



STATISTICS MATTER: ELIMINATING WORLD POVERTY

“Statistics are the eyes of the policymaker”

Keith Muhakanizi, Director of Economic Affairs, Uganda

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This booklet outlines how the Department for International Development (DFID) is working to improve the quality and use of statistics for development. This consists of two main areas:

- working with developing and transition countries to build the capacity of their governments to produce and use statistics
- working with other bilateral and international agencies to improve the quality of statistics available both nationally and internationally

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DFID aims to work in partnership with national governments to support country owned programmes and priorities, and to work through the relevant international organisations to seek to improve the quality of statistics available.

Despite statistics enjoying a higher profile in the development agenda probably than ever before, developing and transition countries still lack the capacity to produce and use the quantity and quality of statistics required to support effective development progress. This booklet sets out the case for statistics and DFID's response.

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Why Statistics?

Statistics Matter:
Eliminating World Poverty

Statistics are needed:

- to ensure scarce resources are used effectively and efficiently by providing the basis for evidence-based policy and decision making
- to underpin the design of policies and programmes and to monitor progress on poverty reduction, economic management and sector policies
- to raise awareness of the reality and extent of worldwide poverty and help facilitate action
- to provide a picture of society to hold governments accountable for their activities, and to further the human rights agenda

The real value of statistics can perhaps be best answered by listening to senior policy makers from both the developing and developed worlds.

Over 100 million children of primary school age are not in school

Monitoring Report on education for all, 2001

For instance, from Africa:

“You can help us, the politicians, save lives if you give us evidence-based statistics. If you give us misplaced, misdirected and poorly designed data, we will fail the people. We may lose elections, but the people, mostly the poor, will certainly lose their lives.”

Katele Kalumba, Minister of Finance and Economic Development, Zambia

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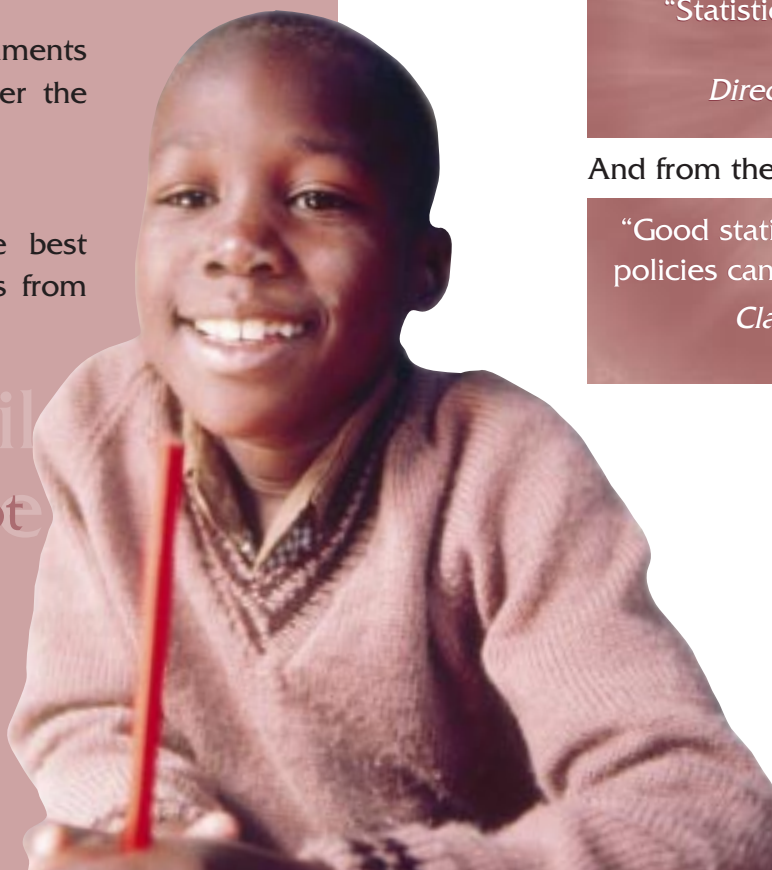
*Keith Muhakanizi,
Director of Economic Affairs, Uganda*

And from the UK:

“Good statistics allied to appropriate government policies can change things radically for the better.”

