

## Statistical Commission

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**Activities not classified by field: coordination of development indicators**

### **Background document**

### **Indicators on “means of implementation”**

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**Consultancy report \***

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#### **Disclaimer**

\* The report is entirely the responsibility of the author Pedro Sainz and does not reflect positions of the United Nations or the Department for International Development, London, UK. The author wishes to express appreciation to Ms. Julia Bunting, Mr. Stefan Schweinfest and Mr. Jacob Ryten for their comments on this report.

## **SUMMARY**

This document is a summary of a desk study on indicators for means of implementation included in the Millennium Declaration and works associated with its preparation and follow up. It has been prepared for the Statistical Commission of the United Nations. It provides a brief synthesis on the substantive content of the Declaration and on the means of implementation it included, and a list of prototypes of indicators that will be needed for the follow up of the achievement of commitments acquired in terms of means of implementation. The list has been classified according to the conceptual and operative degree of development of the prototypes.

Section 1 presents the institutional framework that has originated an increasing demand for indicators of means of implementation and a summary of the most important of those means included in the Declaration. The reader interested fundamentally in the prototypes could skip this short synthesis and see Table 1 at the end of the section.

Section 2 presents the list of prototypes explaining the criteria utilized in its preparation, classifies the prototypes according to their degree of development, and comments on their present status. In each case available indicators being used are enumerated, and if a conceptual framework or an institutional machinery for its estimation exists it is described. The work and the report of the Friends of the Chair Group of the Statistical Commission on indicators is frequently mentioned, to highlight that the author considers the area of indicators of means of implementation as complementary to their work in indicators associated to objectives. At the end of the section certain possible strategic lines for dealing with the development of indicators of implementation are presented. Finally it should be stated that means of implementation are understood generally as resources to be mobilized. Nonetheless within the institutional framework of the Millennium Declaration and its follow up, a more broad interpretation is used. It makes reference to strategic actions or measures that represent commitments acquired to guarantee the achievement of objectives, not only resources mobilization, but also programs, policies, internationally agreed guidelines and capacity building within others. They will create the environment that enables development.

## Section 1

### A. PRESENT INSTITUTIONAL FRAMEWORK FOR INDICATORS OF MEANS OF IMPLEMENTATION.

1. The follow up of the UN Conferences has strengthened the relation between ECOSOC and the international statistical community. UNSD has assumed an important role in giving shape to a system of indicators that serves the purpose of satisfying the demands of the political system in this follow up. The topic of creating a system of indicators was also placed on the agenda of the UN Statistical Commission. A group called "Friends of the Chair" has prepared a technical report that constitutes a proposal to build a system of indicators with a calendar that responds both to priorities established in UN Conferences and possibilities of estimation of countries. The Statistical Commission will analyze the proposal and decide a course of action.
2. The origin of the work of the Friends of the Chair was the identification of some 280 indicators originated in the UN Summits of the nineties, of which the overwhelming majority was statistical in nature. No systematic effort had been undertaken during the nineties to examine the coherence, technical quality, and availability of information for the estimates before the UNSD acquired a leading role in the process.
3. The Friends of the Chair with the help of a large group of qualified experts has examined the previously mentioned list of indicators in 7 thematic domains. The proposal of the group also includes institutional recommendations to try to avoid in the future the ex-post procedure. Advanced planning for UN Summits or major conferences or the significant review of indicators within any international agency should trigger a consultation process they describe in certain detail. It involves consultation between the political and technical participants of a substantive area, including the correspondent UN organizations, and the statistical community. In particular the Statistical Commission, UNSD, and the ECOSOC play a significant and leading role in the process.
4. Two new challenges for the international statistical community have arisen in the new relation with the UN political bodies. In its resolution 2000/27 the ECOSOC asked the community to "10. *Stresses* the need to further develop indicators on means of implementation to evaluate progress towards conference goals in creating an enabling environment for development." The second challenge derives from the approval of the Millennium Declaration and its follow up work. In particular, the document "Road map towards the implementation of the United Nations Millennium Declaration" <sup>1</sup> includes an annex called Millennium Development Goals containing a list of 48 indicators, 13 of them related to means of implementation.
5. Both the ECOSOC Resolution and the Millennium Declaration and its follow up activities, emphasize in a particular way the role of means of implementation. The Partnership for Development included as a central strategic posture, highlights the importance that developed and developing countries attribute to the analysis of joint actions towards the achievement of agreed goals. The corresponding follow up process to examine the compliance of governments of their commitments in relation to the means they will mobilize to attain the objectives acquires great importance.

