



# **A Guide to Designing a National Strategy for the Development of Statistics (NSDS)**

**PARIS21 Secretariat**

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## Foreword

National policymakers and the international development community have become increasingly aware of the need to strengthen statistical capacity to support the design, monitoring and evaluation (M&E) of national development plans, including Poverty Reduction Strategies (PRSs) and sector strategies, and the global Millennium Development Goals (MDGs). The Second International Roundtable on Managing for Development Results in February 2004 and the resulting Marrakech Action Plan for Statistics (MAPS) emphasised the need for National Strategies for the Development of Statistics (NSDSs) to improve the evidence base to “manage for results” by providing a strategic framework for developing relevant poverty-focused statistics. Statistics are a key part of countries’ monitoring and evaluation systems.

An NSDS is expected to provide a country with a strategy for strengthening statistical capacity across the entire national statistical system (NSS). The NSDS will provide a vision for where the NSS should be in five to ten years and will set milestones for getting there. It will present a comprehensive and unified framework for continual assessment of evolving user needs and priorities for statistics and for building the capacity needed to meet these priorities in a more coordinated, synergistic and efficient manner. It will also provide a framework for mobilising, harnessing and leveraging resources (both national and international) and a basis for effective and results-oriented strategic management of the NSS.

These guidelines have been prepared primarily to assist developing countries to design their NSDSs but will also be useful to development partners, including civil society, consultants and international partners providing technical and other forms of assistance to countries to improve the quality and use of statistics for better management for development results. These guidelines are not prescriptive, given the wide variations in countries and organisations that will be using them. The guidelines are based on a wide body of knowledge that has built up especially with the Management for Development Results agenda and experience with PRSs; MDG country reports and international enabling programmes for statistical capacity building such as GDDS, MISP, STATCAP (a World Bank lending programme supporting statistical capacity building), UN Handbook on Statistical Organization, etc.; and on experiences of different countries, especially from Africa, in the design of NSDSs. But the guidelines will necessarily be broad and sufficiently general to provide an introduction for an NSDS design team coming to some of these concepts for the first time. The Guidelines will be under-pinned by practical advice, case studies, and countries’ experiences as disseminated in the NSDS Knowledge Base.

I would like to thank members of the PARIS21 Steering Committee, the Task Team on Strategic Statistical Development Plans and others for their advice and review of earlier drafts: including the IMF, World Bank, and Professor Ben Kiregyera, Chairman of the Board of Directors of the Uganda Bureau of Statistics and consultant to the PARIS21 Secretariat. Without their contributions, the creation of this Guide would not have been possible.

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## Acronyms

<b>CIS</b>	Commonwealth of Independent States
<b>DQAF</b>	Data Quality Assessment Framework
<b>EC</b>	European Commission
<b>GDDS</b>	General Data Dissemination System
<b>ICT</b>	Information and Communication Technology
<b>IMF</b>	International Monetary Fund
<b>MAPS</b>	Marrakech Action Plan for Statistics
<b>MDG</b>	Millennium Development Goal
<b>M&amp;E</b>	Monitoring and Evaluation
<b>MIS</b>	Management Information System
<b>MISP</b>	Multi-Annual Integrated Statistical Programme
<b>MTEF</b>	Medium Term Expenditure Framework
<b>NGO</b>	Non-Governmental Organisation
<b>NSDS</b>	National Strategy for the Development of Statistics
<b>NSO</b>	National Statistics Office
<b>NSS</b>	National Statistical System
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>PARIS21</b>	Partnership in Statistics for Development in the 21 <sup>st</sup> Century
<b>PRS</b>	Poverty Reduction Strategy
<b>PRSP</b>	Poverty Reduction Strategy Paper
<b>SCBI</b>	Statistical Capacity Building Indicators
<b>SDDS</b>	Special Data Dissemination Standard
<b>SMART</b>	Specific, Measurable, Achievable, Relevant and Time-bound
<b>STATCAP</b>	Statistical Capacity Building lending programme (World Bank)
<b>SWOT</b>	Strengths, Weaknesses, Opportunities and Threats
<b>TFSCB</b>	Trust Fund for Statistical Capacity Building (World Bank)
<b>UN</b>	United Nations
<b>UNICEF</b>	United Nations Children's Fund



## Chapter 1. Introduction

### 1.1. Overview of the Guide

This Guide, to support the development and implementation of National Strategies for the Development of Statistics (NSDS), is aimed mainly at those who will be directly involved in leading this process, that is, the managers of national statistical systems. It is part of a set of materials being developed by the Partnership in Statistics for Development in the 21<sup>st</sup> Century (PARIS21) to help developing countries improve the performance of their statistical systems. The other sets of materials include:

- An advocacy paper, aimed mainly at decision makers, politicians, and other people interested in statistics;
- A set of key principles, underlying the NSDS process;
- A library of good practice materials and an NSDS Knowledge Base<sup>1</sup> covering the main processes involved in preparing and implementing strategies for the development of national statistical systems.

These materials are available from the PARIS21 Secretariat in a number of formats, including printed documents, through the Internet, and on CD-ROM. They are being developed and expanded all the time as more experience is being gained in the application of the NSDS process in different environments and in different countries. In particular, the library of good practice material will, over time, include access to an increasing amount of material from other agencies, including the UN, as well as national statistical organisations.

The Guide is designed to be a practical document, providing an outline of the main processes involved in developing a strategic approach to statistical capacity building as well as access to experience from different parts of the world. The main areas covered include:

- An overview of statistical systems in developing countries and a discussion on why countries might wish to develop an NSDS
- A summary of the strategic planning approach and what is involved
- An overview of the main components involved in developing an NSDS
- A review of what is needed for leadership and management of the process
- The need for consultation and involving stakeholders at all stages of the exercise
- Assessment of statistical systems and an introduction to the main tools and processes
- The need for a medium- to long-term vision
- The preparation of a detailed implementation plan
- Moving from planning to implementation, especially in relation to monitoring and reporting on progress

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<sup>1</sup> Formerly known as the “How to Notes,” the NSDS Knowledge Base will be a virtual reference library of documentation on statistical development.



## *1.2. How to Use the Material*

This document is intended to be used as a guide to applying a strategic approach to statistical capacity building in developing countries, rather than an instruction manual. How the NSDS approach is applied will vary significantly from country to country and will depend crucially on a number of factors, including what is already in place, the local environment for statistics, and administrative structures. The Guide, therefore, is much more about what needs to be taken into account and what kinds of things need to be done than about how tools and processes should be applied in practice. Much more practical advice, case studies, and countries' experiences will be available in the NSDS Knowledge Base.

It is anticipated that as the Guide is used in practice, the material will be adapted and changed to meet the needs of different statistical systems and different environments. Users and readers are encouraged to use and adapt the Guide in whatever manner seems most useful to them. The PARIS21 Secretariat, however, would like to receive as much feedback as possible, especially to identify those sections of this document that need modification or expansion. There is no right or wrong way to apply strategic planning to national statistical systems; the primary criterion must be what works in practice. PARIS21 would like to encourage all those interested in improving the efficiency and effectiveness of official statistics to contribute to the process of developing this material, especially by sharing experience of what works and what does not.



## Chapter 2. Overview of Strategic Planning

### 2.1. *Why Strategic Planning is Important for Statistics*

All countries need good statistics, to manage the business of government as well as providing society generally with information about what is happening. Official statistics, that is information in numerical form produced and disseminated by government agencies, are important to support policy making, to allocate scarce resources, to monitor national progress and to make governments more transparent and accountable.

In many developing countries, however, statistical systems are fragile and under increasing pressure. New demands for data, from processes such as the increasing emphasis on results management, are putting already weak statistical systems under considerable strain. At the same time, the managers of statistical agencies, as part of central government administration, are coming under pressure to reduce expenditure, cut costs and improve efficiency. As a result, many statistical systems are struggling, with limited public confidence in the reliability and integrity of the data and with limited capacity to turn things round in the short-term. Financial and human resources are scarce and hard decisions need to be made about which statistics to produce, what methods should be used and how the data should be disseminated and used.

Strategic planning is a crucial part to ensure that statistical activities are being managed as efficiently and effectively as possible to meet the most pressing needs for data. The preparation and subsequent implementation of an NSDS provides the opportunity for all stakeholders to assess the current status of statistics, to review data needs, and to develop a medium-term plan that will address key constraints. In parallel to developing an NSDS, focusing on longer-term plans, immediate improvement of statistics under existing initiatives should be continued. If managed effectively, the NSDS process can provide a means to raise the profile of statistics, to build a constituency for the future and to ensure that all stakeholders are agreed on the main priorities for the future. There are many examples of where a well-designed and well-managed strategic planning process has enabled a statistical system to break out of the vicious cycle of under-funding and under-performance, and to make a significant contribution to the overall national development effort. Strategic planning does not provide a magic bullet to solve all the problems facing the managers of statistical systems. It is a complex and challenging exercise that requires very careful design and management and should not be undertaken lightly.

