

Building statistical capacity—unprecedented demand, urgent opportunity

The Millennium Development Goals have made clear the need for relevant, reliable, timely statistics to set policies, hold decision-makers accountable, monitor progress and evaluate results. Yet despite considerable improvements in recent years, meeting the demand for basic data on human development remains a major global challenge.

Though the data situation varies across developing countries, the Millennium Indicators Database (see <http://millenniumindicators.un.org>)—based on national statistics compiled or estimated by international data agencies—is revealing. Not only are there significant gaps for almost every indicator, there are also extensive problems in relevance, accuracy, consistency and reliability. For example:

- Many of the indicators chosen for the Millennium Development Goals are based on available data—not necessarily the data most appropriate for the Goals. An example is the \$1 a day indicator, the most debated measure of absolute poverty (see box 2.3). Another is the indicator of sustainable access to affordable essential drugs, where both access and affordability are difficult to assess accurately. Meanwhile, adequate indicators for the target on slum dwellers (part of Goal 7) have yet to be fully developed.
- For indicators on income poverty, health, gender inequality, employment and the environment, many countries have no data for 1990–2001—and few have data on trends over that time (see table).
- Some data—such as for maternal mortality and HIV/AIDS—are based on incomplete vital registrations or non-representative surveys and so are subject to enormous uncertainty. And even when data are available for multiple periods,

they often are not comparable due to changes in definitions, methods and coverage.

By creating long-term demand for data, the Goals are challenging national and international institutions to go beyond short-term responses and to build sound, sustainable national statistical capacity and systems. What needs to be done—or done differently—to achieve those objectives?

Building national demand

Lacking appreciation of the importance of statistics in supporting informed decision-making, too many countries are trapped in a circle of low demand and low resources for statistics, resulting in inadequate supply. Such countries do not routinely collect data—many have not conducted a population census in the past 10 years—and lag far behind in the adoption of up-to-date statistical standards and methods. They also have limited capacity to analyse and disseminate statistics, discouraging the use of data in national policy analysis.

Demand for data must increase if national statistical systems are to break this circle of underperformance and underfunding. Efforts to increase the supply of data must also strengthen the capacity of governments and the general public to use data effectively. Though country ownership and commitment are crucial to such efforts, the international community can help by:

- Advocating the importance of statistics and statistical systems in supporting effective governance and empowering people. Important opportunities include the processes for developing Poverty Reduction Strategy Papers, national human development reports and Millennium Development Goals country reports, which emphasize the need for monitoring and evaluation.

- Making better use of existing data to meet short-term demands for specific programmes, and making long-term investments in statistical systems.
- Training statistical analysts, managers of statistical systems and users of statistics; designing new tools for data collection; increasing access to data through support for data dissemination and analysis and encouraging the use of existing technology to lower costs and make national statistical programmes more effective.

Improving national strategies and systems

International agencies have conducted a variety of household surveys to narrow data gaps in developing countries, particularly for poverty, health and education. These surveys—including Demographic and Health Surveys, Multiple Indicator Cluster Surveys, Living Standards Measurement Surveys and Core Welfare Indicator Questionnaires—have provided essential data on socio-economic characteristics and trends, especially among poor people.

But when similar surveys are conducted in resource-constrained countries, they are sometimes driven by short-term external needs, distort local priorities and offer no sustainable improvements to local statistical infrastructure. Though administrative systems can provide detailed time-series and disaggregated data for national planning, they require long-term investments and are often neglected.

To foster the development of sustainable statistical systems and minimize distortions of priorities and outputs, data collection and analysis should be conducted in the framework of national statistical strategies. These strategies should be closely aligned with national policies and agreed priorities for statistical systems.

In recent years several African countries have significantly improved their statistical capacity by using national demands to guide their statistical development efforts. Uganda restructured its statistical agency, enabling it to better manage and meet user demands. In Malawi donor and government investments in household surveys and data analysis have increased understanding of poverty—resulting in poverty maps, an agreed poverty line and a comprehensive profile of poor people.

An international poverty survey

The Millennium Development Goals highlight areas where national statistical systems require dramatic improvements. Many countries, including the top and high priority countries identified in this Report, require extensive assistance to conduct regular surveys of income and

Large data gaps even in basic human development indicators: countries lacking data, 1990–2001

Percent

Indicator	Countries lacking trend data	Countries lacking any data
Children underweight for age	100	22
Net primary enrolment ratio	46	17
Children reaching grade five	96	46
Births attended by skilled health personnel	100	19
Female share of non-agricultural wage employment	51	41
HIV prevalence among pregnant women ages 15–24 in major urban areas	100	91
Population with sustainable access to an improved water source	62	18
Population living on less than \$1 a day	100	55

Note: Data refer to developing countries and countries in Central and Eastern Europe and the CIS. A country is defined as having trend data if at least two data points are available—one in 1990–95 and one in 1996–2001—and the two points are at least three years apart.

Source: UN 2003c.

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consumption—especially to assess extreme poverty and basic living conditions. Such countries also need to develop or strengthen statistical programmes for other social indicators, particularly for health data singled out by the Goals.