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<sup>1</sup> See UN General Assembly Document A/56/326

6. Most of the indicators included in the proposal of the Friends of the Chair refer to the achievement of objectives. There is a risk any time that the monitoring of a program relies exclusively in indicators associated with its objectives. Failure to achieve its goals may not be detected until a good deal of time has elapsed. On the other hand if there are indicators of the means of implementation needed to achieve these objectives, failure to do so can be detected pretty much at once.
7. The explicit and extended incorporation in the UN agreements of means of implementation and the political will to monitor the achievement of compromises acquired in relation to those means, constitute a new approach. The fact that the political system has asked the statistical community to develop a system of indicators at the start of the follow up of the Millennium Declaration opens an opportunity for both communities to work together since the beginning. The generation of a non-systematic list of indicators as the one generated in the case of indicators for objectives could be avoided. In fact the Friends of the Chair are recommending to start work at least in two areas where means of implementation are vital: human rights (entry into force of treaties), and good national governance (economic and institutional reforms).
8. One of the objectives of the desk study is to analyze the challenge that developing indicators for means of implementation represents for the international statistical community. At the same time it could help the political bodies to analyze their implicit demand for indicators from other angle. The Millennium Declaration, the document of the Secretary General prepared for the corresponding session of the General Assembly,<sup>2</sup> the Road map document previously mentioned, preparatory work for the Conference for Financing for Development, and the report of the Friends of the Chair to the Statistical Commission have been used as principal reference material.

## **B. SUMMARY OF MEANS OF IMPLEMENTATION OF THE MILLENNIUM DECLARATION**

9. The United Nations Millennium Declaration sets forth seven major current challenges that reaffirm the principles of the United Nations Charter, in an effort to create a more peaceful, prosperous and just world. The challenges cover 7 areas: Peace, Security and Disarmament; Development and Poverty Eradication; Protecting our Common Environment; Human rights, Democracy and Good Governance; Protecting the Vulnerable; Meeting the Special Needs of Africa; and Strengthening the United Nations. The enumeration illustrates the thematic breadth of the Declaration. Annex 1 provides a brief description of the content of each area. It shows that the topics covered include and largely exceeded those considered by the proposal of the "Friends of the Chair". They surpass it in the number of thematic areas considered and in the fact that the analysis of the Declaration pays great attention to means of implementation.

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<sup>2</sup> See <http://www.un.org/millennium/sg/report/ch0.pdf>

**TABLE 1**

	<u>Peace, Security and Disarmament;</u>	<u>Development and Poverty Eradication</u>	<u>Protecting our Common Environment;</u>	<u>Human rights, Democracy and Good Governance</u>	<u>Protecting the Vulnerable</u>	<u>Meeting the Special Needs of Africa</u>	<u>Strengthening the United Nations</u>
Approval, ratification and entry into force of treaties	X		X	X	X		
Programs and policies in social and environmental matters		X	X			X	
Policies for economic growth		X					
Improving the global institutional framework							X
Mobilization of resources		X	X	X	X	X	X
Capacity building	X	X	X	X	X	X	

**10.** The means of implementation represent commitments acquired by countries to guarantee the achievement of the objectives included in the seven areas.(see Table 1) It has been possible to identify 6 types of means of implementation. They are: The approval, ratification and entry into force of multilateral agreements or conventions; Programs and policies in social and environmental

matters that follow international agreed guidelines; Policies for economic growth that follow internationally agreed guidelines; Policy decisions jointly adopted by the international community with a view to improving the global institutional framework; Mobilization of resources; and Capacity building. These types of means are applied in different degrees in the seven areas. Table 1 summarizes their use in the seven areas. Mobilization of resources and capacity building are the ones of most extended use, while policies for economic growth and improving the global institutional framework are specific to one area each.

11. In the desk study the means of implementation and its characteristics have been treated with certain length to give a more precise idea of the number and nature of topics covered in each area. For example, listing conventions illustrates the breadth of the matters under consideration. Actions against international terrorism are covered by twelve conventions. Noteworthy among those mentioned in the Declaration are the Roman Statute of the International Criminal Court, the UN Convention against Transnational Organized Crime, the Comprehensive Nuclear-Test-Ban Treaty, the Kyoto Protocol, the Convention on Biological Diversity, the International Covenant for Economic, Social and Cultural Rights, the Convention on the Elimination of All Forms of Discrimination against Women, and the Convention on the Rights of the Child. Entry into force of these conventions will require the creation of an impressive legislative capacity, that in turn implies strong capacity building in many developing countries.
12. The examination of means of implementation was carried out in great detail in poverty alleviation, environment and economic growth to satisfy the terms of reference of the desk study. The Millennium Declaration establishes clear quantitative goals in the area on "Development and poverty eradication". Eight principal ones have been identified. They relate to: extreme poverty, hunger, and access to safe drinking water; education; maternal and child mortality; HIV/AIDS and other major diseases; access to medicines; slums; gender equality; and youth employment. Within the area on Protecting our Common Environment seven objectives are established regarding global warming, forests, biological diversity, desertification, water resources, natural disasters and man-made disasters, and information on the human genome.
13. In economic growth five areas have been treated separately: Good domestic governance, foreign trade, foreign direct investment, debt relief, and official development assistance. Special means for 4 particular groups of countries will be treated separately.
14. The recommendations of the Zedillo Report specially prepared for the Conference on Financing for Development has been incorporated separately. They represent an effort to be more specific in the content of means of implementation in the areas that are proper of financing for development. Nonetheless, they do not represent an agreement of government, been the opinion of a panel of experts. Later, the agreement that the conference approves will serve as an important guide for the development of indicators for means of implementation.

