

15/19

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BILATERAL TECHNICAL COOPERATION IN STATISTICS

Bilateral Technical Assistance Programs
with the Countries of the Former Soviet Union

Report prepared by the IMF

17/19

- 2 -

In December 1992, the Steering Committee wrote to the national statistical agencies most likely to be interested in establishing technical assistance programs with FSU countries (28 agencies were approached), to explain the coordination role of the Steering Committee and, as a follow-up, the Chairman visited statistical agencies in Canada, France, Germany, the Netherlands, Sweden, the United States, and the United Kingdom. In the following two years, the technical assistance effort with the FSU countries has become increasingly concentrated in the programs of Steering Committee member organizations, which have drawn heavily on resources provided by their member countries.^{1/} As a result, there now appear to be very few bilateral programs with FSU countries that are independent of those organized by Steering Committee members. A striking demonstration of this was provided by the efforts over the past year by Goskomstat Russia to sign statistical protocols with national statistical offices in interested western countries. To date, of the eight protocols signed (with statistical agencies in Denmark, Finland, France, Germany, Italy, Sweden, the United Kingdom, the United States), all except Sweden include technical assistance programs financed and/or managed by Steering Committee members.^{2/}

An explanation for this development was provided by representatives of national statistical offices invited to the 8th meeting of the Steering Committee, held in New York on September 7, 1994. At that meeting, it was noted that receptiveness to technical assistance in the FSU countries had been much less than was the case in Central and Eastern European countries, where bilateral programs were generally considered to have been successful. Representatives of national statistical offices expressed concern about lack of communication and follow-up in projects, and considered that there was a need for more effective two-way communication to ensure that scarce technical assistance resources are effectively used. It appeared that this experience, together with limitations on available technical assistance resources, were having a discouraging effect on their willingness to establish independent programs.

Nonetheless, from the side of many of the recipient FSU countries, it is apparent that a new phase of the technical assistance effort has recently begun, focused on the implementation of international methodologies, standards, and compilation methods with which statisticians in many of those countries have become broadly familiar. In this stage, there is an

^{1/} The following international organizations are represented on the Steering Committee; EU, FAO, ILO, IMF, OECD, UN, UN Economic Commission for Europe, UN Economic Commission for Asia and the Far East, and the World Bank.

^{2/} The program with Finland probably comprises elements financed under the PHARE program. The program with Sweden and parts of the programs with the United Kingdom and the United States appear to be additional to the programs of Steering Committee members (in the case of the United Kingdom, this refers to financing under its aid program budgeted to the Know-How Fund).

18/19

awareness (1) that the expertise of their bilateral partners can play a crucial role in the achievement of their objectives, (2) that difficulties have been underestimated, and (3) that a bilateral contribution is needed to ensure an appropriate level and composition of technical cooperation. For this reason, representatives of a number of national statistical offices were actively involved in the recent joint meeting of Goskomstat Russia and the Steering Committee on Technical Cooperation in Statistics with the Russian Federation. 1/

Information on bilateral technical assistance programs with the FSU countries, when known to Steering Committee members, should be entered in the Steering Committee's database. However, entries in the database at present are confined almost exclusively to the programs of Steering Committee members. At the round of meetings with bilateral agencies in 1992, referred to earlier, an offer was made of access to the database as a coordination tool, both to view records and facilitate update. However, the only request to date for on-line access to the database has been by the Central Bank of Austria.

It is worth noting that in the case of Eastern and Central Europe, a database was established by the Intersecretariat Working Group on Technical Assistance to the Countries of Eastern and Central Europe, managed by EUROSTAT, to monitor the programs of international organizations and those of its member countries, based on half-yearly questionnaires. However, this database did not cover all bilateral technical assistance programs, was confined to past technical assistance activities, and, because of limitations in its usefulness as a coordination tool, has not recently been updated.