Clare Short, Secretary of State for International Development

Why Statistics?



The Development Context

The current development agenda is largely focused on the internationally agreed **Millennium Development Goals** (MDGs) and statistics has a prominent role in achieving and monitoring progress towards these goals.

Millennium Development Goals, Targets and Indicators

The MDGs were established through a series of global conferences organised by the United Nations in the 1990's. These conferences identified a number of goals and targets for international development covering the various dimensions of human poverty including economic, social and environmental elements. These goals and targets were amalgamated into one internationally agreed set of 'Millennium Development Goals' and associated targets at the UN Millennium Summit in September 2000. Almost 150 heads of state and 190 countries signed up to the MDGs indicating an unprecedented level of international consensus towards achieving these goals. The targets aim to dramatically reduce worldwide poverty by 2015. Associated with the MDGs, 48 **indicators** have subsequently been developed to direct and measure progress towards the goals.

Millennium Development Goals

- Goal 1: Eradicate extreme poverty and hunger
- Goal 2: Achieve universal primary education
- Goal 3: Promote gender equality and empower women
- Goal 4: Reduce child mortality
- Goal 5: Improve maternal health
- Goal 6: Combat HIV/AIDS, malaria and other diseases
- Goal 7: Ensure environmental sustainability
- Goal 8: Develop a global partnership for development

Indicators and other statistics are an integral part of the process of meeting the MDGs. Global statistics are required to allow the international community to assess the current situation, direct development policies, monitor progress towards the targets and compare different countries and regions. This is recognised within the MDGs by the identification of 48 indicators associated with the targets. To produce these indicators requires both reliable statistical systems within countries – to provide the necessary data, and effective international statistical operations – to collate and disseminate the indicators.

To meet the targets/goals at a national level, countries will need to define a much more detailed set of national and sub-national statistics in order to manage resources effectively and to plan and monitor poverty reduction in ways specific to their own situation.

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The need for good country data is further highlighted in **UN country progress papers**. These papers contain an explicit assessment of the country’s capacity for data gathering, statistical analysis and monitoring as a fundamental part of assessing whether the country is likely to meet the targets.

In summary, the MDGs are a powerful tool for building the political will needed to reduce absolute poverty, and provide a focus for both government and civil society. To meet these targets comprehensive information is needed to monitor progress towards



national and international targets, to inform policies and development strategies, to achieve them and to spur the international community into action.

Statistics also have an important role in the development strategies and frameworks which support achievement of the MDGs.