In the desk study means of implementation proper of all these three topics were treated separately for different goals and policy areas, due to their specificity. It avoids the temptation of believing that establishing prototypes of indicators could avoid the

additional operative work needed to cover programs and policies that are of a different substantive nature even within one area.

## **Section 2**

### **Prototypes of Indicators for Means of Implementation**

#### **A Selection of prototypes**

15. To help identifying the challenges that the international statistical community faces in the definition and estimation of indicators that are functional to the follow up of Millennium Declaration, a set of prototypes of indicators has been defined.
16. To define the prototypes the fact that the indicators are proper of one area has been selected as front criteria. The four specific areas considered are economic growth, poverty, environment, and treaties.
17. For the first three areas a second criteria selected has been the nature and compromises associated to resources mobilization. In terms of nature when those resources are external they are linked to macroeconomic balance of payment transactions. When they are domestic they have strong links with public budgetary matters. In terms of compromises, when external resources are mobilized recipient countries have assumed the commitments to incorporate internationally agreed guidelines, including national good governance.<sup>3</sup>
18. In the area of economic growth a significant experience has been accumulated for ODA, debt relief, international trade, and in some topics of national good governance. In these cases it is justified to deal with them separately, and to open the prototype according to one of the previous criteria. On the contrary, in the case of capacity building the area has been discussed as a single prototype.
19. Using these criteria the following prototypes of indicators for means of implementation have been defined.
  1. Economic growth ODA-macro resources
  2. Economic growth ODA- by purpose of national expenditure
  3. Economic growth ODA- global public goods
  4. Economic growth Debt relief- macro resources
  5. Economic growth Debt relief-guidelines for programs
  6. Economic growth International trade
  7. Economic growth foreign direct investment
  8. Economic growth National good governance macro policies
  9. Economic growth National good governance institutional policies
  10. Economic growth International good governance
  11. Poverty programs(8 goals)-public expenditure
  12. Poverty programs- guidelines
  13. Environment programs-public expenditure
  14. Environment programs-guidelines
  15. Treaties Approval and ratification
  16. Treaties entry into force
  17. Capacity building

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<sup>3</sup> Other important examples of agreed guidelines are the commitment of establishing partnership with non-governmental actors and including gender considerations in the design and execution of programs

No prototype has been included for improving the global institutional framework. It is an area where negotiations are essential and where resources matters are discussed at the highest level within the UN framework

## **B. Classification of Prototypes**

20. The list does not pretend to be exhaustive, but nonetheless covers a high percentage of means of implementation included in the Millenium Declaration and associated UN work.

This list of 17 prototypes has been organized in Table 2 according to the degree of development that exists in the conceptual and operational areas. High, medium, and low or none degrees are used. Of course the classification only reflects the opinion of the author, and its aim is to promote the accumulation of information on the topic. It should also help to discuss priorities of action if the international statistical community decides to use resources in developing this type of indicators.

### **B1 High Degree of Development Indicators**

21. The table has been prepared based on the analysis included in the desk study. One extreme group is related to economic indicators associated to external transactions between developed and developing countries. They are balance of payment variables associated to macro measurements of ODA, external debt and international trade. They constitute rather traditional indicators. Conceptually a solid accounting framework exists, institutional machinery to make reliable and comparable estimates is in place, and an important operational experience exists.

