The World Bank

Trust Fund for Statistical Capacity Building (TFSCB)

Report of the Advisory Panel (AP) to the Consultative Group (CG)

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Executive Summary and Main Recommendations

The third meeting of the Consultative Group (CG) of the TFSCB held in Paris on October 6, 2002, decided to create a new Advisory Panel (AP) composed of two “external advisers” who will visit the Bank Headquarters in Washington, DC, for two or three days about six weeks before the CG meeting. It was anticipated that in this way the AP would be able to make a more detailed assessment and thus make a better contribution to the operation of the TFSCB.

According to this decision, Mr. Chandrakant A. Patel and Mr. Jean-Louis Bodin visited the Bank Headquarters on August 25 through 28, 2003, and had comprehensive discussions with Mr. Misha Belkindas, chairperson of the TFSCB Internal Management Committee (IMC), and Mr. Mustafa Dinc, TFSCB administrator.

They have noticed that the objective of all projects approved by the IMC since January 1, 2003, is clearly the strengthening of statistical capacities building, which was not always the case for every project approved during the two first operational years of TFSCB. They have also expressed the opinion that the new procedures proposed in the note on “Repositioning the TFSCB” afford a very satisfactory answer to some of the concerns expressed by the AP during the meetings of October 2001 and October 2002 of the CG. Their main concern was the limitation of funds for the future activities within the context of an increasing demand.

They have framed several recommendations, the main of which are listed hereunder*:
1. broadening TF’s donor base and contributory partnership in order to guarantee its sustainability
2. establishing more linkages with other international programmes aiming at strengthening statistical capacities
3. improving the presentation of tables in order to make out in each region what was the percentage of resources committed by one country for the country projects (in terms of cash and in-kind)
4. enlarging geographical diversification
5. proposing solutions to solve implementation problems in countries that have management weaknesses
6. establishing a stricter rejection policy
7. being more explicit in the linkage of regional and global projects with national statistical development strategies
8. improving project identification through a better linkage with PARIS21 activities

* The recommendations are presented in their order of appearance in the note. This is not an order of priority

During the third meeting of the Consultative Group (CG) of the TFSCB held in Paris on October 6, 2002, it was proposed by one member of the Advisory Panel (AP) to
restructure it\textsuperscript{1} by discontinuing the existing AP and replacing it with a small team of two “external advisers” who will visit the Bank Headquarters in Washington, DC, for two or three days about six weeks before the CG meeting. It was anticipated that in this way the AP would be able to make a more detailed assessment and thus make a better contribution to the operation of the TFSCB. This proposal was accepted by the CG.

Based on the above decision, the CG appointed as members of the new Panel two existing members of the former AP, Mr. Chandrakant A. Patel and Mr. Jean-Louis Bodin. Terms of reference for this new AP were proposed that:

- the members of the Panel will review the TFSCB strategy and evaluate selected activities and projects funded by TFSCB and report on their findings and recommendations to the CG prior to its annual meeting.
- they will meet during two or three days in Washington, DC, to review all relevant documents and meet with the management of TFSCB.
- they will prepare their report and circulate it at least two weeks before the CG meeting, one of them attending this meeting to present the report.

Accordingly, Mr. Patel and Mr. Bodin met at the Bank Headquarters in Washington, DC, on August 25 through 28, 2003, i.e. seven weeks before the 2003 annual CG meeting, scheduled on October 14, 2003, at the Bank European office in Paris. During this visit, they had several discussions with Mr. Misha Belkindas, chairperson of the TFSCB Internal Management Committee (IMC), and Mr. Mustafa Dinc, TFSCB administrator; they were provided with:

- the interim Progress Report covering the period October 2002 – March 2003 (including an annex on the terms of reference for an interim evaluation of the TFSCB made in co-ordination with a separate independent evaluation of the activities of the PARIS21 Consortium),
- a note on “Repositioning the TFSCB”,
- documents for evaluating projects submitted to the IMC since the 2002 meeting of the CG.

In this report, the AP has made comments on the interim Progress Report covering the period October 2002 – March 2003 and on projects submitted to the IMC since the 2002 meeting of the CG. It also had the opportunity to make some additional comments on the note on “Repositioning the TFSCB”; these comments are presented in the third chapter of the present report.

Some other documents were not available at the time of this visit, namely:

- the Progress Report covering the period October 2002 – September 2003, to be submitted to the CG meeting in October 2003,
- the evaluation made by the Oxford Policy Management Consulting Group for an interim evaluation of the TFSCB.