Country strategies and frameworks

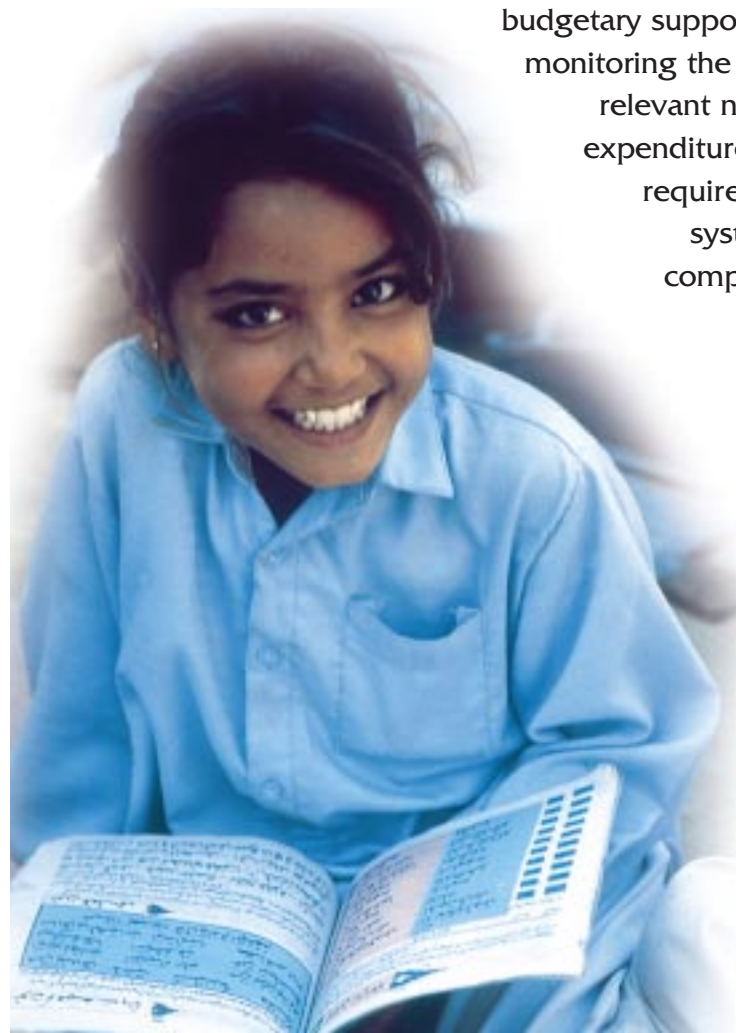
Most low income countries are developing national **Poverty Reduction Strategies (PRSs)**, and **macro-economic** and **sector management frameworks** as part of the process of reducing poverty. These all focus attention on the need for statistics to provide a strong foundation for the diagnosis of poverty and the development situation. For example, comprehensive, reliable statistics are required not only for monitoring the effectiveness of PRSs, but also to set them in context in the first place.

Budgetary Support

Another growing area emphasising the value of statistics is the move by donors towards **direct budgetary support** - providing aid in the form of grants paid directly to governments.

Monitoring the effectiveness of budgetary support essentially means monitoring the effectiveness of the relevant national government expenditure programmes. This requires national statistical systems which provide comprehensive, accurate statistics covering government accounting and policy evaluation.

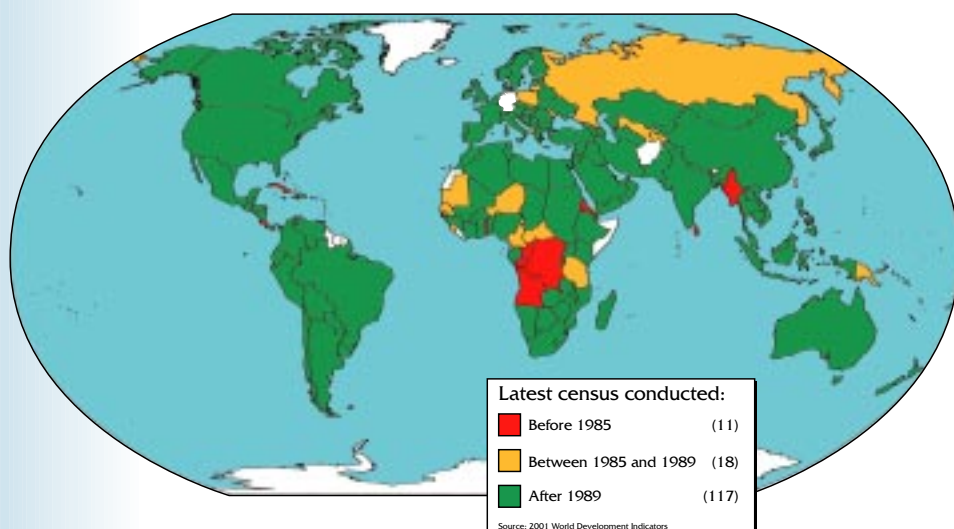
If these systems are not in place, donors will have no way of being able to assess whether or not their contributions are having any effect on the poor.