22. The most traditional indicator of means of implementation is the percentage that ODA represents of GNP or GNI. The study enumerates a list of associated indicators that DAC-OECD publishes on a regular basis and relate to origin and recipient country, bilateral and multilateral channels, and resources used for debt relief (ODA related to purpose to be commented latter). Both the MDI and the Friends of the Chair have included the percentage that ODA represents of GNP as an indicator. The MDI has added other indicators related to ODA of which two are of macro character: Proportions of ODA that is untied and is provided as debt relief. It is important to note that the Friends of the Chair as a general criteria have not considered a number of indicators associated with the Millennium Declaration goals on the basis they will be monitored for specific sets of countries, and therefore are not global indicators

23. External debt relief macro-indicators will be examined here in more details than other prototypes. There are at least two reasons. The first is that HIPC initiative constitutes an exercise that has important similarities with the Millennium Declaration. Although limited in thematic scope and using political criteria that do not necessarily match with those of the Declarations, it includes resources mobilizations, programs to alleviate poverty and capacity building as central means of implementation. The second is that an important institutional effort has been underway for many years for conceptual and operational development related to the estimation of external debt. IMF, OECD, the World Bank, and BIS have actively participated in the exercise. Therefore, there is a



solid conceptual and operative basis for indicators for macro-indicators of external debt relief.

TABLE 2

**OPERATIONAL DEVELOPMENT**

CONCEPTUAL DEVELOPMENT

	HIGH	MEDIUM	LOW OR NONE
HIGH	1. ODA-macro 4. Debt relief-macro 6. International trade	15. Treaties-approval and ratification	
MEDIUM		2 ODA-purpose 7 Foreign direct investment 5. Debt relief-guidelines 8. National good governance- macro 11. Poverty-public expenditure	12. Poverty-guidelines 16. Treaties-into force
LOW OR NONE			3. ODA-public goods 9. National Good governance-institutional 10. International good governance 13. Environment-Public expenditure 14. Environment-Guidelines 17. Capacity building

24. The HIPC initiative has provided an opportunity to review procedures and prepare figures for the poor developing countries that have participated in it.. The IMF and the World Bank have provided technical assistance. Therefore for macro estimates of indebtedness figures are available. The exercise utilizes in the macro aspects three basic indicators enumerated and commented upon in the desk study. They are the relations between the net present value of external debt and exports and fiscal revenue, and the percentage of exports to GDP. The cost of the initiative for each country could be considered as a fourth important

indicator. The country reports prepared for the three steps of the initiative present a set of other indebtedness-related indicators.

25. Of the 13 indicators on means of implementation included in the MDI<sup>4</sup> four of them related to debt relief and appear under the title of debt sustainability. They are: Proportion of official bilateral HIPC debt cancelled, debt service as a percentage of exports of good and services, proportion of ODA provided as debt relief, and number of countries reaching HIPC decision and completion points. The indicator on ODA can be provided by DAC-OECD and requires cross checking with IMF, while IMF may provide the rest, at least for countries that are participating in the HIPC initiative. It should be kept in mind that a uniform definition of external debt is required, to avoid operational and comparison difficulties. Some items of external debt, especially those related to the short term and financial transactions could create operational difficulties. A conceptual issue not explicitly considered is the amount of total public indebtedness, both internal and external in relation to GDP or public revenues. It is well known that a relation between these macro concepts could be a good evaluation tool.
26. The Millenium Declaration pays especial attention to the role of external trade in development, and in particular to the access of developing countries exports to developed countries markets. Trade figures are within the most traditional information produced by statistical systems. The Friends of the Chair have included the external trade as a proportion of GDP in their proposal. The MDI list concentrates on indicators that reflect policy instruments. Concretely they include the proportion of exports (by value and excluding arms) admitted free of duties and quotas, average tariffs and quotas on agricultural products and textiles and clothing, domestic and exports agricultural subsidies in OECD countries, and proportion of ODA provided to help build trade capacity. These indicators do not raise important conceptual problems, Clarification is needed in the meaning of "help build trade capacity", and in the understanding that the first two are calculated in each developed country for each developing country. Operationally, most of external data banks of developed countries can provide data of external trade that admit identifying agricultural, textile, and clothing products. The availability on data for tariffs and quota under the institutional framework of UNCTAD or the World Bank seems possible. The interesting characteristic of this type of information is the long tradition of comparable external trade information. When it is of administrative origin, the possibility exists of introducing categories as tariffs and quotas to the description and estimates of transactions. The OECD could provide information on subsidies.

## **B2. Medium Degree of Development Indicators**

27. Indicators for the approval and ratification of treaties do not present conceptual problems. The operational machinery, although not formally in place, should not represent an important obstacle. The possibility of introducing weighting to

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<sup>4</sup> The list is the one included in the Road Map document. This is not necessarily a definitive list and there is a rather intensive debate about its content.

consider demographic, economic or other technical characteristics could complement the simple counting of countries. Within the medium degree of development indicators this is the one that raises less problems.