All effective statistical agencies need to plan and manage their activities strategically to deal with the following types of situation, either applicable for the NSS or specific components:

- when the supply of statistics fails to meet demand (recognising that much demand might be suppressed by low expectations) for instance to satisfy the design, management, and monitoring of national development policies (such as poverty reduction strategies or sector strategies) and/or international obligations such as monitoring progress towards the MDGs;
- when improvements are needed in critical areas of the national statistical system and where critical weaknesses have been identified;



- when resources are limited and their use needs to be prioritised;
- when there is a need to raise the profile of statistics and to develop sustained demand for statistical products and services

## 2.2. *What Makes a Good Strategy*

While the form and content of an NSDS will depend critically on factors such as the administrative structure of government, the level of development and affordability, a strategy usually includes the following:

- The establishment of mechanisms for consultation with all the main stakeholders in a statistical system, including producers, users and providers of statistics;
- An assessment of the current status of the system, including from the user perspective, and taking account of existing improvement programmes;
- A vision, setting out an agreed statement of what governments and other stakeholders want from the statistical system at some point in the future. The vision provides a goal that everyone can agree on: a statement of where statistics should be;
- An identification of what strategic actions are required to overcome the constraints and achieve the vision, including prioritisation of actions;
- A detailed action plan with a timetable and a financing plan to put these strategic actions into effect in order to achieve the desired results;
- Identification of mechanisms to monitor progress, including indicators and reporting to inform the updating and adaptation of the strategy.

## 2.3. *Building on What is Already in Place*

A crucial starting point is to realise that there are many initiatives already in place and that few countries will need to start everything from the beginning. The past few years have seen the development of a number of initiatives and systems that promote best statistical practices, serve as a framework for strategic planning, and help to finance statistical development. The Fundamental Principles of Official Statistics<sup>2</sup>, adopted by the United Nations Statistical Commission, established guidance on the fundamental values and principles to be followed to produce useful, high-quality statistics that will have the confidence of data users. The financial crises of the mid 1990s led to the increased recognition of the importance of official statistics and the need for more detailed and explicit standards for countries to follow to improve their statistical systems. Drawing from the Fundamental Principles of Official Statistics, the IMF, in close cooperation with a large range of producers and users of official statistics, began development of guidelines for the production and dissemination of such data. The Special Data Dissemination Standard (SDDS)<sup>3</sup>, established in 1996, provided guidance to countries that borrowed, or intended to borrow, on international financial markets on the set of official economic and financial statistics that must be produced and disseminated, with strong emphasis on the timeliness of these data. The General Data Dissemination System (GDDS)<sup>4</sup>, established in

<sup>2</sup> <http://unstats.un.org/unsd/goodprac/bpabout.asp>

<sup>3</sup> <http://dsbb.imf.org/Applications/web/sddshome/>

<sup>4</sup> <http://dsbb.imf.org/Applications/web/gdds/gddshome/>





1997, is addressed to all other countries, and focuses primarily on the improvement over time of the quality of a broad range of macroeconomic, financial, and socio-demographic data (see section 6.3). The Data Quality Assessment Framework (DQAF)<sup>5</sup> provides a more detailed structure than the GDDS for assessing the quality of particular sets of data (see section 6.4). The PARIS21 Statistical Capacity Building Indicators (SCBI), based on the DQAF, help countries to identify strengths and weaknesses of national statistical systems and facilitate communication and coordination among development partners by providing common measuring rods of countries' statistical capacity needs. All of these are important tools that are available for managers to use in the preparation and implementation of strategic plans for statistical development.

Other international, regional, and sectoral frameworks contribute to building capacity and outputs of the NSS, including the Multi-annual Integrated Statistical Programme (MISP) developed by the statistical office of the European Union, Eurostat, in its work with Eastern European countries and members of the Commonwealth of Independent States; and the UN Handbook of Statistical Organization.

It is important to make the most use of existing initiatives in designing the strategic planning process and in the preparation of the strategy itself. Where, for example, a country is already participating in the GDDS, the metadata and especially the plans for improvement will provide a very good basis for more detailed assessment and planning. Where the DQAF has been used recently to assess data quality, for example, as part of a report on standards and codes carried out by the IMF, this information will be invaluable for identifying strengths and weaknesses. Even if these or other international frameworks have not been used recently, there may well be very useful material available from recent reports, from internal reviews and other sources. More importantly, a country should continue implementation of plans for improvements specified under these initiatives while the NSDS is being developed and approved. The NSDS process, of course, will take these plans for improvement into account.

## 2.4. *Implementation*

A good strategy is one that is implemented and that actually achieves its goals, on time and within budget. Ultimate success often results from careful design and management of the process. There is considerable good practice material and experience available that statistical managers can call upon to help them in making decisions, and not all will gain from the change implied. This guide focuses on the design of an NSDS, and a companion document (mainly a collection of existing materials) will be collated in the NSDS Knowledge Base to cover the variety of issues of, and aspects around, implementation. Meanwhile, chapters 8 and 9 introduce a number of these issues.

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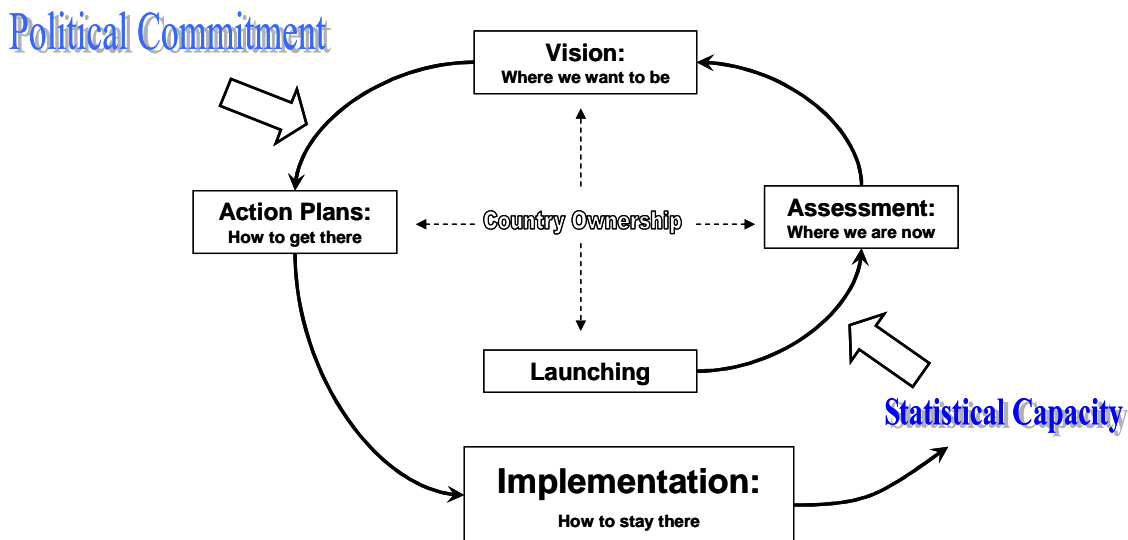
<sup>5</sup> The DQAF is also the organizing model of the data module of Report on the Observance of Standards and Codes (ROSC). The ROSC provides a detailed assessment of selected national macroeconomic statistics. <http://www.imf.org/external/np/sta/dsbb/2003/eng/dqaf.htm>

## Chapter 3. Strategic Management of National Statistical Systems

### 3.1. Introduction

How the strategic planning process can be used in the preparation of an NSDS is illustrated in Figure 1. The process starts with an **assessment** of the current situation – even if this is where very little is being done or produced. It proceeds to map out a **vision** – where stakeholders want the system to be at some future point in time - then defines how to achieve that through the adoption of **action plans** that ensure the sustainability of these improvements. The process is certainly not linear, and effective strategic management is continuous with regular feedback, monitoring, and adaptation as conditions and needs change. However good the strategy is on paper, it is its **implementation** that determines its success. Implementation issues are addressed in more detail in Chapters 8 and 9.