The current situation

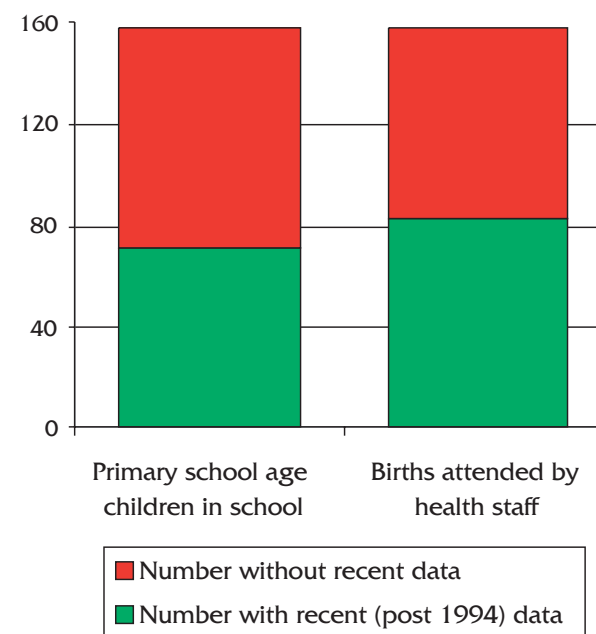
Currently, many developing and transition countries do not have the capacity to produce the required information on a sustainable basis. Even fewer data are disseminated internationally.

Even when countries can produce data, there is often a critical shortfall of skills to make full use of the available statistical information to formulate and implement appropriate policies.



The Millennium Development Goals and associated policy frameworks highlight the need for better statistics in order to reduce poverty. The prospects of meeting and sustaining the 2015 targets will be jeopardised without improvements in the statistical capacity of developing countries and better international data dissemination.

**Number of developing countries with data in 2001
World Development Indicators Report**



DFID aims to help partner countries and agencies to develop sustainable statistical capacity and national commitment to statistics. This approach is consistent with the UN's guidelines for technical co-operation in statistics (summarised on page 34). The strategy encompasses:

- **Country-driven, strategic statistical development plans:** which recognise the need for a demand-driven approach that addresses longer-term institutional and systemic problems. We aim to assist countries to tackle problems and needs they identify through supporting the development and implementation of national statistical development strategies and work programmes agreed within government. The approach recognizes the importance of immediate needs for key statistics, which can distort priorities in the short term, but attempts to place these within a longer term, sequenced and prioritised information strategy.

- **Co-ordination by countries** of international support to improve its effectiveness and efficiency.
- **Direct budgetary support** and **sector-wide approaches** which address the statistical and analytical capacity needed in key ministries (typically finance, planning, education, health, agriculture) as part of wider development assistance programmes. Management information is required to support public sector reform, to develop sector programmes and monitor their success. This requires improved administrative systems as well as better statistics produced by central statistical offices.

One in five of the
population live on less
than \$1 a day

Global Economic Prospects, 2002

DFID's Strategy

- **Poverty monitoring** Information is needed on the characteristics of poor people (for instance who they are, where they are, their perceptions of poverty and why they are poor). Data are needed to formulate policies and programmes to tackle the most pressing issues. This requires coherent quantitative statistics and qualitative assessments, which often involves new approaches.
- **Working both multilaterally and bilaterally** Recognising that there is a limit to what DFID can achieve by itself, we work with other bilateral donors, multilateral institutions and resource centres as well as directly with partner countries.
- **Advocacy** In providing support to build statistical capacity we recognise that the contributions made by developing countries are the most important and that success depends on the level of country ownership,

resources and effort that they are prepared to devote. Advocacy for the role of statistics is a key element of our work. This involves working with a wide range of potential users of statistics, including government statisticians and policymakers, academics and civil society.