- 28.** Five other prototypes of indicators have been qualified here as of medium conceptual and operational development. They are ODA by purpose, Foreign Direct investment, debt relief-guidelines, national governance-macro and poverty programs-public expenditure. This classification has been applied within the framework of the Millennium Declaration.
- 29.** ODA by purpose exists as an indicator being regularly published by DAC-OECD. This information is probably not so strong in reliability as the one previously mentioned in macro ODA. It depends on what donor countries inform of what recipient countries are doing with the resources and there are expenditures that are not easy to assign to one of the purposes included in the DAC-OECD tables. If the strategy of the budget support system gains momentum the possibility of obtaining information from donor countries will be extremely low. If the indicator is to become relevant to the Millennium Declaration, the purpose is now strongly related to the specific goals included in the document, which are not necessarily the same as those considered by DAC-OECD. Furthermore, the goals should now be included in country owned programs. The source of the information will move from donor countries to recipient countries. Therefore development exists for this indicator but it will be necessary to work both conceptually and operationally to satisfy the new requirements.
- 30.** Foreign Direct Investment is a well defined and useful concept and is one item of the balance of payments. Its importance as external saving and as a mechanism of transferring technology and gaining access to markets has been highlighted in numerous UN documents. Therefore, to capture its magnitude, its different types and effects there is need of more than one indicator. The global FDI as a percentage of gross savings, or of GDP or of some other macro variable of balance of payments are useful indicators and are available for most countries. The development of other indicators relevant to a description of FDI that developing countries consider important, such as spillovers affecting local firms is less developed. Some means for promoting the increase in magnitude and quality of FDI have been proposed recently in relation to preparatory work for the Conference on Financing for Development<sup>5</sup>. Indicators are available from the macro balance of payment but more work is needed to qualify types of foreign direct investment with different effects on developing countries. It should also be remembered that in the Millennium Declaration and in the Road map document the success of FDI mobilization appears highly associated with national good governance, a topic discussed below.

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<sup>5</sup> See Statement of Dr. José Antonio Ocampo, Eclac's Executive Secretary to the fourth session of the Preparatory Committee of the Conference of Financing for Development, on behalf of UN Regional Commissions.

31. Debt relief-guidelines indicators analysis has the advantage of the experience of the HIPC initiative. The origin of the relation is that the availability of resources for debt relief is conditioned to the existence of programs for economic growth and poverty alleviation that follow guidelines that the Boards of the IMF and the World Bank consider acceptable. In the desk study the experience accumulated in the initiative for the 6 countries that at the end of 1991 had arrived at the completion point is examined with certain detail. Programs approved up to now, include guidelines mentioned in the Millennium Declaration such as, participation of social groups in the formulation of the plan, gender, education and health, and environmental considerations. Guidelines needed for economic policies, poverty programs, and good governance that are discussed later in the desk study are also included in some country programs. The indicators mostly used in the initiative are associated with public expenditure in items that represent fight against poverty. One used as a basic criterion is the percentage that social expenditure represents of the service of external debt. The situation is less favorable for indicators for poverty programs and adoption of guidelines associated with debt relief. Both the conceptual and operative development is medium in the sense that there are general guidelines for poverty reduction programs but their definition has not arrived to a point that make possible establishing accepted indicators. For example, the limits of expenditure accepted as qualifying for poverty reduction are not clearly defined, and operatively the national budget presentations do not always make it possible to apply standard accepted classification of programs. Nonetheless, there is work underway and certain budgetary classification of expenditure are being used and compared with other macro variables. Something similar happens with the guideline of partnership and the participation of non-governmental actors. The qualitative description does not allow easily establishing an indicator in these last topics.
32. The example of the HIPC is useful for the Millennium Declaration follow up. Anyhow it should be born in mind that in future the follow up will become the responsibility of the General Assembly. The guidelines accepted by the Declaration are not necessary those of the Boards of the Bretton Woods institutions. The concept of country owned programs will probably play a major role. Nonetheless, developing countries also accept the principle of using the available additional resources in programs that alleviate poverty. This justifies the importance of improving the conceptual development of the guidelines that will facilitate the definition of indicators useful in this area. There is no doubt that further conceptual and especially operational development of public sector budgetary frameworks will be needed. Particularly the need to move further than the functional level of expenditure to approach the program level will be of great help.
33. The MDI does not include indicators for these types of programs guidelines. The Friends of the Chair in their proposed list have included four indicators of government expenditure on health and education as percentage of GDP or of GDP per capita. These indicators are closely related to the percentage that social expenditure represents of debt service mentioned before,

