  - Creates demand for data/statistics produced
  - Creates awareness of NSO and its outputs
  - Analysis and interpretation of statistics produced would assist bring these into the sphere of planning, programming and decision-making

Meeting the challenges (cont'd)

- Improved coordination
  - Avoid duplicate data collection
  - Frees resources for "new" data collection
  - Establish consistency across data sources
  - Possibility of sharing statistical infrastructure

Meeting the challenges (cont'd)

- Human resource development & training

  - Improve managerial skills and strategic thinking among the statistical managers – ability to "sell" statistical work outside NSO

  - Need for an integrated, ladderized training and career development program

    - Provide skill needed for every phase of the work
    - Provide incentives to keep skilled staff at NSO motivated and willing to stay in the statistical system

Meeting the challenges (cont'd)

  - On the job training

    - Peer-to-peer mentoring with statisticians from other countries
    - Cross-posting of NSO staff in other line ministries
    - Study attachments in resident offices of regional/ international organizations
    - Technical exchange among NSO staff with other countries

Meeting the challenges (cont'd)

- Infrastructure
  - Improving IT capacity
    - Integrated and standardized use of computer technology across the statistical system
    - An integrated statistical database for data dissemination
    - Develop IT capacity/capability of NSO staff
  - Business registers
    - The sources of classifications for the economic statistics is the business register, which guarantees the coherence of basic data on enterprises and enterprise groups
    - Construction and maintenance of the enterprise register is essential

Meeting the challenges (cont'd)

- Governments need to take greater responsibility for the NSS
  - Statistical systems demand investment of financial and human resources on a recurrent basis for conduct of surveys/censuses and for collection of routine administrative data
  - For long run sustainability, govt. should find ways to sustainably increase its budget for statistics to pay for cost of recurring data collection activities.
  - Funding of basic data collection operations with donor funding puts the whole system at risk

International Initiatives

- Since late 1990s – attention has shifted to SCB in support of efforts to encourage results based management

- Notable amongst these:
  - Late 1990s – IMF introduced the General Data Dissemination Standards (GDDS) and the SDDS
  - 1999 – introduction of Poverty Reduction Strategy Papers (initiated by IMF and WB) as a condition for IMF certain facilities.
  - Nov. 1999 – PARIS 21 (partnership in Statistics for Development in the 21st Century)
  - 2000 - the MDGs, proclaimed by the UN
  - May 2008 - Luxembourg Recommendations on Global Implementation and Outreach for the System of National Accounts
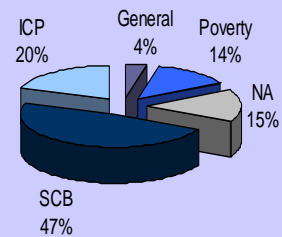
SCB and ADBs role

- SCB falls within the purview of the Development Indicators and Policy Research Division of the Economic Research Department
- Limited human resources
- No allocated/targeted funding for SCB
- Annual/biennial requests is made by ERDI for SCB activities

ADBs strategy for SCB

- ADB has been providing Technical Assistance (TA) and Regional Technical Assistance and (RETA) to DMCs for more than three decades

- Recent trend in ADB assistance shows greater importance paid to SCB

TA/RETA funding - Last decade

ICP 20%
General 4%
Poverty 14%
NA 15%
SCB 47%

Past practice

- SCB technical assistance was provided based on ad hoc requests by individual developing member country -

- Not based on systematic assessment of the needs and relevance of the request from perspective of statistical development strategy or capacity building – focused on providing funding

- TA program unsustainable after completion

Current approach

- SCB activities would be strategic taking account of the state of statistical capacity in DMCs.

- SCB to be based on a comprehensive diagnostics study undertaken in consultation with the NSO and other stakeholders, before starting any major SCB actions

- Focus will be on providing SCB technical assistance to statistically weak DMC through long-term SCB technical assistance programs jointly developed by DMCs and ADB.

- Ensure sustainability under country ownership

- The SCB programs will be integrated into ADBs Country Partnership Strategies (CPSs) and will be designed and implemented under full ownership of both DMCs and ADB

Roadmap of the current approach

- **Phase I**
  - Identification of statistically very weak DMC

- **Phase II**
  - Diagnostics studies

- **Phase III**
  - Incorporating SCB with CPS for long term commitment

Phase I: Identification of statistically very weak DMC

Yardsticks used in assessment process:

- ○ Assessing current statistical capacity
  - Examined prevalence of the statistical capacity indicators that have been developed by the World Bank.
- ○ Marrakech Action Plan for Statistics (MAPS)
  - Examined how far countries have progressed in the development of national strategies for the development of statistics (NSDS)

Phase I: Identification of statistically very weak DM

- ○ IMF assessment framework
  - Examined if countries met the requirements of the SDDS or GDDS or not covered by either standard.
- ○ Performance in meeting MDG
  - Examined whether each country produced the statistics required by the Millennium Development Goals (MDG)

- Using these yardsticks 5 DMCs were identified as statistically very weak

Phase II:

- Conduct of Diagnostics studies for each of the identified statistically very weak DMC
- Develop a long term agenda for building capacity in statistics in close consultations with NSO and other major stakeholders.
  - Diagnostic study completed for all five statistically very weak DMC
  - A long term (5-10 years) action plan for undertaking priority statistical activities (measuring poverty, MDG indicators, estimation of GDP and other indicators) have been completed for each of the 5 DMC

Phase III

Incorporating SCB with CPS for long term commitment for each statistically weak DMC

In progress for Nepal.

Will be commencing soon for Lao PDR

Regional SCB Initiatives

- Regional TA Project – *Adopting a Supply and Use Framework towards SNA 1993 Compliance*

- Regional TA Project – *Measuring the Informal Sector (Bangladesh, Indonesia & Armenia)*

- TA for Bangladesh on *Improving National Accounts, Price and Wage Statistics*

- *TAs for Afghanistan on (i) Poverty Assessment and Socioeconomic and Macroeconomic Statistical Capacity Building and (ii) Support to the Afghanistan National Development Strategy*

- Regional TA Project – *Updating the 2005 PPP to 2009 (ICP PPP update)*

Regional SCB Initiatives

Country Training Workshops in collaboration with UNSIAP on Improving Administrative Data Sources for Monitoring of MDG Indicators

- Advocacy to using administrative data
- Issues relating to quality - coverage, error, data editing, data processing
- Use of standard definitions and classifications relating to MDG indicators on health, education and vital statistics
- Training on using administrative data sources for producing MDG indicators
- Identify instruments of collection of administrative data – registers, forms for keeping administrative records on health, education, vital registration etc.

Country Training Workshops (cont'd)

○ Country Training Workshops in collaboration with UNSIAP in 4 countries recently concluded in Sri Lanka; Nepal; Mongolia and Vietnam

○ Training for Palau scheduled in January 2009

Thank You