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**PRSPs and Statistics:
DATA NEEDS FOR POVERTY REDUCTION STRATEGY
PROGRAMMES IN AFRICA**

1. Introduction

Achieving sustained economic development and poverty reduction is the major challenge facing all African countries. And to meet this challenge African governments need to establish policies and institutions that provide a supportive climate for investment and ultimately poverty reduction for their countries.

The international community, led by the World Bank and the International Monetary Fund (IMF) are promoting country-led poverty reduction strategies as the principle mechanism for promoting economic growth and reducing poverty and for providing the framework for future development assistance. Poverty Reduction Strategy Papers (PRSPs), have, therefore, become country-developed and owned documents that are based on a detailed analysis of the poverty situations in African countries. They involve a widespread process of consultation with all stakeholders and require that governments set specific targets and monitor progress towards these. They are inevitably data-intensive and place considerable pressure on statistical systems, to provide baseline information, to develop goals and targets and to establish effective monitoring and evaluation systems. At the same time, however, they provide a major opportunity for African statistical systems to raise awareness of the importance of statistics and to build capacity using both local resources as well as support from the international community.

PRSPs and associated processes, including international approaches to monitoring progress towards the Millennium Development Goals (MDGs) adopted at the United Nations Millennium Summit in May 2000, have created new demands for the products of official statistical agencies in developing countries, and Africa, in particular.

This increased awareness and demand for statistics at both national and international levels presents major challenges for statistical systems in Africa, many of which are under-resourced and under considerable stress. At the same time, though, this is also an important opportunity to raise awareness, increase profile and strengthen both political and financial support to these countries.

This paper, borrows heavily from the deliberations at the seminar for Managers of Statistical Offices on Statistical Development and Poverty Reduction held in Dar es Salaam, Tanzania in September 2002. The World Bank Institute, Southern African Development Community (SADC) and East African Statistical Training Centre (EASTC) supported the seminar.

2. Data Needs and the PRSP Process in Africa

2.1 Fundamental Challenges

Any discussion of the data needs and the PRSP process in Africa raises four fundamental issues:

1. How can the national statistical system best become involved in the PRSP process and what are the main challenges from the PRSP for management and coordination?

2. What are the main challenges facing a national statistical system in generating the data needed by the PRSP process, including preparation, monitoring and evaluation? What tools are available to assess the adequacy and capacity of data systems and how can they best be used in practice?
3. What are the main challenges facing statistical systems in African countries in developing new indicators? How can these statistical systems best coordinate with participatory poverty assessments and link quantitative and qualitative indicators?
4. How can the PRSP process be used to improve coordination and dialogue between statistical users and producers? What specific steps can be carried out and how can this process best be sustained?

2.2 Addressing the challenges

Though not exhaustive the following issues attempt to discuss and address the challenges:

2.2.1. Involvement of the national statistical system in the PRSP process

- The PRSP provides a framework for evaluation, monitoring and policy formulation for reducing poverty;
- National Statistical Organisations (NSOs) are mandated to be the coordinator of official statistics and had this role before PRSPs were developed. It is important that NSOs become involved as soon as possible in the preparation of a PRSP, for example to help identify indicators and set goals. In many countries, however, statistical systems need to be strengthened to do this, especially to bring together data producers and users;
- In most cases there is little appreciation or knowledge of using statistics for decision-making even among professionals. Hence the understanding of statistics by users should be enhanced;
- Participation by grass-root organisations needs to be encouraged and bottom-up consultation about data issues should be strengthened.

2.2.2. Challenges in generating the data needed by PRSPs

- In identifying indicators and their data requirements, countries can make use of the indicators developed for the Millennium Development Goals. In some cases, however, these may need to be adapted to suit national conditions, and continued dialogue with the data users, therefore, is an essential part of this process;
- Countries should develop a data collection strategy, and as part of this should prepare an inventory of available data and existing administrative data and surveys. Based on this information gaps can be identified and a statistical master plan for poverty monitoring can be prepared;
- The need for additional human and financial resources must be identified. For example, the master plan should include a detailed budget and identification of

human resources constraints. The role of collaborating partners should also be explicitly identified;

- Evaluation and monitoring of data systems is also important. This should include an assessment of the adequacy of the data, including timeliness and cost. Regular surveys of the opinion of users are also suggested;
- NSOs need to improve dissemination and access to data. Where possible, subject to confidentiality considerations, data should be made available to users for further analysis.

2.2.2.1 Use of new statistical tools

- a. It is important for NSOs to be aware of new statistical techniques and tools and to identify how they can make most effective use of them;
- b. If and when countries acquire new tools, they should consider piloting them to ensure that they fit local conditions. It will be important to ensure that NSOs have the capacity not only to use these tools, but also to adapt them where necessary;
- c. It is important to ensure sustainability through the training of staff and through capacity building;
- d. Countries and NSOs should also ensure that new tools do actually increase efficiency of statistical activities;
- e. The ECA and sub-regional organisations (SROs) have an important potential role in helping NSOs to find out about new tools and technology and also to promote their take up and use. In particular it is suggested that these institutions should : identify available experiences within the continent and regions useful for member states; bring experts together and facilitate sharing of experiences; identify skills within and outside these regions and create necessary appropriate databases that member state can access; where appropriate negotiate for the acquisition of certain technologies and products on behalf of member states and so achieve economies of scale;
- f. The utilisation of new technology could be promoted through the regular exchange of staff between member states.