34. National good governance-macro criteria is one of the topics where there are both agreements and disagreements in the discussions associated to the Millennium Declaration and to the preparatory work for the Conference on Financing for Development. Leaving aside the political discrepancies there is a great deal of operational experience in this field. The Bretton Woods institutions and especially the IMF normally uses macroeconomic criteria and indicators in their reports on countries economic conditions. These conditions are closely related to some of the components of good governance. The HIPC initiative provides with numerous examples of guidelines and indicators for good governance. The macroeconomic concepts and indicators that have been used as needed means of implementation for economic growth include important examples: Budget equilibrium, External current account balance, reducing inflation, foreign direct investment participation in GDP, strengthening basic infrastructure, reduction of the cost of services including public utilities, widening of the tax base, promoting the expansion of the export base, reduction of internal and external financial imbalances, increase of fiscal revenue to GDP. Macro indicators well defined in national accounts and balance of payments are used to carry out a follow up of these means. The Friends of the Chair do include some such as Investment and Gross Saving as proportions of GDP. But in other areas such as the financial the degree of disagreement and of conceptual development of indicators is much lower. It is well known that new financial instruments are of a complicated nature on occasion, and at the same time play an important role in the mobilization of resources. It is necessary to work on indicators in this field due to the fact that a solid financial system is important for national good governance. To a lesser extend there is also need of further development in other macro areas as the fiscal sector.
35. The poverty programs are among the most important means of implementation included in the Millennium Declaration. The first prototype of indicator associated with it to be examined here is that related with public expenditure. What was mentioned in the debt relief guidelines in relation to public expenditure is applicable here. The important differences are that in the Millennium Declaration the thematic goals are much broader. They relate to: extreme poverty, hunger, and access to safe drinking water; education; maternal and child mortality; HIV/AIDS and other major diseases; access to medicines; slums; gender equality; and youth employment. Appropriate indicators of the effort a government is doing in each area are public expenditure in absolute terms in the programs related to the goals, their growth in real terms in time, and their relations with total expenditure, with total social expenditure, and with GDP. It should be remembered that in many areas the expenditure that interests may be a part of the expenditure in the function, as is the case of primary education and health. Establishing limits to the expenditure in terms of that part that is essential for the goal is a conceptual task where there is work done but also much work to do. Operationally what was said for programs of debt relief also holds in this case.

### **B3. Low Degree of Development Indicators**

- 36.** Indicators for the satisfaction by poverty programs of the internationally agreed guidelines are less developed than the budgetary aspects. Conceptually the guidelines exist for most goals, but their characteristic is of a conceptual quality that doesn't admit an easy translation to quantitative terms. For example, fighting extreme poverty requires, according to guidelines included in the Millennium Declaration, to pay special attention to gender equality, the empowerment of women and developing strong partnership with the private sector. When evaluating a program if no attention has been given to one or more of this aspects it is easy to say that they do not satisfy the guidelines. But the fact that they are considered may not be enough. Of course in the evaluation of programs the budgetary considerations could be used, but undoubtedly experts could develop more precise criteria that could be followed by indicators. Therefore, this prototype of indicator has had a low operational development up to now. Recently, some countries have developed statistics associated more closely with programs to alleviate poverty than to indicators of results. They constitute an important example of the growing preoccupation with means of implementation, especially associated to budgetary matters. The Rio Group on poverty statistics has incorporated the topic in its working agenda<sup>6</sup> The Friends of the Chair have recommended, for example, to establish a process in review the hierarchical framework and priorities in the health domain to address the substantive gaps in the indicator set. This recommendation could be extended to other areas when the need of incorporating indicators for means of implementation is considered necessary.
- 37.** Indicators for entry into force of treaties have some conceptual development but a low operational one. A good example of this type of indicators are those related to human rights included in the long list examined by the Friends of the Chair. They are: periodicity of free and fair elections; recognition in law of guarantees for an independent and impartial judiciary; recognition in law of the prohibition of gross violations of human rights; recognition in law of the right of freedom of expression, association and assembly; recognition in law of the right to seek judicial remedies; Status of follow-up to concluding observations of UN human rights treaty bodies; and indicators of the status of ratification of, reservations to and reporting obligations. In this area there are NGO's that keep track of compliance of commitments by countries but present more cases than systematic indicators. Nonetheless, the simple record of cases where there exist documented complaints constitute indicators that have important international effects. In other areas such as intellectual property, an Agreement, such as TRIPS, has a Council responsible for keeping track of compliance with this commitment. It would thus be possible to have tables showing different percentages of compliance. Due the growing international importance that the entry into force of treaties has for countries, including for their access to international resources the matter will undoubtedly create strong demands for

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<sup>6</sup> See for example the documents Tackling poverty and social exclusion. Jackie Oatway (Department of Social Security, United Kingdom, Monitoring policies at the local level. Berta Teitelboim (MIDEPLAN, Chile), and Typologies of policies for poverty alleviation and derived statistical demands, Pedro Sáinz at the Rio Group web site <http://www1.ibge.gov.br/poverty/>

the statistical system. The report of the Friends of the Chair recommends "that the Statistical Commission establish a mechanism, perhaps a City Group, involving statisticians and others including policy officials to develop statistical indicators of human rights and good governance"