**Figure 1: Strategic Management Illustrated – Breaking the Vicious Circle**



### 3.2. The Importance of Country Ownership and Control

The NSDS approach has developed from existing initiatives such as the GDDS and has also borrowed heavily from the development of poverty reduction strategy (PRS) processes in developing countries. Experience from these and other similar approaches stress the importance of a process that is inclusive, involving all the main stakeholders, with wide ownership and that reflects a broad consensus on what needs to be done to achieve the desired results. The latter should be based on the individual country’s needs and take into account local conditions. In order to make the process country-led and country-owned, and to ensure that what is produced is



country-specific, all major decisions should be taken by the country itself.<sup>6</sup> This does not, obviously, preclude countries from seeking technical and other forms of assistance to help design and then implement strategies and in many cases this kind of support will have an important role to play. But it is vitally important that when outsiders, including donor agencies, are involved they should follow these principles of country ownership and effective coordination.

### *3.3. What Needs To Be Done: the Main Components of the Process*

The preparation of a good strategy requires a carefully managed process, involving a number of key components and providing for regular analysis and review. It will depend, crucially, on what is already in place and what existing mechanisms and processes the strategy can be built on. How long each of these components or phases last will depend on a number of factors, including the urgency with which the strategy is needed, the efficiency of the decision-making processes of government and the complexity of the national statistical system. The regular work programmes of the agencies concerned should be continued while the strategy is being prepared. It would be unacceptable to stop producing statistical products and services while an NSDS is being developed, since that may well adversely affect many stakeholders and is unlikely to result in their continuing support.

In thinking about what needs to be done to prepare an NSDS in most countries, therefore, the following phases are recommended and considered in the chapters indicated.

#### ***Phase I: Launching the process (NSDS Design Road Map) – Chapter 5***

The key outcomes of this critical phase will be a decision and a plan to develop an NSDS. How this is done will depend on the local situation, but many countries have found it useful to have this decision made formally, for example, through a decision of cabinet, or the minister with responsibility for statistics. Some of the processes that can be useful in getting this decision agreed include such things as:

- Successful advocacy, sensitisation, and dialogue with politicians, policy-makers, and decision-makers for example, through participation in a PARIS21 regional workshop;
- Participation by the managers of the national statistical system in national policy discussions such as the preparation or monitoring of the PRS; and/or in the GDDS.

Once the decision has been made, the agencies leading the preparation of the NSDS will usually need to prepare some kind of programme or road map that will set out what needs to be done, by whom, when and how it will be financed.

#### ***Phase II: Assessment of the Current Status of the National Statistical System – Chapter 6***

Building on existing processes, a range of assessments will be needed, including the following:

- Collecting and analysing existing documentation

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<sup>6</sup> These issues have been addressed in the UN's 'Some guiding principles for good practices in Technical Cooperation for Statistics' (UN Statistical Commission, March 1999) and in the High-Level Forum on Harmonisation and Simplification agenda (Rome, February 2003).



- Identifying user satisfaction, current and future needs for statistics, and existing data gaps
- Assessing each key statistical output against agreed quality criteria
- Assessing methodologies and the quality of statistics
- Taking stock of existing capacity (for example, infrastructural, technical, and resources) to meet the identified data needs and fill data gaps
- Reviewing the legal and institutional framework, linkages, and coordination arrangements
- Assessing organisational factors using tools such as a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis

### ***Phase III: Developing the vision and identifying strategic options – Chapter 7***

These activities build on the assessment, including:

- Agreeing a mission and vision statements
- Agreeing on desired results
- Setting priorities and strategies, employing scenarios to deliver the vision and results

### ***Phase IV: Preparing the implementation plan – Chapter 8***

It is important to point out that “right strategies” are not all that is needed to make an NSS effective. The strategies have to be properly and effectively implemented through a costed and time-bound action plan, including a financial plan incorporating proposals for external assistance.

### ***Phase V: Implementation, monitoring and evaluation– Chapter 9***

The most important consideration is to see strategic management as a continuous process and the preparation of the initial document represents only the beginning. To be effective statistical systems must remain flexible and respond to new demands for data and a changing environment. Any medium-term plan, therefore, will inevitably require modification in the light of experience. The strategic management process, therefore, needs to build in mechanisms to monitor and evaluate progress, to review the strategy and to make modifications when required.



## Chapter 4. Coverage

### 4.1. *National Statistics and National Statistical Systems*

Official statistics are collected, compiled and disseminated by government departments and agencies “as an indispensable element in the information system of a society, serving the government, the economy, and the public with data on the economic, demographic, social, and environmental situation”<sup>7</sup> to support policymaking and to inform decisionmaking and debate generally, both within government and elsewhere. These data are derived from a number of processes, including specially designed statistical censuses and surveys, as a by-product of administration, usually by extracting data from administrative records, or by some other means, including such things as remote sensing. Usually, specialist central statistical agencies are established to be responsible for specific statistical activities as well as overall coordination. Even in countries with fairly centralised statistical systems, however, it is likely that several different agencies will carry out some statistical functions. Even if the central statistical agency is responsible for all national surveys and censuses, other departments will typically compile and disseminate statistical information from the administrative processes for which they are responsible. The central bank, for example, will usually be responsible for banking supervision and will compile and publish money and banking statistics. Similarly agencies such as the Ministry of Finance will compile and publish statistics on government finance and the Ministry of Education will do the same for education statistics.

The concept of National Statistics is applicable when official statistics are produced and disseminated by more than one agency. The basic concept of national statistics is to bring together the most important indicators and data sets within a coherent framework, which provides users with some assurances about data quality and integrity. It is a key principle behind the GDDS, for example, where countries compile and publish descriptions of methods and procedures about data from different sources and where plans are developed to improve data coverage, quality and integrity.

At an early stage of the NSDS process, an institutional coverage issue needs to be addressed. Many early strategic plans focused mainly on the central statistical agency and were concerned with improving the quality coverage and dissemination of statistics for which the agency had direct responsibility. Other data sets, which were important for national development, but which were not part of the central agency’s work-load, were not covered. More recently though, many countries have been moving to develop strategic plans that cover the national statistical system more broadly. These strategies bring in other data agencies as well as the central statistical office and hence have a broader coverage in terms of data and their use.

Deciding on what agencies, data sets, and activities are to be covered by the NSDS in any one country will be a national decision and will depend on a number of factors, but there are likely to

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<sup>7</sup> UN Fundamental Principles of Official Statistics



be a number of advantages in having an NSDS process with as broad a coverage as possible, including the following:

- A broad NSDS process can promote greater coordination and cooperation in statistics, thus helping to reduce duplication of effort and increase efficiency as well as address cross-sectoral demands;
- It will help to bring the supply of statistics more in line with demand. In areas such as PRS monitoring, for example, indicators are likely to be derived from more than one agency. The same is true for the indicators used to monitor progress towards the MDGs. By bringing these indicators within the scope of the NSDS, then specific plans can be prepared for improving data coverage, frequency, timeliness and other measures of quality;
- Broadening the coverage to include the main data sets of interest to users, bringing in other agencies (e.g., sectoral line ministries), will help to build interest in statistics and should result in a larger constituency with an interest in implementing the strategy;
- Developing the level of interest in and support for the development of the concept of National Statistics, and building on experience gained so far in coordinating and improving the quality of National Statistics, for example through participation in the GDSS.

The process of bringing other agencies into the NSDS process and of building a broad constituency for statistics is discussed in more detail in Chapter 6. Evidence from many countries suggests that the development of the concept of national statistics and bringing other agencies within the scope of the NSDS may well need to be done gradually. Not all agencies may see the advantages of active participation from the outset and some may wish to retain their independence. In these circumstances a more gradual approach, which promotes participation by demonstrating the advantages may well be more effective than one which simply requires participation through external pressure.

#### *4.2. Focusing on Demand As Well As Supply*

To be effective, the concept of the national statistical system as well as the strategic plan should be demand-focused and user-friendly to maximize the value-added of statistic outputs. To effectively serve their users, statistical managers need to have an understanding of who the customers for their data are and to develop mechanisms for getting regular feedback. Bringing users into the NSDS process is therefore essential. Users are the consumers of statistics, and no statistical system can be sustained unless the products and services it generates meet the needs of users.

In any country, there are a diverse and large numbers of users of statistics, including: policymakers and decisionmakers in government and quasi-governmental bodies; politicians at all levels; researchers, analysts, and academicians; civil society organisations such as NGOs; private sector organisations; international and regional organisations and the donor community; and the media and the public at large.





Users of statistics have a major role to play in the development of national statistics including advancing a common understanding of policy issues and related statistical requirements, setting priorities for statistical production, clarifying the objectives for statistical collections and agreeing on the best methods for dissemination. An important part of the NSDS process is to provide for adequate consultation with all kinds of data users and to set up mechanisms that will ensure effective consultation in the future. This issue is discussed in more detail in Chapter 6.