\textsuperscript{1} See comments on the Progress report (10/01/01 – 09/30/02) of the TFSCB Internal Management Committee presented by Jean-Louis Bodin, member of the AP.
Based on the contents of these two documents, additional comments or amendments might be orally presented by the AP representative during the CG meeting.

1. **Comments on the Progress Report covering the period October 2002 – March 2003**

The AP members would like to comment on four specific points:

1.1. **Contributions to TFSCB and Broadening Partnership**

TFSCB has truly developed international character in terms of the geographical distribution of national, regional and global projects, and international recognition for statistical capacity building, in particular thanks to its links with the activities of the PARIS21 Consortium. However, its donor base and contributory partnership is not broad enough to guarantee its sustainability. 58% of financing of the TFSCB comes from one donor country, and 93% from two donor countries, three other ones covering the remaining 7%. While establishing its linkage with international programmes like STATCAP, broadening its contributory partnership should be seriously explored and encouraged.

For the first time since the creation of the TFSCB, last June, the IMC has decided to reject one project proposal, not because of its contents, but just based on limited funds in the TFSCB, which is very frustrating and give bad signals to those who have prepared the proposal. Some other applicants were advised not to submit their applications due to the lack of funds and asked to get back to the TFSCB Unit at the end of October 2003, when the financial situation will hopefully become clearer.

1.2. **Analysis and Presentation**

The tables in the semi-annual and annual reports should present country projects and regional/global projects as two subsets. Both the TFSCB and STATCAP emphasise country’s partnership, ownership and commitment in terms of cash and in-kind. From the current tables, it’s difficult to make out in each region what was the percentage of resources committed by the country for the country projects. However, are the regional bodies on an average contributing more than the countries?

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2 The same concern was expressed during the 2002 CG meeting by Chandrakant A. Patel in commenting on the Progress Report (10/01/01 – 09/30/02) of the TFSCB Internal Management Committee.

3 Regional project submitted by AFRISTAT: Strengthening the capacity of AFRISTAT and member countries to support poverty monitoring and analysis.

4 It has been specified that “the recipient is welcome to reapply for funds from the TFSCB when, at a later stage, a (new) call for project proposals is made”.


1.3. Geographical Diversification and Representation of Needs

Despite having a laudable goal, the TFSCB has not yet been able to approve any project for the Middle East and North Africa region\(^5\) during the period covered by Progress Report covering the period October 2002 – March 2003\(^6\).

One and only project proposal\(^7\) from the Middle East, i.e. Jordan’s Department of Statistics (DOS) project on Municipal Statistics was rejected by the IMC. The two members of the AP disagree on the relevance of this decision, one of them approving it as this project doesn’t fully meet the statistical capacity objectives of the TFSCB, the other one on the contrary being of the opinion that more effort could have been put in modifying the project proposal\(^8\).

1.4. Implementation and Disbursements Delays

From the half-year report, it is not clear whether these problems are more acute with the country or regional projects. Many of the national statistical offices in the developing countries have management weaknesses, which can create implementation problems. Should some resources be approved under the TFSCB projects to build capacity to rectify management weaknesses?

2. Comments on some proposals submitted to the IMC since the 2002 meeting of the CG

2.1. Linkage to National Statistical Development Strategy and Strengthening Statistical Capacities Building

During January 1 to July 29, 2003, the IMC approved five projects\(^9\): Burkina Faso - Statistical Master Plan, Republic of Congo - Strengthening the Institutional and Technical Capacity, Kyrgyz Republic - Strengthening Organisational Structure and

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\(^5\) Maybe this issue has been dealt with during the PARIS21 regional meeting that has been held in Amman, Jordan in September 2003.

\(^6\) In fact TFSCB has approved a project for Tunisia on April 18, 2003. This decision doesn't significantly change the global diagnosis concerning the lack of balance between the regions.

\(^7\) In addition, there are now two new projects from this region in the pipeline (Lebanon and Yemen)

\(^8\) He argued that capacity building in municipal statistics could improve statistics on building and construction, demography, health, education, etc., and in turn national statistics if well co-ordinated with the country strategy on statistics. By approving this project, the IMC could have promoted a model for local government statistics, which could have been created to complement a well-developed national system rather than opening up doors for an avalanche of municipal statistics projects.