In low income countries one in five
10-14 year olds are part of
the labour force

2001 World Development Indicators



The International Framework: PARIS21 and the World Bank Trust Fund

Weaknesses in the statistics available and the need to develop the capacity of countries to make better use of better statistics led to the launch of **PARIS21** (Partnerships in Statistics for development in the 21st Century). **PARIS21** is a global consortium which aims to mobilise international support to improve statistical capacity within developing countries.

The World Bank manages a global funding facility (the World Bank Trust Fund for Statistical Capacity Building) that exists to help member countries to improve their statistical systems. This includes financing programmes developed by **PARIS21**.

DFID is a member of the steering committees for **PARIS21** and the World Bank's Trust Fund. We fund posts and activities by **PARIS21**, both directly and through the Trust Fund.

Further information on **PARIS21** can be found by either visiting the website www.paris21.org or by contacting the secretariat at contact@paris21.org or Room 1642, 2 rue Andre pascal, 75775 Paris Cedex 16, France. Tel: +33 1 45 24 90 51, Fax: +33 1 44 30 61 46

PARIS21

Paris 21 was established at an inaugural meeting held in November 1999. It is unique global consortium of national and international policymakers, statisticians, development professionals and civil society committed to making a real difference to the availability and quality of statistics for the development progress. **PARIS21** works mainly through advocacy, influence, facilitation and lesson learning. OECD in Paris hosts the Secretariat.

PARIS21 is not a funding agency. Operational activities depend on efforts by countries in partnership with regional organisations, specialised agencies and donors

The initial focus of **PARIS21** activities and the Trust Fund is in helping countries to maximize use of existing information in their poverty reduction strategies, while laying the foundations for sustainable capacity building to help in implementing them. This includes the design and implementation of strategic statistical development plans.

Our Work with Multilateral Agencies

The UN, International Financial Institutions, European Commission, OECD and regional bodies have a profound impact on development and poverty reduction and are important sources of statistical assistance to developing countries. DFID works with these international institutions to support coherent and stronger international support for statistical capacity building and international data dissemination, including through PARIS21.

Our involvement with multilateral agencies includes:

- Funding statisticians to work in the World Bank, OECD (PARIS21 Secretariat), EUROSTAT and UNESCO Institute of Statistics.
- Working closely with other UN agencies, for example UN Statistics Division, UN Development Programme (UNDP) and UNICEF.
- Supporting implementation by countries of the IMF's General Data Dissemination System.
- Working alongside multilateral agencies in international fora and in country programmes.

In least developed countries 16% of babies die before reaching age five

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The international agencies also provide a vital function in collating and disseminating information which is key to awareness and global monitoring of the MDGs, for instance in the World Bank's World Development Indicators and UNDP's Human Development Report.



UN, World Bank and EU

Example: Working with UNESCO Institute of Statistics

The UNESCO Institute for Statistics (UIS) was established in July 1999 to meet the growing needs of UNESCO member states and the international community for a wider range of policy-relevant, timely, and reliable statistics in the fields of education, science and technology, culture and communication.

The Institute aims to:

- Gather a wide range of quality statistical information to help member states analyse the efficiency and effectiveness of their policy decisions and programmes.
- Interpret and report on the global situation with regard to education, science and technology, culture and communication.

DFID is working with UIS on its objectives to improve data on education. Our main joint areas of interest cover:

- Developing the production and use of education statistics in developing countries.
- Collecting and analysing policy relevant and internationally comparable statistics on education – including the five education based MDG indicators.
- Improving information on marginalised population groups by looking at inequalities within as well as between countries.
- Exploring ways to collect and analyse data on the impact of HIV/AIDS on education.

Example: Working with Eurostat

The European Commission (EC) is the fifth largest provider of development assistance and the second largest multilateral donor. There is therefore considerable scope for the EC's development programme to provide significant support to statistical capacity building. DFID provides technical support and expertise to help the Commission to maximise the effectiveness and impact of its programmes.