### 4.3. *Statistics for Use at Different Levels*

Strategic planning for national statistical systems should take into consideration use at different levels—national, international, and domestic regional levels. While the primary focus is at the national level, countries have obligations to report national data to international and regional agencies. One important reporting obligation that all countries took on when they signed the United Nation’s Millennium Declaration of 2000 was to provide regular reports on their progress towards achieving the MDGs. Membership of regional organisations such as the Southern African Development Community (SADC), the Union Economique et Monétaire Ouest-Africaine (UEMOA), or the Caribbean Common Market (Caricom) also commits a country to harmonise national statistics and to regular reporting of key data sets to the regional organizations. These reporting and other obligations clearly need to be included as part of the NSDS process.

At the other end of the scale, many countries are actively pursuing a process of decentralisation as a cornerstone of their development policy and it is also important that the needs of local government both as data providers and users are acknowledged and addressed in the NSDS process. The NSDS Knowledge Base will provide access to material on statistics for local government and identify how different countries approach this process. The issues are more complex in countries with a federal structure, where responsibilities for different government activities are defined by the constitution and by law.

In countries where the NSDS process is at an early stage, experience suggests that it is important to build capacity at the centre before focusing on local government. The nature of statistical systems, where common processes, definitions, and concepts have to be applied if reliable and usable national data are to be generated almost always requires a top-down approach to strategic planning. It is usually important to get the central processes right and working effectively before paying major attention to local needs.

However, recent technological advances can help to address local data needs in a more effective and efficient way than has been possible previously. In particular, techniques and processes such as geographical information systems, small-area data estimation and poverty mapping offer opportunities for making data available in a readily usable form at low levels of aggregation. More information on these and other processes will be provided in the NSDS Knowledge Base.



## Chapter 5. Leading the Process

### 5.1. *The Need for Political Leadership, Control, and Support*

Political leaders and senior officials, including policy makers and financial planners, should approve, launch, and be engaged in the NSDS design process as early as possible to:

- Advocate more effectively for statistics, creating greater political will to develop and use statistics
- Ensure that the NSDS process is appropriate to the country situation and comes up with a realistic and affordable vision, strategies and action plan
- Make or endorse major decisions (for instance: the vision for National Statistics, reforming and restructuring the National Statistical System, revising the legal framework, creating coordination arrangements, setting priorities, investing in statistics, etc)

The level of engagement of political leaders will vary depending upon the political set-up and decision-making processes in each country. In many countries it will be essential for political leaders to be involved throughout the process, approving each stage; whilst in others they might endorse the process at the beginning and, following the launch, consider strategic recommendations at the end of the design process.

Experience in a number of countries shows that a plan that has a senior political champion (or preferably champions) driving the process forward gets better results. Furthermore, attracting the attention of the donor community at an early stage enhances success. In addition to involving existing partners, potential donors might be identified through a review of their country planning documents (e.g., the World Bank's Country Assistance Strategy) and identifying a focal point for anchoring inter-donor coordination (a champion of the process from the donor side).

### 5.2. *The Design Team*

As well as political leadership, the NSDS will need technical management and leadership to coordinate the design of the strategy, working closely with staff and other stakeholders of the NSS. The design processes might be managed as a stand-alone project with a team leader of sufficient seniority and weight to relate to, and chair meetings with, senior people from government, the private sector, and civil society. In most countries, a National (or Central) Statistical Office plays a nodal role in national statistics. It is therefore likely that it will play a key role both in the design and the implementation of the strategy and might provide the team leader, accommodation, and administrative support to the team.

The design team should not be so large as to be unwieldy. A flexible core team of three to four people might be adequate, with additional people to address various aspects of design and specialist issues. It is important to think the process through to implementation and the core team might be expected to be involved beyond the design phases. Members of the core and/or extended team should come from various parts of the NSS, including sectoral line ministries and decentralised structures of government; and comprise a mix of statisticians, analysts, and other





users of statistics, as well as key actors engaged in related processes such as Poverty Reduction Strategy and GDDS, for instance. There may be difficult and painful decisions like changing the emphasis of the statistical programme and possible restructuring and downsizing of institutions. Therefore there needs to be a clear signal on objectivity, which could be provided by engaging a broad membership, including one or more independent people to help the team to address these issues objectively. Normally there would also need to be an overview process, involving all key agencies plus users from outside government, for instance possibly two separate steering groups to advise on technical aspects and to oversee management of the process.

It is important that all involved are allowed sufficient time by their institutions to play the role expected of them on the team.

Many countries have found it helpful to engage consultants to advise their design team. Consultants can bring experience of similar processes in other countries, independence and the ability to ask difficult questions; and a good reputation as an expert in this field, including organisational and facilitation skills. However in many cases, international consultants have taken the lead in designing strategies. But this should not detract from local ownership of the processes or local solutions to the issues. This may need to be reflected in the terms of reference.

### 5.3. *NSDS Design Road Map*

This phase of the design process is critical, and indeed the success of all other phases is contingent upon this phase being properly executed. During this phase, very important decisions have to be taken that will answer the following questions, among others:

- How do we ensure that the strategy is relevant to national development objectives and is country-owned? What outputs will be produced and when?
- What arrangements should be made for the proposed strategy to be delivered in an efficient manner?
  - What are the timelines?
  - Who will be the main actors?
  - How do we ensure that the strategy is practical and can be implemented?
  - What will be the mechanisms for political support, endorsement and reporting?
- Do we as a country have the capacity and skills to undertake the task or do we need assistance? If so, what form should it take? Funding and/or technical assistance and how will it be sourced?

The strategy design process will be mapped out, setting out the major stages and processes, including critically how and when political and financial commitment to implementing the NSDS will be secured. Engaging potential donors at this stage will be important for the NSDS to serve as a coherence framework for multilateral and bilateral assistance.



#### 5.4. *Building a Constituency, Identifying Stakeholders, and Managing Consultation*

Experience from countries that have produced strategic statistical development plans, and from the processes to design and manage Poverty Reduction Strategies, has highlighted the importance of inclusive consultation and communication. At an early stage, therefore, it will be necessary to identify stakeholders and put in place processes to get them involved. This might be initiated through a stakeholder analysis, which would identify the relationship of stakeholders within the NSS and analyse their involvement and relative influence. In this way, key interlocutors may be identified and be brought into the process. The analysis would build understanding of the role of the NSS, including the main user groups.

Different stakeholders will have different interests and need varying types and degrees of involvement. Some might need to be part of (or advise) the core or extended design team. Others will need to be consulted at stages of the processes appropriate for their involvement. Some will be part of the political or technical management and approval processes for the NSDS's design and outputs.

Non-government organisations will need to be involved broadly, including the business sector, civil society organisations and academia. Umbrella organisations might be suitable intermediaries, for instance civil society federations, chambers of commerce and trade union organisations. Individual academics, who are knowledgeable, interested and have time can also add considerable value as data analysts and users.

There are likely to be key issues and stages in the design process when broad consultation and discussion is needed, for instance to launch the process and to consult on the vision and draft reports. It might be possible and helpful to link this broader consultation to other processes, for instance on up-dating or monitoring the Poverty Reduction Strategy or other policy frameworks. A launch workshop would engage key stakeholders, and tell them what is expected of them. It might:

- Introduce relevant management principles and how these, if appropriately applied, can lead to significant improvements in national statistics
- Outline proposals for designing the NSDS and prepare for implementation, including outlining processes and timelines
- Introduce participants to relevant international experience, guidelines, standards, frameworks and concepts
- Start the process of consultation on the performance of the NSS in satisfying information needs

#### 5.5. *Developing a Communications Plan*

The NSDS design team will need to keep stakeholders informed throughout, communicating key messages, keeping the momentum going and building wider support for the strategy, for instance amongst Parliamentarians and the general public. It is often important both to consult and



communicate and to be seen to consult and communicate in order to build commitment and ownership of the process beyond those directly involved in the design process. This may slow progress down but yield longer term benefits. A communication plan will be helpful and will need to be supported by staff time and a budget.

Different modes of communication and messages are likely to be needed for different audiences. A regular briefing note or newsletter could be addressed to all identified stakeholders, reporting progress and inviting comments and contributions. A separate briefing arrangement might be needed for Parliamentarians, preparing the ground for instance for new legislation; as well as regular reports to those responsible for both the technical and political management of the strategy process (e.g., steering committees).

Informing and building support more generally could be tackled through the media, including Press Releases and briefing, radio and TV interviews, and posters.