\(^9\) Two other projects were approved by the IMC during the first quarter of the operational year beginning October 1: Nicaragua - Strengthening Statistical Capacity for Policy Formulation and Decision-Making, and Senegal - Strengthening the Directorate of Forecasting and Statistics.
Capacity of the National Statistical System, Moldova - Strengthening the National Statistical System, and Nigeria - Development of a Statistical Strategy and Master Plan. The main objective of all these projects is clearly the strengthening of statistical capacities building, which was not always the case for every project approved during the two first operational years of TFSCB.

The projects for Burkina Faso, Kyrgyz Republic, and Nigeria are clearly focused on the development of SMPs required for the preparation of Projects Appraisal Documents (PADs) for STATCAP projects. As the development of statistical strategy for Moldova would be executed by the Bank, it could be anticipated that the output would follow the SMP framework. However, in the case of the Republic of Congo it could be assumed that the output would also meet the SMP standards, as the country will be executing the project. It could be argued that a country need not follow the SMP framework, if there is no intention to apply for STATCAP within two to three years of completion. In the case of prospective STATCAP countries, the TFSCB guidelines must emphasise and confirm the adherence of a national statistical plan to SMP framework; in order to save duplicative efforts and resources required later for recasting it to meet the needs of STATCAP.

2.2. Rejection Policy

During the operational year beginning October 1, 2002, the IMC rejected three national projects proposals: Jordan – Municipal Statistical Capacity Building, Rwanda – Development of a Database for Poverty Monitoring and Institutional Support for Implementation of the Strategic Plan for Statistical Development, and Tanzania – Strengthening Tanzania Tourism Satellite Accounts, and one regional project: AFRISTAT - Strengthening the capacity of AFRISTAT and member countries to support poverty monitoring and analysis. In the earlier periods the IMC did not take such rejection decisions. When the resources get scarce and the number of proposals increase, the IMC should be stricter in the appraisal of proposals regarding their scope and would have to take more of such decisions. TFSCB therefore needs a rejection policy and guidelines to provide transparency to the decisions it takes. In the future, the IMC would be advised to accumulate projects for each semester, at least for the non-SMP projects as proposed in the note on repositioning the TFSCB, and then prioritise them after a review. One of the motivations for determining the approval cut-off could be the availability of resources to be allocated at that date, but the rejection of projects could be also for various other reasons, e.g.,

a. does not contribute to mainstream statistical capacity building (case of Tanzania)
b. lack of financial resources with TFSCB (case of AFRISTAT and, in some extent, Rwanda)
c. does not fit into national statistical development strategy’s priorities (case of Jordan)
d. does not meet the urgent data needs for policies e.g. PRSP, MDGs (case, in some extent, of Rwanda)
e. lack of international support from donors
f. lack of management and implementation capacity
g. lack of skill manpower
h. lack of country’s ownership and commitment
i. lack of stability and security
j. duplicative efforts
k. largeness of a project which may crowd out other projects
l. does not contribute to a reasonably balanced geographical distribution (?).

2.3. Fast-tracks projects

During the operational year beginning October 1, 2002, the IMC approved four fast-tracks projects (on the basis of a contribution of the TFSCB under $ 50,000). Two of them were country projects: Kenya – Development of a Statistical Master Plan, and Philippines – Strengthening Statistical Capacities in the Philippines Focusing on Poverty and Socio-economic Indicators. The remaining two were regional: Association of Balkans Statisticians – Conference of Human Resource Management in NSIs, and UNECA/CODI\(^\text{10}\) - Workshop on Governance for Development: the Challenge of Statistics. The project for Kenya, and to some extent, the project for the Philippines are clearly focused on SCB. But supporting conferences that are not directly linked with the promotion of SMPs (in particular, the one proposed by the first regional project) must be founded by other sources than TFSCB, specially when resources are getting scarce.

3. Comments on the note on “Repositioning the TFSCB”.

The AP has noted that this document is not just a “note”, but rather a strategic document proposing a new Business Plan for the functioning of the TFSCB. The main aim of this new business plan is “to focus the resources of the trust fund more directly on support for strategic planning and the development and management of statistical master plans (SMP)”. In particular, it is proposed that “a major focus of the trust fund should be on the preparation of SMPs as part of the STATCAP process”.

It is envisaged that, with effect from November 2003:

- 50 to 60 % of future TFSCB resources will be used for SMPs’ preparation, with simplified application and approval procedures (about 10 countries a year); in principle these “SMP projects” will be Bank executed,
- other projects will use the same application and appraisal process and be required to have specific capacity building objectives; twice yearly application process; linking more explicitly to national statistical development strategies.