38. Finally there is a group of six prototypes where there is a low degree of conceptual and operative development. Two of them correspond to the environmental programs area, both in public expenditure and in the incorporation of internationally agreed guidelines. The other four are ODA for public goods, incorporation of institutional guidelines to national good governance programs and reforms, international good governance, and capacity building.
39. It is well known that environment is a relatively new area of study. The Secretary General in his document for the Millenium Declaration Assembly Sessions called for an effort of the international community to cooperate in the conceptual development of environmental matters. The field is in itself very broad and covers as mentioned before topics of very different nature. There is some development in certain topics but it concentrates more on the measurement of results and not in means of implementation.
40. The importance of the global public goods has been already highlighted. Efforts are underway to identify them well and to study their financing. The Zedillo report analyzed in the desk study and the preparatory work for the Conference on Financing for Development have pay a great deal of attention to the topic. This is a matter where procedures recommended by the Friends of the Chair for the advanced planning of for UN summits or major conferences could apply.
41. Indicators for national good governance institutional policies and reforms have a rather short tradition, at least in developing countries. The processes of economic and institutional reform that have been so common in the nineties provide experience relevant to the process but few on indicators of means of implementation. Again here the experience of the HIPC initiative that has given great importance to the reforms, provides interesting documentation. Institutional reforms and policies in country documents that reached completion point include, legal and regulatory frameworks, new commercial codes covering company and contract law, regulation of private sector involvement in sectors such as telecommunications, and energy, fiscal transparency and accountability, and reducing corruption. In some of this reforms means and there indicators are of a similar nature to those mentioned when dealing with entry into force of treaties, where indicators era less developed or do not exist. Some effort is underway to include some opinion surveys with qualitative questions in topics like corruption. Staffs of the IMF and the World Bank have acquired certain experience in judging if the reforms satisfy guidelines that their Boards consider adequate, but the documents do not show the systematic use of indicators.
42. International good governance is a topic where the Millennium Declaration and preparatory work for the Conference on Financing for Development show that there are many points of non settled agreements. As an example of the topics

under discussion in the statement of the regional commissions to the fourth session of the preparatory committee quoted before. Measures that relate to international good governance, especially in the financial system are proposed. If approved some of them relate to concepts of balance of payments where indicators are available. An interesting effort organised by UN DESA to study the possibility of creating a transparent, and fully credible information system about the borrower's investment potential is underway<sup>7</sup>. It is being studied as an international initiative with the participation of regional and national bodies. Although also related to foreign direct investment it covers a broader scope of financial instruments. There are proposals of institutional and technical nature that would require the use of a set of indicators that pursue creating a better environment for international capital movements towards developing countries. The proposals also imply a partnership of the private actors with the Bretton Woods institutions and regional development banks. But at present the complete area of international good governance still needs much work.

43. Capacity building is one of the means of implementation that covers most areas and of agreed importance for developing countries. At the same time it is a topic with low conceptual and operative degree of development. One of the few examples is the one mentioned in the report of the Friends of the Chair. It refers to the work underway by the Paris 21 initiative to develop an indicator of statistical capacity. Some recommendations to strengthen the work are included and the experience could be extremely valuable for progress in other areas.

### **C. Systematic Statistical Developments**

44. The Statistical Commission could if it decides to take action in indicators of means of implementation take many courses of action. The report of the Friends of the Chair constitutes a first strategy where what was asked was to establish priorities and increase the quality within a list of indicators already defined in most cases. The same report does not consider this strategy as an optimum, and recommends other course of action already mentioned for future UN Summits or major conferences.
45. The degree of development of indicators of means of implementation allows to describe three possible strategies that could be complementary. They are more systematic approaches than simply using prototypes to divide the future work. They are related to the development by the international statistical community of accounting systems that serve multiple purposes. The SNA is probably the best example. It is also possible to divide the SNA both by the conceptual and operational degree of development of the topics with which it deals.
46. First there is a group of prototypes associated to economic growth where indicators have been qualified as of high degree of development. They use principally macroeconomic statistics for production and balance of payments. Aggregated population figures are also used to introduce per capita concepts. Up to now they constitute a short list( 13 in the MDIO. When compared to other

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<sup>7</sup> See Report of an Expert group meeting on Strengthening Information and Analytics of the Global Financial System, UN, New York, 5 November 2001.



available indicators of the same sort it is evident that there is broad field for progress in terms of quantity, priority, and precision. But the statistical effort is within possible limits without big investment. A work similar to the one of the Friends of the Chair is possible with the advantage that the effort is in its beginnings.