DFID has for some years seconded statistics advisers to work in the Eurostat units responsible for statistical technical co-operation with developing and transition countries to assist in the design, implementation and monitoring of EC statistics projects. These projects have often been at a regional level, for example statistical training and trade statistics as part of a general EC policy aim of supporting regional integration.

The other element of the role is to work with policymakers in the main EC directorates responsible for the development budgets in order to raise the profile of statistics in the EC's programmes generally. Typical areas of involvement are poverty monitoring, the use of indicators for measuring the impact of programmes, and providing statistical input to the Commission's policy guidance on the production of Poverty Reduction Strategies.

Our Work with Partner Countries

DFID assists partner countries, in response to problems and needs identified by the countries themselves, but who have limited resources and expertise to tackle these needs. Nationally driven programmes are the most likely to succeed and be sustained.

The scope of our bilateral statistics activities has widened beyond our traditional focus on national statistical offices, which remain key partners. We are involved more broadly within government and beyond, including working with policymakers and other users of statistics with the aim to help to establish data needs, priorities and effective means for collation, analysis, dissemination and use.

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Population censuses

DFID has supported the current round of population censuses in a number of countries, including **Malawi, Palestine, Kenya, Croatia, Ghana** and **Zambia**. Much of the support has been to fund procurement and technical co-operation with national statistics offices to assist in census planning and data processing. In all cases, care has been taken to co-ordinate with the UN Population Fund and other donors as closely as possible, to ensure a complementary approach.

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Statistics

Censuses

Population censuses are vital to set baselines every decade. They establish the size, nature and location of the population. They are the backbone of any national statistical system. They provide essential data for monitoring progress towards the Millennium Development Goals; allow sound estimates of the country as a whole to be made from sample surveys; and are fundamental to the efforts to provide education and health to all. They also provide the foundation for deciding on the structure for political representation.

The complexity and cost of censuses, and their high political profile, put them in a different league from other exercises run by national statistics offices. Populations are substantially larger than they were ten years ago so costs have risen, whilst it is often more difficult to attract funds than before.

Technical improvements now offer new opportunities for collecting and presenting geo-referenced data, and offer alternative solutions to entering a mass of data by hand. The new technology is not yet the best option for all countries.

DFID has provided technical co-operation to enable some countries to make an informed choice for data entry and to support them in implementing their preferred solution.

Social statistics

Recently, DFID has focused its support more specifically on working closely with national governments to strengthen their capacity to monitor poverty and the Millennium Development Goals. For example, our work aims to develop the capabilities of national statistics offices and their staff to co-ordinate and analyse Household Surveys. Household Surveys sample the population's social and economic characteristics, both to provide more detailed information to supplement censuses and to collect information in the intervening years. We are involved in social statistics programmes in several countries including: **Ukraine, Moldova, Kyrgyzstan, Georgia, Ethiopia, Rwanda, Pakistan, Namibia, Uganda, Tanzania, Mozambique, and Bosnia.**

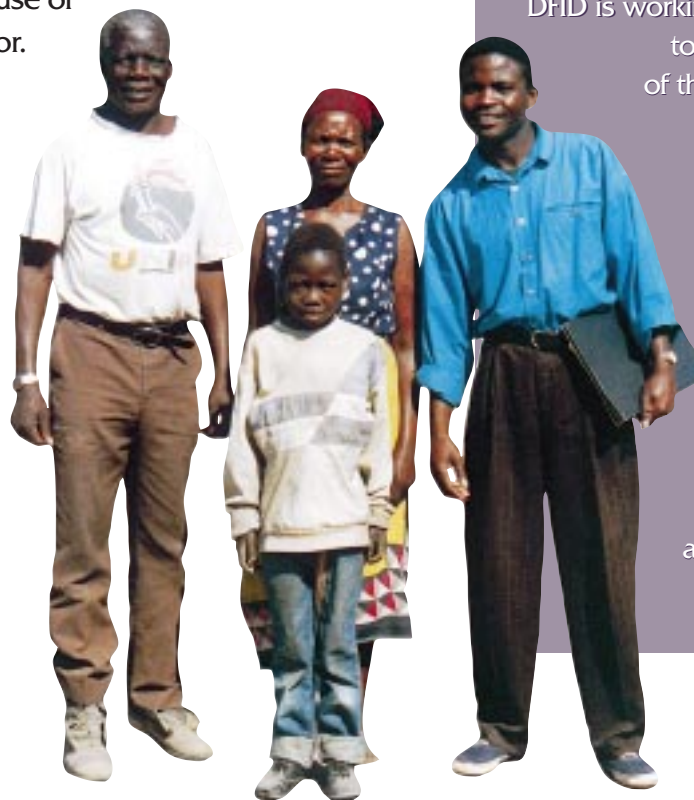
In 2001 3 million people died of HIV/AIDS
- 75% lived in Africa