An international poverty survey could be one way to respond to the new demand for statistical support created by the Goals. Although existing surveys (such as Demographic and Health Surveys) provide important data in many areas, none provides consistent, reliable data on extreme poverty and basic living conditions. Using new or improved international standards and methodologies, the international poverty survey could be modular, with some modules unchangeable and consistent over time and space—and others adapted to current or long-term country needs. Built within an integrated survey programme, such a survey could provide invaluable data for national and global analysis, and become a major tool for building national statistical capacity.

Securing more—and more effective use of—resources

Many poor countries lack all but the barest statistical infrastructure and training. Severely constrained by resources, they require significant financial support to start building statistical capacity. Other countries have well-developed programmes in certain areas but require support to strengthen overall statistical systems. They also need to adjust national priorities and invest in statistical activities to ensure sustainable capacity building.

Governments and donors should recognize that strengthening statistical systems is integral to achieving the Millennium Development Goals. Rather than focusing on short-term results and relying on expensive external experts, efforts should favour long-term planning and make more effective use of local resources and knowledge.

New financing instruments

Many donors are making efforts to finance statistical systems, both by increasing funding (such as including statistical components in projects) and by experimenting with new instruments. For example, the World Bank's new multidonor Trust Fund for Statistical Capacity Building provides grants to develop master plans and small-scale projects for statistical capacity building. In addition, new lending facilities—such as investment loans that gradually reduce support for recurrent costs (the bulk of expenses facing statistical offices) during implementation phases—will help

developing countries increase investments and ease dependence on donor financing.

Cooperation among developing countries

Decades of technical cooperation and assistance from donors have fostered significant knowledge in developing countries. But while experts from rich countries have a vital role to play, so do practitioners within countries—and from other developing countries with similar problems and conditions. In the late 1980s, for example, the Philippines's National Statistical Coordination Board helped Indonesia's Central Bureau of Statistics compile national accounts data.

Several factors are key to the success of such efforts: ownership and commitment by recipient countries; similar economic, cultural and data systems in recipient and assisting countries, facilitating technology transfer; affordable consultation costs to enable long-term support; a sense of being peers; and willingness to cooperate fully.

Improving collaboration and coordination

Statistical capacity building must be coordinated effectively both within countries and among donors. Statistical programmes in most developing countries, even those with long statistical traditions, are often decentralized among various ministries beyond national statistical offices. The statistical offices of international agencies, such as those at UN headquarters and regional commissions, mainly work with national statistical offices. Other statistical units in specialized donor agencies—such as the International Labour Organization, Food and Agriculture Organization, United Nations Educational, Scientific and Cultural Organization and World Health Organization—generally work with their national counterparts in line ministries. Still other donors, mostly multilateral and bilateral, often manage technical cooperation through technical cooperation ministries or similar mechanisms.

This structure poses enormous challenges for coordination. Different donors inevitably duplicate similar projects, with overlapping and inconsistent objectives, competing for limited local resources and overloading national capacity. There is also severe incoherence within national systems and disconnection between national statistical offices and various ministries. The result? Enormous inefficiency, less valuable data from surveys that use different definitions and methods and discrepancies in national and international statistics.

The Millennium Development Goals offer a unique opportunity to establish clear, effective responsibilities both nationally and internationally.

For example, national statistical offices could play a more central role in coordinating national statistics for national and international needs. Practical mechanisms should be created to coordinate and monitor international assistance.

To coordinate statistical capacity building, the Partnership in Statistics for Development in the 21st Century (PARIS21) was established in 1999. This partnership links national and international statisticians and users of statistics in an effort to develop strategies for building statistical capacity and promote effective cooperation between poor and rich countries. Though relatively new, PARIS21 has addressed many challenges—advocating the need for better data, mobilizing resources, designing tools for assessing statistical capacity and identifying priorities and encouraging countries to develop long-term plans for statistical development.

Strengthening international data systems

The growing demand for coherent, consistent international statistics poses a serious challenge. Although stronger international statistics depend on stronger national statistics, changes are also needed in international statistical agencies. They must increase their capacity to respond to new measurement challenges and provide timely statistics, reduce data gaps and inconsistencies, improve collaboration with national statistical systems and strengthen coordination among themselves to enhance international standards and methods and to ensure consistency among international data series.

The international community plays an important role in statistical development by implementing internationally agreed standards, methods and frameworks for statistical activities. Significant milestones include the development and adoption of the System of National Accounts, General Data Dissemination Standards and Data Quality Assessment Framework. The Millennium Development Goals have generated new momentum for the development of international guidelines on appropriate concepts and methods for each country to build on—such as measures of extreme poverty and living conditions in urban slums. These needs are especially essential to meet the needs of top and high priority countries.

The Goals have mobilized the international community and inspired developing countries to assume responsibility for building statistical capacity. Closing enormous statistical gaps will require commitment and effort from donors and recipients alike. Capacity building is not something that can be done for countries: they must do it themselves. Still, external assistance is essential.

Source: Human Development Report Office based on David 2003; De Vries 2003; Johnston 2002, 2003; UNDP 2002a, 2003e; McEwin 2003; Simonpietri 2003; UN 2002g; World Bank 2002a, 2003d, 2003h.