## Chapter 6. Assessment of the Current Status of the National Statistical System

### 6.1. *The Need for Assessment*

Very few countries will be starting strategic planning from scratch<sup>8</sup> and the purpose of a strategic plan will normally be to improve an existing national statistical system. In most cases, countries will for instance already be participating in the IMF's SDDS or GDDS or having an assessment by DQAF of the data module ROSC. The purpose of the NSDS will be to build on and extend existing approaches to cover all data sectors and users, including prioritising statistical outputs, and consider the 'softer' organisational and institutional aspects of strategic planning.

As the first step in developing a strategy, it is desirable to carry out an in-depth assessment of the current status of the system, including from the user perspective and taking account of existing improvement programmes. The assessment should be realistic, objective, detached, and critical. It should use best practices and be benchmarked against international standards and frameworks as appropriate. The assessment should lead to an understanding of the adequacy of the outputs and the organisation and management of the NSS as a whole. Specifically, it should lead to an understanding of:

- Users' current and perceived future requirements for statistical information; their assessment of the adequacy of existing statistics and of where there are gaps in existing and planned data; their priorities; and their ability to make effective use of statistical information;
- What statistics are available, their sources and how quickly they are made available to users (publication and dissemination policies);
- The linkages and coordination arrangements among producers and between producers and users of statistics and how priorities are set across the NSS;
- The legal and institutional framework in which key producers of statistics operate;
- Organisational aspects, including how the NSS is managed, human resource policies; and strengths, weaknesses, opportunities and threats;
- The quality of statistics and how they are produced (methods and procedures, use of international standards, constraints and problems) and processed, analysed and archived (IT policies, databases); and
- Current capacity of the NSS (physical, statistical, and ICT infrastructure; human and financial resources; and dissemination policies and strategies).

This will involve taking account of the views of the main groups of users and producers of statistics; comparing needs with inventories of all official statistics and the agencies that produce them; taking stock of all existing statistical commitments; the legislation or other authority under which data are compiled, the adequacy of infrastructure and processes for production and

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<sup>8</sup> Exceptions may relate to countries emerging from conflict where the pre-existing system may have been effectively destroyed, or new countries where statistical institutions do not exist or are quite rudimentary.



management; the adequacy of domestic financial resources; the existence of capacity building programs; and the availability of external technical and financial resources.

## 6.2. *Assessing User Satisfaction and Needs*

There are many types of users from politicians, government agencies, public and private sector companies, civil society organisations, academia, the media, the general public and donor and international agencies. They need disparate statistics for various purposes and will vary in their capacity and sophistication of their use of statistics. Some needs may have been suppressed by the lack of available statistics, and **potential demand** should be considered as well as **current demand**. User needs cannot be properly met unless these have been properly identified, synthesised, understood and prioritised. It is important to emphasise that users invariably have a long list of statistical needs, and every effort should be made to guide users to identify their priorities. Also user needs and priorities are always changing and tracking these changes requires that consultation and dialogue with users should be an ongoing activity. This can be done through various approaches to assessment of user needs. As with assessment generally, it is likely that the design team will be able to build on existing processes but a benchmark assessment of user needs is recommended for the NSDS.

The consultations and discussions with users should aim to establish, among other things:

- How they use statistics in their operations;
- Availability of required statistics and how they may have been constrained by lack of adequate statistics;
- Their assessment of the adequacy of existing statistics in terms of relevance, accuracy, consistency, completeness, timeliness, level of disaggregation (geographic, gender, etc.) and accessibility;
- Their relationships with main producers of statistics and their role in contributing to the development of the NSS;
- Their current and perceived future statistical needs and priorities and where there are gaps; and
- How they think their needs can best be met in the context of the NSDS.

One approach is to identify those who are interested in particular data sets or groups of data and arrange contact with these users. The mailing list used for dissemination of statistics and those frequently in contact with the NSO and other statistical agencies may be a good starting point in identifying the main data users. Selected institutions from each of the main user groups should be included in the consultation and discussions held with them, either individually or in small groups, whilst others might be invited to contribute in writing. The process should ensure that policy and decision makers as well as technical staff in user institutions are consulted.

A second approach to user involvement that has met with success in a number of countries is GDDS country workshops. These workshops bring together data compilers, data users, and donor agencies. The workshops deal with specific statistical topics of interest to participants and in addition encourage dialogue among groups of compilers and users. The workshops have



proven useful in sensitising participants to the importance of statistics, providing progress reports on data improvements, and discussing new issues.

### 6.3. *Assessment and Planning of Statistical Systems*

Having identified user needs, the next step is to assess the existing and planned outputs of the NSS against these needs. Each key output should be gauged against agreed criteria, for instance using the DQAF or SCBI dimensions of quality. Plans should then be updated or revised as necessary.

#### ***Role of the GDDS***

The GDDS will play a central role at the heart of the NSDS in most countries. A large number of countries<sup>9</sup> in all regions are currently participating in the GDDS and have therefore already carried out many of the steps that are required to develop a strategic approach to develop statistics. Those countries not yet participating would find the GDDS an important early step. To see why the GDDS contributes so well to developing a strategic plan, it is useful to examine the key features of the system.

The GDDS is a structured process through which countries plan over the long run to improve the quality of the data compiled and disseminated by their statistical systems to meet the needs of macroeconomic and social policymakers and analysts. Countries that participate in the system determine the priorities they will pursue in a set of statistical development plans that reflect the direction and pace of change, recognising resource and other constraints. The GDDS process is useful both for countries with rudimentary statistical systems, as well as for countries with quite sophisticated systems that aspire to subscribe to the SDDS.

The GDDS fosters sound statistical practices with respect to the development, compilation and dissemination of economic, financial, and socio-demographic statistics. Particular attention is paid to the needs of users, which are addressed through dimensions relating to the quality, integrity, and public access to the data. Together, these GDDS priority areas constitute a solid basis on which to formulate long term policies for statistical development, which can be integrated directly into a strategic plan.

The GDDS is constructed around four key dimensions<sup>10</sup>:

- Data coverage, periodicity, and timeliness
- Data quality: transparency on methodology, sources and cross-checks
- Integrity: transparency, objectivity and professionalism
- Access by the public: timetable of releases and simultaneous release to all

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<sup>9</sup> As of September 2004, 76 countries participate in the GDDS. In addition 57 countries subscribe to the SDDS, of which four were previous GDDS participants. The SDDS has the same dimensions as the GDDS.

<sup>10</sup> Details on the dimensions and on data coverage can be viewed on the GDDS website at <http://dsbb.imf.org>.



These dimensions summarise the GDDS approach to encouraging best statistical practices. The **data coverage** of the GDDS relates to the principal areas of macroeconomic and financial data (real, fiscal, financial, and external sector data), as well as socio-demographic data, including indicators for population, health, education, and poverty (including MDG indicators). GDDS participants prepare metadata of their current statistical practices in each area. The metadata are of use to data compilers, policy makers and analysts within and outside government. The analysis of data compilation methods leads directly to conclusions about the **quality of the data** and participants prepare short- and medium-term plans for their improvement. Countries are encouraged to be realistic about these plans and to indicate areas in which improvements can only be achieved with external technical and/or financial assistance.

The **integrity** and **access** dimensions of the GDDS address critical issues related to the confidence and trust that users can have in the professionalism of the data compilation and dissemination process. They are based directly on the UN's Fundamental Principles of Official Statistics. Each data disseminating agency completes metadata statements on how its current practices relate to good international practice. The agencies also indicate plans for improvements in these statistical systems.

While the data covered by the GDDS are necessary for all countries, the GDDS does not cover all data sets that are required for a complete system of official statistics<sup>11</sup>. However, the GDDS approach can be easily extended to other data sets and countries may view this as a useful exercise. The integrity and access issues apply to all data producing agencies, so the GDDS approach in these areas can be seen as comprehensive.

A key feature of the GDDS is the promotion of statistical coordination within a country. The GDDS data set covers data produced by at least three, and often as many as ten, agencies. Countries are encouraged to establish GDDS committees composed of representatives of all concerned agencies. The establishment of the GDDS has been cited in many countries as a key tool in informing agencies what data are being compiled, where overlaps in data collection exist, and where efficiencies can be realised in compilation and dissemination.

It is important to note that the assessment and planning of statistical systems is not a one-time exercise. The GDDS provides for regular assessment of data quality and dissemination practices, evaluation of priorities, assessment of users' needs, reports on improvements, and reassessment of strategy. The GDDS metadata, maintained by the IMF on an electronic bulletin board,<sup>12</sup> can be used as an efficient means of communicating with all stakeholders on achievements and changing needs and priorities, and to alert potential donors to the need for technical and financial resources.

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<sup>11</sup> The United Nations Statistics Division has prepared a Statistical Activities Classification that presents the full range of statistical topics that may be covered by an NSDS. This classification can be viewed at <http://unstats.un.org/unsd/methods/statact/acc-class.htm>.