III. Need for Coordination

Experience with technical assistance to the FSU countries indicates the importance of coordination mechanisms that ensure realization of the maximum contribution of bilateral technical assistance programs and those of international organizations. This coordination is needed to sustain the technical assistance effort. In this regard, the Steering Committee has demonstrated the usefulness of such a coordination tool. In addition, some of the Steering Committee's focal point organizations (especially EUROSTAT and the IMF) have actively solicited direct bilateral involvement in their technical assistance programs. There have also been a number of instances in which the IMF's resident statistical advisors have been contacted by bilateral agencies seeking advise on the focus and design of their programs. In the case of Eastern and Central European countries, a coordination role has been provided by EUROSTAT's Working Group on Statistical Cooperation.

1/ These comprised representatives of the national statistical offices of France, Germany, Italy, Sweden, the United Kingdom and the United States.

19/19

This experience suggests that there may be some benefit in providing periodic progress reports on the state of statistics in FSU countries to the authorities in prospective donor countries. In return, the authorities in prospective donor countries could be asked to provide periodic reports on their technical assistance efforts, including activities financed by their technical assistance budgets, and those financed in other ways (e.g., from the operational budgets of central banks, research institutes, or national statistical offices).

IV. Issues for Discussion

The ACC Subcommittee may wish to determine whether bilateral technical cooperation programs with the transition economies have benefitted from the coordination efforts of international organizations. If so, the Subcommittee should determine whether there is a need for improving the flow of information from international organizations to the authorities in the donor countries, and, in addition, whether a periodic reporting by them to the international organizations would be useful.

The ACC Subcommittee may wish to review the relevance of this experience for the coordination of bilateral technical assistance programs with developing countries. In this case, bilateral technical assistance programs are long established and the issues they address more familiar. Nonetheless, the Subcommittee could determine whether there is scope for improved coordination of the efforts of international organizations. If so, the Subcommittee could determine the adequacy of information available to international organizations, and whether coordination tools, along the lines developed for the transition countries, would be useful.

exchange. Thus, major advances in this area are more likely where there is a coordinated effort by international organizations to identify their shared needs from a given member country, and what they can offer that country in return.

It may also be noted that the growing integration and globalization of the world economy over the past decade have strengthened the case for the adoption of international methodologies and standards, particularly in the areas of national accounts and balance of payments statistics. This gives reason to expect that, at least for the statistically more developed countries, there should be a growing convergence in the quality of data, and in the capability for efficient and timely data sharing with international users. This development also should reduce the burden of reporting.

Nonetheless, in the absence of electronic access to national data sources, the IMF is obliged to devote substantial resources to data collection activities, including the use of report forms and data collected by visiting missions. As noted below, for countries within this category that produce reliable and timely data, there may be benefits both to the IMF and to the country from consolidation of current reporting procedures. For countries where problems of unreliability and untimeliness of data persist, dual reporting arrangements in support of official and operational country databases maintained by the IMF are likely to continue. However, there will be a continuing need for the IMF to review the design of its report forms from time to time to delete series that have lost their relevance.

IV. Plans for improved coordination

Data collection and data management activities take up a substantial part of the time of IMF staff, and it has long been considered that an ongoing effort is needed to achieve greater efficiency in this area. The IMF recognizes that to address these concerns, while maintaining the benefits of flexibility accorded by a decentralized approach to data management, it is necessary to develop both supportive work practices and the appropriate use of technology. While there are benefits from the decentralized and flexible approach to data management, there are also costs to the IMF and its members that may occur through duplication of work due to loss of institutional memory, suboptimal data sharing within the IMF and duplicative reporting requirements on members, and inadequate understanding of differences in data coverage and definitions among the IMF's multiple databases. Efforts are currently being made to seek improvements in these areas through the introduction of data management guidelines, a more coordinated approach to data collection, and improvements in data sharing and access.

On data collection, the benefits will be greatest where direct computer to computer data transmission is possible. Initially, this method of data collection will be possible for countries where data definitions are stable and well understood, where the staff do not have to undertake extensive data