UNAIDS Aids epidemic update 2001

In many countries DFID support is set in the context of a broader sector programme which aims to improve statistical capacity as one component of development within a certain sector. Examples are our support to: the education statistics programme in Uganda; agricultural statistics in Namibia and Moldova; labour statistics in Rwanda; and health statistics in Mozambique, Uganda and Tanzania. The statistics work aims to strengthen the capacity of the sector ministries to collect and analyse data from administrative records as well as from surveys in order to produce and disseminate high quality, relevant statistics, and to promote the analysis and use of these data within government and the private sector.

Other areas of statistics

Despite this focus on social statistics, we continue to maintain our support for the development of other statistical systems important to growth, sound macro-economic management and poverty reduction. An example is economic statistics, including national accounts, consumer prices, trade and financial statistics. Countries where we are currently working in this area include **Malawi, Uganda; and Nigeria.**



Example: Social Statistics in Georgia

The State Department of Statistics of Georgia produces a range of statistics reflecting the economic and social changes taking place in Georgian society. They are working to ensure that these statistics are more representative of the changes, are of higher quality, and better meet the needs of users. These statistics play a key role in measuring and monitoring progress towards poverty reduction and other development goals.

DFID is working with the Georgians on a programme to create a better understanding of the dimensions of poverty and the social sector in Georgia.

Many key social data are provided through the administrative systems of ministries. For regular monitoring of social change, these data are a vital addition to the snapshots that surveys provide. The programme works through the State Department of Statistics with the Ministry of Health, and other agencies as required, to improve the quality of basic source data.

Example: Statistical Capacity in Pakistan

Recent assistance to Pakistan has focused on developing statistical capacity, both in the Federal Bureau of Statistics (FBS) and more widely in Pakistan.

DFID is working with the Federal Bureau of Statistics to conduct, analyse and disseminate the results of the Pakistan Integrated Household Survey. The survey is designed to help the Government of Pakistan monitor progress and impact of the Social Action Programme. The main purpose of the programme is to develop sustainable capacity in the FBS to provide key users with timely and reliable data and analyses on poverty and socio-economic characteristics of households and communities in Pakistan.

DFID is also assisting the Government of Pakistan to develop a poverty monitoring framework as part of their Poverty Reduction Strategy.

Example: National Statistical System for Uganda

DFID is working with the Uganda Bureau of Statistics (UBOS), the World Bank, the Nordic Development Fund, Statistics Denmark and the Danish Agency for Development Assistance, to develop the capacity to produce quality and timely statistics for social and economic planning. In particular, DFID is providing institutional support to help UBOS to carry out a coherent and successful change management programme and to develop an in-service training programme to upgrade skills of all staff, in addition to technical support for economic statistics.

The programme is focused on poverty monitoring. Relationships between UBOS and the Government of Uganda Poverty Unit are being developed to identify how the two units can combine their methodologies to produce comparable and compatible data for poverty monitoring.

