



**Workshop  
on  
Organization and management  
of statistical systems**

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Addis Ababa, 8-12 Decembre 2003

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## Financing the Statistical System

“It is now generally felt that adequate funding of statistics is a key issue in sustained statistical capacity-building around the globe”

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### Summary

- The issue
- Sources of finance
- Financing through government budgets
- Market pricing of goods and services

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### WHAT?

Who should bear the financial burden of producing statistical data?

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### Alternative

- The government pays for information that is needed for decision-making and provides this information free of charge to the users;
- The government collects and pays for information that it needs primarily for its own business, the costs of producing any other information should be borne by the users.

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### Consensus

- Transparency and Accountability suppose quality statistical data
- Factual approach to decision making (Quality management principles -7)  
“Applying this principle leads to :
  - Ensuring that data and information are sufficiently accurate and reliable
  - Making data accessible to those who need it
  - Analysing data and taking action based on factual analysis, balanced with experience and intuition”

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## Sources of finance

### Main

- Appropriations through the government budget
- Revenue generated by selling statistical offices products and services at market prices or at the marginal cost of dissemination for products
- Grants or loans from donors

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## Sources of finance

### Modalities

- Payments between departments as a mechanism for improving the allocation of resources

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## Sources of finance

### Market pricing of goods and services

- **“Goods** or “information products” are self-contained arrays of quantitative information, with or without interpretation, which can be stored for future retrieval
- **Services** are activities carried out by the statistical agency to create a statistical information product”

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## Sources of finance

### Other modalities

### Market pricing of goods and services

- The sale of such goods and services gives some assurance that the entire community is not funding a specialized commodity that is of interest only to a select number of users;
- Allowing statistical agencies to keep the proceeds of their sales of services provides an incentive for them to take advantage of unused capacity;

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## Sources of finance

### Other modalities

### Market pricing of goods and services

- Having such flexibility would prevent the user organization from developing its own survey capacity, with all the duplication of effort this could represent;
- It may promote a user-oriented culture in statistical organizations.

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## Requirements

- It is important for funding to be based on clear, systematic, transparent multiannual and annual work programs;
- It is important to develop and promulgate a long-term “master plan” in the appropriate government circles;
- It is vital for the statistical agency (or agencies) to mobilize sufficient political support from user community ;

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## Requirements

- A statistics council may also be an important instrument to achieve such support;
- In securing funding, it is very helpful if the statistical agency is seen as a well-managed organization that is proficient in planning and cost-accounting and in producing clear management reports that show progress income and expenditure, under and overspending , and so on.

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## WHY?

- Statistics is a public good
- There is not yet a shared \* statistical culture ie use of statistics is not firmly anchored in tradition
- Community of quantitative analysis both in and outside government is just starting emerging ;
- Policy decisions are not often evidence-based (specially on statistics);

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## WHY?

- Allocation of resources are not based on statistics measures;
- When data are not available , there are produced (estimated) by international institutions working with the government
- The government priorities are numerous such as health, education etc
- No price no value

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## Comments

- In most African countries, the funding of statistics is inadequate
- Budget shows sometimes an erratic evolution
- 20 to 70% of the activities are funded with external resources (grants generally but loans sometimes)
- Income from sales is not the solution (Few statistical offices generate more than 10-20 per cent of their income from sales in developed countries )
- Donors are sometimes reluctant to approve the sale of products (survey data) they financed

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## Comments

- New concerns :
  - E-commerce of statistical goods and services
  - Financing new premisses (or restoration of old buildings) and equipment for the NSO (through grants from the ABD African Fund for Technical Assistance )
  - Involvement of the private sector

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## The end

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