<sup>12</sup> Metadata on all participating countries can be viewed at <http://dsbb.imf.org>.





## ***The Data Quality Assessment Framework (DQAF) and Statistical Capacity Building Indicators (SCBI)***

The DQAF integrates the dimensions of the GDDS into a single framework for assessing in detail a particular data domain. The DQAF serves several users. First it serves country authorities by enabling the self-assessment of statistical systems. Such assessments encourage preparation of well-targeted improvement plans that could help garner donor support as needed. It also serves private and public data users, providing an overview of the dimensions that make up data quality and equipping users to gauge data quality for their own purposes.

The DQAF identifies six quality dimensions: (1) Prerequisites of quality; (2) Assurances of integrity; (3) Methodological soundness; (4) Accuracy and reliability; (5) Serviceability; and (6) Accessibility. The first two dimensions refer to the legal and organization structure in which the NSS operates. The four other dimensions are more data category-specific. Currently available DQAFs for specific data sets are: national accounts, consumer price indices, producer price indices, government finance statistics, monetary statistics, balance of payments, and income (money-metric measures of) poverty. The DQAF generic framework can be applied by countries to any data sets that they consider especially important. (These aspects are considered elsewhere, notably under “Preparing the Implementation Plan” in chapter 8 and in the NSDS Knowledge Base.<sup>13</sup>)

The PARIS21 Statistical Capacity Building Indicators include both quantitative and qualitative indicators for use by countries for self-assessment and peer review of the level of development of their statistical systems. Three levels of measurement are identified:

- *system-wide indicators* identify the statistics a country produces, including the year of reference to which they apply and the producing agencies;
- qualitative *agency-related indicators* apply to the agency(ies) producing statistics. Countries decide which agencies to include but, for comparison between countries, the agencies responsible for producing the GDP, population and household income and expenditure statistics are included;
- qualitative *data related indicators* apply to specific statistical series, with coverage again a country decision, but international comparisons include GDP, population and household income and expenditure statistics.<sup>14</sup>

### ***6.4. Legal and Organisational Assessment***

Consideration of the external environment of the National Statistical Systems (NSS) should identify and evaluate the economic, social, political, legal and technological environment, which may be supportive of or a hindrance to effectiveness of the system. It should also review the level of statistical awareness in the country; the extent to which existing statistics are utilised especially for evidence-based policy and decision-making; government-led processes and

<sup>13</sup> The design team might identify small groups of NSS staff and key stakeholders with whom to conduct these assessments and confirm findings with the leadership of the NSS and key stakeholders.

<sup>14</sup> SCBI Summary Report





policies which statistics need to inform; and reform programmes which may impact upon the strategy. In addition to the DQAF, a SWOT analysis can help with this, identifying opportunities and threats to the system, which are largely beyond the control of the agencies; and strengths on which to build the strategy and weaknesses to be addressed. Guidance on environmental scanning, SWOT analysis and other tools will be available in the NSDS Knowledge Base.

This part of the assessment relates to the institutional framework of the NSS and organisational aspects of how the agencies manage their operations. The DQAF assessment can assist in reviewing subjects such as:

- **Statistical legislation and authority** under which each of the agencies operates, including their mandates and roles; and the adequacy of the national statistical legislation. The UN Handbook of Statistical Organization provides an annotated model of a National Statistics Act, which countries can use to assess the adequacy of their national statistical legislations.
- **Mechanisms for consultations between producers and users of statistics** and how they are functioning, for instance committees and other arrangements for user - producer and producer - producer collaboration and consistency between sources, recognising that different models suit particular country situations.
- **The position and status of statistical agencies within government** for instance, as autonomous or semi-autonomous agencies or as part of a government ministry or department;
- **Clarity of mission and strategies, institutional culture and structures and** the extent to which the agencies adhere to **professional ethics and international standards**;
- **Human resource policies** in terms of adequacy (numbers, experience, skills, qualifications) and their management (recruitment and retention, incentive structures, existence of a statistics 'cadre'); and **staff development** (both initial statistical training and continuous professional development) and **knowledge management**;
- **Financial resources and infrastructure**



## Chapter 7. Developing the Vision and Strategic Options

This chapter describes the inter-related concepts of “mission”: which describes the business the organisation or system is in; “vision”: where it is heading; strategic planning to achieve the mission and vision; and prioritisation plan. More detailed information will be available in the NSDS Knowledge Base.

### 7.1. Establishing the Vision

The visioning exercise is a key component of strategic planning. It involves stating or revising the NSS’s mission and vision.

A **mission** answers the question: **what is our business** and why do we exist as an agency or a system. It provides the basis for priorities, strategies, plans and work assignments. The mission statement should describe the purpose, customers, products or services, markets, philosophy and

#### Examples of mission statements of statistical agencies

**Mission statement for the Statistical Institute of Jamaica:** *to provide relevant, timely and accurate statistical information and technical services, consistent with international standards, to national and international clients.*

**Mission statement for Uganda Bureau of Statistics:** *to produce, coordinate and disseminate official statistics in order to: support decision-making processes in all aspects of life, inform and underpin the national and local government planning processes, inform public policy analysis and debate, and monitor the impact of government initiatives, policies and programmes.*

basic technology used by the statistical system to realise its vision. The mission statement should be inspiring, supplying energy, motivating and galvanising staff and customers alike. It should create a commonality of interest and create an “emotional bond” and “sense of mission” for managers and staff of the

agency<sup>15</sup>. For a national statistical system and especially a central statistical agency, the mission will derive from the Statistics Act or any other legislation providing the mandate for statistical activities.

The **vision**, which seeks to create a compelling picture of the desired future state that often represents a quantum leap from the past and present, answers the overarching question: **What do we want to become** in the longer-term, perhaps 5–10 years from now? The benefits of a vision include “breaking out of boundary” thinking, identification of purpose and direction, promoting interest and

#### Examples of vision statements

**Vision statement for Statistics South Africa:** *to become a premier knowledge centre that provides leadership in statistical production and promotes a culture of empirical evidence-based policy, planning and decision-making.*

**Vision for the National Statistical Office, Philippines:** *The National Statistical Office is a world-class provider of statistical and civil registration products and services.*

<sup>15</sup> Fred R. David, *Concepts of Strategic Management*, 6<sup>th</sup> Edition, Prentice Hall International, Inc.



commitment, encouraging and building confidence as well as creating loyalty through ownership.

In creating a vision, the following questions should be asked: Why do we need a vision? What is the objective for it? Whom do we want to attract by it? A **vision statement** should then be prepared to accurately capture this picture. The statement should be precise, positive, inspiring and energising. It should be short, usually not more than one or two sentences and should encompass goals, values, beliefs and expected outcomes.

There are a few points to note about the vision process:

- Vision and mission statements should not be banners and slogans with no utility at all. They should energise agencies into improved performances especially if the management of the agencies “*walks the talk*”.
- There will be “vision killers” including traditions, fatigued leaders, negative thinkers, short-term thinkers and “*naysayers*”. Good communication can help to reduce their impact on the process.

## 7.2. *Priorities and Strategies*

Having established where a national statistical system is and where it wants to get to, the next step is to identify the alternative ways in which the desired goals can be reached. The strategic planning exercise involves identification of **strategic goals** (overall accomplishments to be achieved) and **strategies** (overall methods for achieving stated goals and the vision). **Strategic goals** aim to address strategic or important issues, which will have been identified during the assessment phase. The goals should be creative and forward-looking. As much as possible, they should be well defined and **SMART** (Specific, Measurable, Achievable, Relevant and Time-bound). It is against these goals that the performance of the strategy will be measured and evaluated, for which indicators will be developed (chapter 9).

In general, strategic choices should:

- Aim to resolve major issues and should revolve around **enablers or performance drivers**. In particular, strategies should provide for leadership or a champion of the process to drive policy and the strategy, which will be delivered through people, partnerships, resources and processes.
- Focus on structural changes which are more likely to direct and sustain changes,
- Be impersonal (i.e., avoid personal bias, politics, emotions and personalities) and be holistic (avoiding the tendency to put too much weight on a single factor),
- Distinguish between what is “important” and what is “urgent”,
- Always ask if an activity is strategic and will leverage change,
- Ascertain if the strategy is realistic or feasible,
- Reconsider strategies that have failed in the past,
- Ensure that selected strategies can provide an adequate and flexible response to a changing environment and are mutually complementary.



There are two main approaches, input and output approaches, that can be used to identify strategic choices. These approaches are not mutually exclusive, and most often, both are used. Consideration of issues such as efficiency, effectiveness and equity bring in aspects of both inputs and outputs. (See details in the NSDS Knowledge Base.)