This brochure has outlined the need for good statistics in order to eliminate poverty effectively. Over the last few years there has been an increased awareness of the value of statistics, particularly in the context of the Millennium Development Goals. However, this has not been matched by an increase in the resources and effort into building sustainable statistical capacity within developing countries. Currently, in many of the poorest countries, the availability of data is not sufficient to support effective progress. Resources put into poverty reduction will not be used to their best effect, and people's quality of life is likely to suffer as a result if this is not addressed.

A step increase is required in the commitment of resources to statistical development. To be sustainable, this increase in commitment needs to come from both donors and the developing countries themselves. It is worth noting that in the long run investment in better use of statistics will pay for itself many times over through improved effectiveness of resources put into development.

DFID is currently working with the PARIS21 consortium and the multilateral agencies to promote increased support and additional resources for statistical capacity building.

Increased investment does not need to come directly in the form of stand-alone statistical support. Direct statistical investment is not necessarily most appropriate to produce systems which are country owned and policy relevant. DFID is promoting increased investment for statistical capacity building as a natural and essential part of existing wider frameworks and strategies for development. For example, direct budgetary support, poverty reduction strategies and sector-wide approaches all require reliable and timely statistics to direct and monitor policies. The required information will only be available with improvements to country and international statistical systems.

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Practical guidelines for technical co-operation for statistics: Summary

- (a) Be demand-led, based on assessments of user requirements and relative priorities, including national, regional and international needs.
- (b) Be set within a well-balanced overall strategic framework and work programme for national statistical development.
- (c) Consider human and other resource development strategies, and organisational and institutional development needs, as well as technical work areas.
- (d) Be flexible and take account of local situations, culture, language, policy environments and stage of statistical development.
- (e) Ensure both government and donor commitment and complement national resources, while empowering recipient national statistical systems and Governments to take the lead.
- (f) Address the needs of regional groupings of countries where a common approach can be effective, while recognising that the heterogeneity of countries means that they have many different needs and priorities, even when producing similar outputs. Regional technical co-operation programmes might support co-operation *between* and/or *within* regional groupings.
- (g) Be well designed, for instance by using logical framework approaches, including specifying objectives and success criteria in advance, and considering wider issues beyond the immediate scope of an individual project.
- (h) Promote full participation and address the concerns of all main stakeholders.
- (i) Be implemented according to professional standards using the most appropriate model of co-operation (that is: single or multiple donors working with single countries or regional groups either independently or in joint ventures).
- (j) Be implemented using a structured approach, possibly with reference to some form of conceptual framework.
- (k) Integrate staff training in a way that optimises its effect on objectives of the project.
- (l) Use appropriate monitoring and evaluation mechanisms to facilitate effective project implementation, exchange of experience and lesson learning.
- (m) Be co-ordinated between donors and between different players in the national statistical system in a proactive way to avoid duplication of effort and encourage complementarity and synergy.
- (n) Recognise that developing a statistical system can take a long time.

Extract from Statistical Commission paper: 'Some practical guidelines for technical co-operation for statistics'
(E/CN.3/1999/19)



Statistics Matter

Statistics have an essential role to play in eliminating world poverty. Perhaps their most valuable contribution is to help ensure that the limited resources put into development are used as effectively as possible. Reliable statistics describe the reality of people's everyday lives. This picture of society tells us where the poor are and what their lives are like and this information provides the evidence required to develop and monitor effective development policies. It highlights where resources are needed and provides the means to assess the impact of different policies.

This booklet outlines how the Department for International Development is working to improve the quality and use of statistics for development.

The Department for International Development

The Department for International Development (DFID) is the UK government department responsible for promoting development and the reduction of poverty. The government first elected in 1997 has increased its commitment to development by strengthening the department and increasing its budget.

The central focus of the Government's policy, set out in the 1997 White Paper on International Development, is a commitment to the internationally agreed target to halve the proportion of people living in extreme poverty by 2015, together with the associated targets including basic health care provision and universal access to primary education by the same date. The second White Paper on International Development, published in December 2000, reaffirmed this commitment, while focusing specifically on how to manage the process of globalisation to benefit poor people.

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