2.2.2.2 Developing poverty monitoring strategies

- a. At the national level, the main challenges and needs facing African countries in monitoring poverty reduction strategies are identified as: setting up an appropriate institutional framework; mobilising political will and support; setting up financing arrangements and dealing with the agendas of collaborating partners; ensuring the objectivity of the data and strengthening the credibility of statistical systems; defining indicators; and developing the necessary skills and expertise;
- b. At the local and especially community level a number of important challenges are identified that include: weak local institutions; ensuring

widespread participation of communities; the problem of community and respondent fatigue, where surveys and investigations are rarely followed up by implementation; and the sampling problem that limits the disaggregation of data to analyse local issues and concerns.

2.2.2.3 Evaluating the impact of poverty reduction strategies

- a. Many NSOs have relatively limited experience of impact evaluation and the problems associated with ascribing outcomes to specific actions or policies;
- b. A particular problem presented by impact evaluation is to establish or identify what would have happened if the action or policy had not been implemented. There is often a need to collect data about some control in order to measure impact;
- c. There is also a need to measure change over time so as to ensure that statistical tools such as surveys should be implemented consistently over time;
- d. Statisticians need training in statistical and econometric tools used in evaluations;
- e. Indicators need to be identified at the beginning of the period since baseline data is usually essential;
- f. NSOs need to consider establishing panel surveys that are able to monitor changes over time.

2.2.3 Challenges in developing indicators

- One of main challenges facing national statistical systems include the need to update the legal framework to ensure that there is adequate coordination of the different agencies involved and to strengthen the mandate to collect and disseminate data based on professional considerations alone;
- Other challenges include: capacity building; improving financing; strengthening human resources; and improving communications between users and producers of statistics;
- Although African countries face different problems and conditions, there is much to be gained from a more effective exchange of information about indicators and statistical methodology. There is a need to develop a system in Africa to share information more effectively;
- Linking the operations of NSOs with participatory poverty assessments requires a number of steps, including: establishing a minimal set of indicators to compare poverty dynamics across countries; ensuring greater use of common methodology and concepts; making more use of the United Nations' indicator programme and developing a subset of indicators for Africa; and maintaining a regular dialogue with stakeholders.

2.2.3.1 Combining quantitative and qualitative indicators

- a. The PRSP process usually involves both quantitative and qualitative indicators and both are needed in order to provide a more complete picture of a complex process such as poverty reduction;
- b. It is important to build capacity of the National Statistical System (NSS) and Civil Society Organisations (CSOs), both technical and human resources, to collect and use both types of indicators for poverty monitoring and evaluation;
- c. The NSS has an important coordination role to play in the collection and dissemination of data feeding into the monitoring system and should take the lead in establishing strategic partnerships;
- d. Standards and classifications need to be established and agreed so that all players in the poverty monitoring system use the same concepts and making sure that as far as possible these conform with international best practice;
- e. Results oriented and outcome based indicators need to be developed that will support evidence-based policy making;
- f. Both quantitative and qualitative indicators need to be reviewed continuously. There must also be regular consultations to improve understanding and credibility of the different indicators.

2.2.4 Improving the statistical user-producer dialogue

- The PRSP involves a participatory approach, which assists the process of dialogue and involves a lot of users and producers. In particular, it helps to set strategic priorities and identify goals and indicators;
- There is a need to ensure the independence of NSOs from government interference to promote the credibility of poverty data, especially at the community level;
- For this process to work, however, there is a need for a precise and clear definition of poverty that stakeholders can agree on;
- There is also the need for regular feedback to communities that need to be empowered to collect and use statistics themselves. In addition, a mechanism should be designed so that Civil Society can collaborate with NSOs in the collection and dissemination of statistics;
- Countries should set up a coordinating committee comprising relevant stakeholders;
- NSOs should be involved in the planning and implementation of participatory poverty assessments (PPAs);
- Sustaining the process requires a number of things to be done, including: institutionalising the PRSP review process and providing regular progress reports; improving the dissemination and use of existing data; raising awareness of the importance of statistics and improving continued funding of

statistical activities; and maintaining communication with all stakeholders, especially at the community level.

3. Concluding Remarks

Based on the challenges discussed above, it is important that UNECA, Sub-Regional Organisations, and indeed NSOs develop practical and specific short-term as well as long-term action plans that should set what needs to be done, who should be responsible and identify sources of any support needed.

It is, therefore, gratifying that UNECA is reorganising itself and taking up its responsibility in the coordination of statistical development in Africa and ensuring that many identified major initiatives involving several organisations are coordinated to avoid duplication and ensuring efficient use of both human and financial resources. The establishment of the Advisory Board on Statistics in Africa (ABSA) and the development of a Framework for Action are indeed efforts in the right direction if the African continent is to ensure the achievement of the Millennium Development Goals and overall reduction of poverty for its people.

Reference

World Bank Institute, SADC and EASTC, (2002): **Seminar for the Managers of National Statistical Offices on Statistical Development and Poverty Reduction. Final Draft Seminar Report** (24-27 September, 2002, Dar es Salaam, Tanzania)