\(^{10}\) The Committee on Development Information (CODI) is one of the seven subsidiary bodies of the Economic Commission for Africa, established in 1997 by the twenty-third meeting of the Conference of African Ministers responsible for Economic and Social Development and Planning. The Committee on Development Information shall be composed of statisticians, information and geo-information specialists and librarians who are government officials of the members States of the Economic Commission for Africa. It has succeeded to the Joint Conference of African Statisticians, Demographers and Specialists of Information and Communication Technologies.
It is also proposed that some TFSCB resources will continue to be allocated to both regional and global projects, but limited both in number and in coverage; these regional and global projects should have identified statistical capacity building objectives and demonstrate that action at the regional or global level is required in order to achieve the desired impact. As a consequence of these new arrangements, fast-track proposals other than to support SMPs will be eliminated.

The AP has one main comment and five additional comments on this change in strategy of TFSCB.

2.1. Linking TFSCB to national statistical development strategies

The AP cannot but globally approve these new arrangements that afford a very satisfactory answer to some of the concerns it expressed during the meetings of October 2001 and October 2002 of the CG. The concerns expressed by the AP were based on the fact that a too low percentage of the approved projects directly aimed to strengthen statistical capacities of the National Statistical Systems, either at national level or through regional or global bodies, and that, for a large majority of the approved projects, no strong evidence of strong links with statistical capacity building (SCB) goals was given in the progress reports presented by the TFSCB IMC. Also, the AP proposed that, if a project obviously contributes to strengthening SCB, it could be approved under the fast-track procedure, even if its cost is over the limit of $50,000.

This important change should be more explicit in relation to regional and global projects also because they have implications for and impact on national development strategies and plans. Many regional statistical projects are geared to address specific subject areas like labour statistics, agricultural statistics, and their accessibility and dissemination at the regional and international levels. For such projects, it should be clearly identified how capacity building at the regional and global level would contribute to the capacity building and statistical development at national levels. Some training programs and development of manuals and guidelines may be better handled at the regional level for cost efficiency and effectiveness of technical expertise: if such programs contribute to national capacity building, they should be encouraged.

3.2. Identification

Several operational processes at the World Bank, such as CAS, PRSP, etc., at the IMF, e.g. GDDS, in the UN family, such as MDGs, could also identify projects which would deserve priority as they are demand generated. Linking these projects with the activities of the PARIS21 Consortium (through the meetings of the CG) also permits a highly credible and cost-effective approach for project identification. These links would also address statistical weaknesses and data gaps, which may or may not be identified in the statistical development strategies and plans.

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11 See comments on the Progress Report (10/01/02 – 09/30/03) of the TFSCB Internal Management Committee presented by Jean-Louis Bodin during the third meeting of the Consultative Group (CG) of the TFSCB held in Paris on October 6, 2002.
3.3. Implementation

For improving implementation the note recommends (a) closer monitoring of progress, (b) flexibility, (c) automatic review, and (d) regular progress reports. In the application of each prospective project there should be clear mention and commitment by the country on the organisational set-up for implementation, e.g. project management unit, and on the plans and prospects for recruitment of experts, acquisitions of equipment, and training and retention of personnel. The application review process should be made rigorous to confirm good prospects for implementation.

Some proposals of the note are well in line with this recommendation, e.g. limit on the time allowed between approval and implementation (automatic review if implementation has not started within four months of approval), or automatic review if regular progress reports are not provided. At least, one approved project was closed because of changing conditions in recipient country\textsuperscript{12}.

3.4. Execution

The note proposed that “most projects will be Bank executed, although the Task Team Leader (TTL) will be able to propose the project be recipient executed if this will not unduly delay implementation”, in particular for projects aimed to SCB. In addition, it’s worthy to note that projects could sometimes be executed by a regional statistical organisation in order to use this project as an example for other countries of the same region, e.g. AFRISTAT in Western or Central Africa.

3.5. Disbursements

The question of disbursements has been identified as a problem on the first page but details on what kind of tighter mechanism to monitor could resolve the problem are not provided. The initiative to store all the project information in the World Bank SAP system is regarded by the TFSCB staff as a help in identifying the status of the project, but steps need to be worked out on how to keep the projects moving.

3.6. Financial caps

For the development of SMPs, an average cost of about $150,000 each is mentioned. Will there any cap for non-SMP country projects and also for regional and global projects? The cap is desirable for fair distribution among several countries/projects/regions but it should be designed with flexibility because of the varying size of all country/regional projects.

\textsuperscript{12} Vietnam – Statistical Capacity Building in Rural Sector