The input approach, considered by some DQAF dimensions, looks at infrastructure issues such as:

- Institutional effectiveness
- Adequacy of physical or capital resources
- Adequacy of human resources
- Knowledge resources
- Management effectiveness

The output approach, such as the GDDS and DQAF, looks at statistical products and services such as:

- Coverage, periodicity and timeliness of statistics
- Access by the public
- Integrity
- Quality

Strategic planners of an NSS will be faced with a wide variety of conflicting priorities. The process of consultation (section 6.2) will help, and clear messages on priority needs will be provided by national policy processes and development plans, such as PRSs and international commitments, such as reporting against the MDGs. The final decision on what will be included or not in work programmes will need to be decided at a senior level in government, perhaps assisted by a national statistics committee.

### 7.3. *Capacity Building Strategies*

Having decided on priorities, it will be necessary to develop capacity building strategies to equip the NSS to produce and use future statistical outputs. These strategies will most likely include:

- Improving coordination, management and the legal framework for statistics
- Human resources development
- Funding
- Strengthening statistical operations and procedures, e.g. including sectoral statistics and dissemination
- Investment in both statistical and physical infrastructure

These are considered in the context of assessment in chapter 6 and implementation in chapter 8 and further guidance will be provided in the NSDS Knowledge Base.



## Chapter 8. Preparing the Implementation Plan

### 8.1. Planning Implementation

The broad strategic approaches stated in the NSDS need to be translated into a detailed action, implementation or work plan, which sets out more precisely what is to be done by whom and when. The action plan will include detailed costs, an overall budget and a financing plan. (See details in the NSDS Knowledge Base.) It should specify actions needed to address each of the identified strategic issues and to reach each of the associated goals. It should also identify what results and outputs will be achieved and identify the means for monitoring and reporting on progress (see Chapter 9).

In summary, it may be helpful to identify actions under the following headings:

- Changes to the regulatory and management framework for the NSS as a whole and for key agencies. This could include:
  - Replacing an outdated Statistics Act with new legislation reflecting the fundamental principles of official statistics and providing an effective mandate for all statistical activities;
  - Providing effective mechanisms for coordination and management of the statistical system
  - Reviewing the positioning and status of statistical agencies within government
  - Raising the profile of statistics in government generally and improving statistical advocacy
- Human resource development to cover all the main types of staff employed by statistical agencies including managers, professional statisticians, other professionals, clerical staff and other support staff such as:
  - Recruitment of new staff, including reviewing initial statistical training opportunities
  - Improving the skills, competencies and expertise of existing staff
  - Providing for an adequate career path for staff
  - Improving staff motivation and reducing turnover and wastage
  - Linking incentives to performance
  - Setting up a well designed and managed staff development and training programme
- Investment and improvements needed in both physical and statistical infrastructure, including aspects such as:
  - Office accommodation
  - Information and communication technology
  - Transport facilities
  - The development of registers, sampling frames etc.
  - Setting up a national geographical information system and database
  - Developing a field organisation for the management and implementation of surveys and censuses
  - Developing databases
  - Setting up mechanisms for dissemination of statistical data, including, for example, Internet websites.



- Statistical production and management, including:
  - Improving the collection and management of administrative data
  - Filling data gaps by conducting new surveys and censuses
  - Improving the periodicity of statistical products (from censuses, surveys and administrative records)
  - Integrating different censuses and surveys and improving the efficiency of field work
  - Improving data quality, for example by reducing delays and increasing response rate.
  - Strengthening data analysis and reporting
  - Improving the ways in which data are disseminated and the design of statistical products.

## 8.2. *Costing and Financing the NSDS*

Prior to its implementation the NSDS will need to be carefully costed. The implementation budget serves the following purposes:

- It shows the total recurrent and investment cost of the planned improvements.
- It specifies the expected burden on the national budget and any external financing requirements;
- It shows in some detail how resources will be used, for example, for equipment, human resources, statistical collections (censuses, surveys), etc.

The budget should include both the cost of developing the capacity of the NSS, as well as cost of running it. These would normally be shown separately so that the incremental cost of developing the system and producing new or modified outputs are shown clearly. In this case it might be useful to prepare budgets under different headings:

- The “steady-state”, that is costs based on business as now
- The incremental cost of developing the system, including the cost of any institutional strengthening and organisational change that may be needed: e.g. human resource systems and development programmes, coordination mechanisms, etc;
- The new “steady-state” cost, showing the extra recurrent costs needed to run the new systems and produce the new products. This future state may also allow for continuing development.

Capital expenditures will be needed for major assets (*e.g.*, a building, computer network). It is particularly important to make realistic estimates for the future recurrent expenditure that will be required to continue to run the new systems and products once they have been developed. The cost of technical assistance (*e.g.*, consultancies) should be included, whether international or local, as capital or recurrent costs depending on whether it is technical assistance to improve or to run the system.

Where possible, teams preparing an NSDS should also complete a **cost-effectiveness analysis** for some, if not all, major activities. The analysis might consider the costs of alternative ways of compiling data, for instance, comparing the use of administrative sources with a specially commissioned sample survey. It might also make comparisons with costs of similar activities





undertaken in the country or other countries in the sub-region or with some established international norms where these are available. The PARIS21 Task Team on costing and funding of NSDS<sup>16</sup> is investigating whether cost ‘yardsticks’ can be developed (*e.g.*, costs of different surveys, establishing registers, running administrative systems).

In some developing countries, the government may be able and willing to wholly fund implementation of the strategy. In many cases, however, it will be necessary for external finance to supplement government budgets. It is important that the design team considers how the NSDS will be funded and seeks to engage the interest and commitment from government and external partners at an early stage.

As the implementation will usually stretch over a number of years, the activities in the Action Plan should be reflected not only in the upcoming annual budget but also in longer range plans, such as the Medium Term Expenditure Framework (MTEF), where these exist. In these circumstances it is recommended that the government contribution to statistics in the early years be in line with the financial envelope set out in the budget process and that beyond this the proposed level of funding should be estimated as realistically as possible.

### ***External Funding***

External funding (Official Development Assistance) takes different forms including both grants and loans. An NSDS, which has been prepared on a participatory basis and which is endorsed and supported by all the main stakeholders can provide an important mechanism for coordinating donor assistance to statistics and for mobilising additional resources. Donor support for an NSDS might be organised in a number of different ways, including:

- **Single donor support** - a single donor may agree to provide all external funding needed to implement the strategy.
- **Multiple donor support** - different donors may agree to fund different components of the strategy. For this to work well, there will be a need to coordinate and harmonise donor funding, accountability and reporting mechanisms, preferably based on the government’s own systems.
- **Basket funding** - assistance from different donors may be channelled through a Trust Fund or as part of general budget support. The advantages of a single basket are<sup>17</sup>:
  - Reducing the administrative overhead of having to deal with several donors, through the use of uniform reporting and accounting procedures,
  - Creating a focus on commonly agreed outputs
  - Improving coordination and the efficiency of donor assistance

The World Bank’s Trust Fund for Statistical Capacity Building is one important source of grant funding from bilateral donors to help countries to **design** NSDSs. The World Bank has also

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<sup>16</sup> [http://www.paris21.org/pages/task-teams/active-teams/introduction/index.asp?id\\_active\\_team=9](http://www.paris21.org/pages/task-teams/active-teams/introduction/index.asp?id_active_team=9)

<sup>17</sup> *Documenting Experience – The Process and Challenges of Completing the Uganda Bureau of Statistics Corporate Plan*, October 2003.



launched a new programme – STATCAP – aimed at helping countries gain access to loans and credits to support the **implementation** of an NSDS. Further details will be provided in the NSDS Knowledge Base.

### *Sustainability*

A major problem with many earlier projects supporting statistical activities has been that once donor funds have ended, then the activities cannot be sustained. It is crucial that the NSS becomes sustainable over the long term. It is therefore recommended that the NSDS implementation plan places considerable emphasis on how activities supported through the NSDS are to be sustained once external support has finished. In order for this to happen, it will be necessary to make clear which activities are being funded initially through external assistance and for government to progressively increase its funding for those activities. The higher the proportion of donor funding, the more important it is to look at the longer-term capacity and willingness of governments to provide more funding themselves. One principle might be for governments to seek external resources (if needed) to develop the NSS ('investing for improvement'), but plan to meet all recurrent costs associated with the new system once it is developed: the new 'steady-state' cost outlined above. The process of preparing the action plan is likely to require a number of iterations, involving the preparation of different scenarios until both a feasible financing plan has been developed and the issue of how activities and improvements are to be sustained is also addressed.