47. Second there is a broad area where indicators are associated to fiscal policies. The topic is of great importance for all countries because budgetary planning, execution, and monitoring are central to the political debate all around the world. Even without international agreements countries need to develop an statistical capacity in these area. Some statistical offices have develop interesting methods to deal with their own budget and efficiency in its use. Increasingly all actors that use public resources are being asked to demonstrate an efficient use of them. Input and cost indicators need to be complemented by output indicators.
48. In the framework of the Millennium Declaration debates the problem of ownership of programs by developing countries has been accepted. But it is also true that through some mechanism countries that are using external assistance resources need to demonstrate they are being successful in mobilising efficiently their resources to achieve the goals. The SNA93 includes the conceptual framework for fiscal statistics. But the demands previously commented on very specific poverty and environmental programs will require some conceptual additional work, and a great deal of operational development. It is well known that it is not easy today to obtain comparable figures for public expenditure in developing countries. If the topic of efficiency is added, a challenging area of systematic work could be delimited. This work could be of benefit to the construction of indicators of means of implementation and benefit the statistical capacity building.
49. Third, there is a set of prototypes that are at the frontier and still have a small degree of development. The friends of the Chair have recommended to start work in the entry into force of treaties in human rights and good governance, two typical means of implementation. In the desk study an effort has been made to illustrate the breath of the topics included in the treaties and the different type of means associated to good governance. Indicators for environmental programs (budget and guidelines), capacity building and public goods complete a list of potential areas of work where a systematic accounting framework is still far away in the horizon. Therefore, more modest objectives should be established for these type of working groups.

## ANNEX 1

Firstly, the Declaration defines the area of Peace, Security and Disarmament in which the aim to fight the scourge of war, both within and among States, and to establish a just and lasting peace over the world. Among other important objectives, the Declaration includes strengthening respect for the rule of law, enhancing the effectiveness of the United Nations in maintaining peace and security, taking action against international terrorism, countering the world drug problem, fighting transnational crime, eliminating weapons of mass destruction, ending traffic in small arms and light weapons, ending the production and use of anti-personnel mines and making progress with their eradication.

The Development and Poverty Eradication area covers two sets of closely linked objectives. On the one hand, it calls for improving the living standards of the poorest, for which it proposes concrete goals to be attained by 2015 in terms of overcoming extreme poverty and hunger, access to safe drinking water, improving education and health care levels, fighting against HIV/AIDS, improving living standards in the slums, gender equality and employment for young people. On the other hand, given that globalization provides substantial opportunities but its costs and benefits are unequally distributed, the Declaration establishes another set of objectives so that developing countries and countries with economies in transition may overcome their difficulties and participate in the process and thus fully enjoy its benefits. These objectives are aimed at creating a national and international environment that favors development; they refer, in particular, to the need to establish good governance on a domestic and international scale; improving access to markets for the export products of developing countries; alleviating their debt burden; increasing ODA particularly for countries that are making bigger efforts to overcome poverty and especially consider the problems that affect the least developed countries, the small island developing states and the land-locked developing countries.

The third area, Protecting our Common Environment sets forth the principles for sustainable development. It is dedicated to the issue of freeing humanity at present and in future from the threat of living in a hopelessly polluted planet with insufficient resources to cover its needs. The main objectives proposed refer to the need to decrease global warming through the entry into force of the Kyoto Protocol and the consequent reduction of emissions of greenhouse gases; intensify efforts to develop all types of forests and to combat desertification; stop the exploitation of water resources; reduce the number and effects of natural disasters and man-made disasters; and ensure free access to information on the human genome.

The Declaration also establishes an area dedicated to Human rights, Democracy and Good Governance. It reaffirms the importance of enabling all nations to have effective democracy, live by the rule of law, and enjoy human rights and fundamental freedoms. In addition to a few general objectives, some more specific objectives are set forth which are aimed at eliminating all forms of violence and discrimination against women;

protecting the rights of migrants; eliminating acts of racism and xenophobia; and ensuring the freedom of the media.

The area Protecting the Vulnerable stresses the need to ensure assistance and protection for civilian populations, particularly children, who suffer disproportionately the consequences of natural disasters, genocide, armed conflicts and other humanitarian emergencies.

Given the seriousness of the situation in Africa, the objectives of the area Meeting the Special Needs of Africa include supporting Africans in their struggle to consolidate democracy, achieve lasting peace, eradicate poverty and attain sustainable development. Finally, the Declaration includes an area called Strengthening the United Nations aimed at making it a more effective instrument in attaining its objectives. The main objectives seek to reaffirm the central position of the General Assembly and ECOSOC; achieve a comprehensive reform of the Security Council; strengthen the International Court of Justice; ensure that the Secretariat has all the necessary resources and to put them to the best possible use; and to strengthen co-operation with its agencies, the Bretton Woods institutions, the WTO, the Inter Parliamentary Union and other multilateral organizations.