## Chapter 9. Implementation, Monitoring and Evaluation

### 9.1. *Strategic Management as a Continuous Process*

“The ability to execute strategy is more important than the quality of the strategy itself,” Robert S. Kaplan and David P. Norton.<sup>18</sup> The preparation of the strategic plan is really just the beginning. Without effective implementation all the effort invested in designing the strategy will simply be wasted. A successful outcome will require both the design of the strategy and its implementation to be sound. Appropriate arrangements should, therefore, be established for efficient implementation of the NSDS.

It is also important to recognise that changes are inevitable especially within the longer timeframe for the NSDS, hence, a good plan should build in flexible mechanisms to respond to changes, problems, and opportunities during the implementation process. Indeed the most effective strategic management processes are not necessarily those that produce the best plans, but rather those that build in the flexibility to respond to change. A key requirement of the implementation process, therefore, is that it includes mechanisms for managing change, for monitoring and reporting on progress, for reviewing the strategy and for adapting and changing it when required. It is also important to manage the timing and sequencing of NSDS design and implementation to be in line with government budgetary cycles and other processes, for instance review and updating of national policy frameworks.

### 9.2. *Managing Implementation*

Arrangements for the implementation of the strategy are likely to include the following.

- **Managing change** - Implementation of an NSDS will, almost certainly, require a number of organisations, including the central statistical agency to undergo change, in particular to take on new roles and responsibilities. Change is difficult and can, in many circumstances be painful for some. Typically some will see themselves as gaining from the change process and so be in favour, while others will think they will lose out and hence will often try to obstruct what is planned. Management structures and processes need to be put in place to manage the change process and, if possible to provide some compensation to the losers.
- **Management capacity needs to be developed to implement the strategy, including leadership:** communicating with stakeholders, creating awareness, and maintaining external and internal support. In addition to a champion or champions of the process, there may also be a need to develop strategy “missionaries” within a number of the key agencies who can teach others about the change process and help to maintain support.
- Capacity will also need to be developed to manage important functions such as **financial management and procurement**. It is important that resource inflows into the NSS be well managed and accounted for. Both national governments and donors involved in the implementation of the NSDS will want clear financial and procurement guidelines to be established and followed in accordance with established rules and procedures.

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<sup>18</sup> *The Strategy-focused Organization* by Robert S. Kaplan and David P. Norton, Harvard Business School Press, Massachusetts, 2001



- **Engaging and motivating staff:** agency and system implementation plans will need to be translated and cascaded into annual work programmes and objectives for each work area, and into individual job plans and appraisal and incentive systems.

### 9.3. *Reporting, Monitoring and Evaluation*

**Reporting** on the progress of NSDS implementation will need an effective management and accountability framework, including the identification of performance indicators and corresponding reporting mechanisms. Performance indicators for assessing progress during implementation and achievements of results at the end of the NSDS should be identified up front and agreed. A short list of indicators should be used. The PARIS1 Statistical Capacity Building Indicators as well as other frameworks such as the GDDS and DQAF can be useful for monitoring progress and assessing performance of the strategy. A decision should be made about what reports need to be produced, how frequently, who should produce them, and who should receive them. The performance information could serve many users and should lead to a strategic learning process to enhance future performance.

**Monitoring** of NSDS implementation and its effectiveness is essential to: (i) ensure that stated goals are being achieved, (ii) track inputs, activities and outputs, (iii) determine whether implementation is on course, (iv) alert management to problems or potential problems before the situation becomes critical, (v) suggest taking corrective actions to ensure that performance conforms to strategy or that the strategy is revised in light of new experience. By monitoring the strategy and tracking performance indicators, managers will be able to get a picture of where the strategy is going in relation to stated goals, learn lessons, take corrective action, and, possibly, revise the strategy. Monitoring will be ineffective unless there is action taken in response to what is measured and reported. In that sense, the strategy will be a living document that will require adjustments as objectives and conditions change and experiences are gained. Monitoring will also be essential for providing information that is required for accountability purposes. It should be determined who carries out the monitoring, what reports should be prepared, when they should be prepared, and to whom they should be given for action to be taken.

At the end, and perhaps at the mid-point in the action plan, there should be an **evaluation** to assess the most significant constraints, the most successful activities and generally to assess how well the strategy will have met the set goals.<sup>19</sup> It has been observed that evaluation works best when the emphasis is on learning for the future. Evaluations of the effectiveness of the strategy should very much take this into account.

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<sup>19</sup> GDDS participants are committed to keeping their metadata current for posting on the DSBB. The metadata includes information on recent implementation of plans for improvement.



## Chapter 10. NSDS Essentials

A good NSDS will satisfy the following principles and meet the information needs for designing, monitoring, and evaluating poverty reduction and other national development strategies and the MDGs. Normally this will not mean “business as usual”: managing for results may require a “change in mindset” towards statistics for development. This is not easy, and there will be many difficult decisions to be made: change implies both “winning” and “losing.”

**The NSDS should be integrated into national development policy processes and context, taking account of regional and international commitments. They should:**

- have **political support and commitment**, and be **championed** by high-level national official(s);
- be **demand-focused** and user-friendly, responding to needs and priorities for information to enable national governments to manage for results;
- develop statistics as a public good, **funded** from government budgets, complemented (where appropriate) by international support;
- be **mainstreamed as part of national development policy**, including for the design, monitoring and evaluation of Poverty Reduction Strategies, sector strategies, and other national development plans, as well as assessing progress toward the MDGs;
- respect all relevant **legislation or regulation**, recommending changes where appropriate;
- **work within the national context**, both cultural and institutional.

**The NSDS should be developed in an inclusive way, incorporating results-based management principles and meet quality standards. They should:**

- be the output of a **consensus-building/advocacy process**, which helps build **commitment and partnerships, with clear processes for consultation throughout**;
- be the output of genuinely **nationally led, owned and inclusive participatory processes** including all stakeholder groups (e.g. users, analysts, producers; government, private sector, civil society; international and regional organisations, bilateral donors and specialised agencies);
- incorporate **results-based management** principles in the design of the NSDS and manage its implementation with performance indicators (e.g. for the supply of statistical information, value for money, user satisfaction, governance, support to national policies, confidentiality) and a performance reporting, monitoring and evaluation plan;
- follow the **values and principles** portrayed by the UN Fundamental Principles of Official Statistics to produce useful high-quality data that will have the confidence of users of statistics;
- draw on **international standards, recommendations and experience** to capitalise on worldwide knowledge and for consistency between countries.

**The NSDS should be comprehensive and coherent and provide the basis for the sustainable development of statistics with quality (i.e., “fit for purpose”). They should:**

- cover the whole **National Statistical System (NSS)** including all data collection, analysis, dissemination and use from censuses, surveys and administrative systems, as well as the mechanisms for coordination and consultation (recognising that implementation might need to be sequenced);



- provide a platform for the long-term, **sustainable** development of statistics whilst also addressing immediate data needs for development progress;
- provide a resource for evidence-based decision making, with **quality (i.e., “fit for purpose”)** (relevance, accuracy, timeliness, independence);
- serve as a **coherence framework** for international and bilateral assistance for statistics and to avoid parallel systems for monitoring and evaluation needs generally of donor programmes.

**The NSDS should show where the statistical system is now, how it needs to be developed and how to accomplish this. It should:**

- provide an **assessment of the current status** of the NSS (where we are), incorporating a **comprehensive appraisal of statistical outputs** measured against agreed criteria;
- **maintain statistical production and procedures, building on existing activities and on-going processes**, during the design and implementation of the NSDS;
- provide a **vision for national statistics** (where we want to go), **strategies to deliver the vision** (how do we want to get there), which address institutional and organisational constraints and integrate all statistical planning frameworks, and **performance indicators** (how do we know we have arrived): **not just a work plan**;
- incorporate **sub-strategies** for leadership and management, financial management, human resources, communications, infrastructure (e.g. information technologies) and dissemination as well as the technical work areas (e.g. national accounts, poverty statistics, health statistics);
- set out an **integrated statistical capacity building programme**, which:
  - **builds capacity to implement and adapt the strategy**
  - **turns statistics into information** through analysis, dissemination, publicity and user education
  - is **prioritised and timetabled** (not everything can be done at once)
  - provides the framework for (annual) implementation **work plans**
  - is **realistic, pragmatic and flexible** enough to cope with changes in priorities, new information needs and lessons learnt and is as easy to accomplish as possible;
- outline the **financing requirements**: responding to user needs but realistic about resources (implies prioritisation, sequencing, cost effectiveness: e.g. considers alternative ways of compiling data such as administrative sources and sample surveys).



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