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**Items for discussion and decision: statistics of
human development****Report of Brazil, Morocco and South Africa on
Member States' concerns with indicators released by
the United Nations agencies****Note by the Secretary-General**

The present report summarizes the recent debate on Member States' concerns about country level statistical indicators released by international organizations or their country representatives. The document focuses on the concerns of Brazil, Morocco and South Africa about the choice of indicators and their methodology on the one hand and concerns about the choice and use of source data on the other hand, and provides concrete examples for discrepancies and problems that can arise from such discrepancies or the process of producing these indicators. Points for discussion by the Commission are contained in paragraph 25 of the report.

* E/CN.3/2011/1.



I. Background

1. The issue of dissemination of country statistical indicators by international organizations (or their country representatives) has been on the agenda of the Statistical Commission a number of times in the past years. The issue has been raised by countries in the context of the elaboration of the *Human Development Report* and the *Millennium Development Goals Report*. The debate centres on two main concerns repeatedly raised by Member States: concerns about the choice of indicators and their methodology on the one hand and concerns about the choice and use of source data on the other hand.

A. Concerns on the choice of indicators and their methodology

2. Criticism on the choice of indicators has come up on several occasions in the past ten years. At the thirty-first session of the Statistical Commission (2000), such concerns were raised by Australia in a background document on the *Human Development Report 1997*, containing a number of criticisms of the statistical content of the 1999 issue¹ of the *Human Development Report*. In his paper, Australia pointed out a number of technical issues concerning the Human Development Index. Based on this, the Commission approved the formation of a Friends of the Chair group, which reported back to the Commission at its forty-second session in 2001 (E/CN.3/2001/18). The Friends of the Chair group found that in several instances the points raised by Australia were justified and that some indicators used in the *Human Development Report* were inaccurate, such as the choice of US dollars as opposed to purchasing power parity dollars to convert national statistics to internationally comparable ones. In addition to such methodological issues, there was a lack of transparency as to what was the actual methodology used and what the source data was. This was a particular concern as the users of the *Human Development Report* are a broad audience without necessarily a statistical background.

3. This concern was brought up again in the Commission at its forty-first session (2010), when the Human Development Report Office announced a revision of the current Human Development Index and the Commission “expressed regret that there had been a lack of consultation with the Statistical Commission” on the methodological issues (E/2010/24, chap. I.B, decision 41/112). Subsequently, another expert group was formed and its report is before the Commission at its forty-second session (see E/CN.3/2011/14). In this regard, there is disquiet in the statistical community regarding the methodology and data sources of the new Multi-dimensional Poverty Index released by the Oxford Poverty and Human Development Initiative with the support of the United Nations Development Programme (UNDP). This Index has never been consulted with the community of official statisticians through the Statistical Commission or other channels.

¹ Although the title of the background paper refers to 1997, the actual text referred to was the *Human Development Report, 1999*.

B. Concerns about the use of source data

4. The issue of discrepancies between data published by international agencies on the one hand and countries on the other hand, arose in the context of the Millennium Development Goal reporting. The topic was first brought to the attention of the Commission at its thirty-sixth session (2005) by means of a conference room document² prepared by South Africa and considered by the Commission under the agenda item on coordination and integration of statistical programmes, which, among other concerns, raised awareness for discrepancies in data computed/disseminated by international agencies and data produced by countries. Such discrepancies oftentimes lead to different figures for the same indicator. The Commission agreed to form a group of Friends of the Chair to ... develop suggestions on processes that could be used to bridge the information gap between users and producers of Millennium Development Goal indicators and the lack of adequate data sources (E/2005/27, chap. VI.A, para. 13 (g)).

5. The Group reported back to the Commission at its thirty-seventh session (2006), identifying imputed or significantly adjusted figures as a particular worry of countries. Regretting that oftentimes the reasons for the differences in data are not sufficiently transparent, the Friends of the Chair recommended that there be no imputation of data at the country level unless the methodology has been reviewed and approved by an international panel of experts (E/CN.3/2006/15, para. 27). On the basis of the report and the deliberations of the Commission, the Commission recommended to the Economic and Social Council for adoption a draft resolution on strengthening statistical capacity, which the Council adopted as resolution 2006/6 the same year.

6. In the resolution, the Economic and Social Council expressed concern about the validity of the use by international agencies of imputed data, particularly when there is a lack of transparency in their methodology. The resolution also called upon all international agencies to improve the coverage, transparency and reporting on all indicators through avoiding imputation unless specific country data were available for reliable imputations following consultations with concerned countries and through transparent methodologies.

7. Much work has since been done by the Inter-Agency and Expert Group on Millennium Development Goal indicators to rationalize the discrepancies. The group has addressed the concerns raised by the Statistical Commission in relation to the production of Millennium Development Goal indicators and the ability of countries to undertake their own national monitoring and to implement the recommendations contained in Economic and Social Council resolution 2006/6 on statistical capacity-building. The group has also addressed the requests by the Statistical Commission to improve the data and indicators to monitor the Millennium Development Goals.

8. The work has focused on improving coordination within national statistical systems and their reporting mechanisms to the international agencies, in an effort to reduce data gaps and data discrepancies between national and international sources. The United Nations Statistics Division, together with many of the partner agencies

² The conference room document was prepared by Pali Lehohla, Statistician General, Statistics South Africa and is available from <http://unstats.un.org/unsd/statcom/sc2005.htm>.

within the Inter-Agency and Expert Group, has engaged in a series of workshops to bring together representatives of national statistical systems and experts from the international agencies responsible for the compilation of the international data series. The main aim of this exercise was to review existing data gaps and differences between national and international data sets, identify the underlying causes, and recommend appropriate actions to resolve these gaps and inconsistencies. The series of workshops has now covered over 60 countries. Two more workshops are planned for late 2010/early 2011.

9. In order to improve the transparency of methodologies used by the international agencies in the production of estimates, the database on Millennium Development Goal indicators was completely redesigned to include extensive metadata that provide a complete description of methods and sources for all data included. Each country data cell is also coded according to the type of source used and the extent to which the figure has been adjusted for international comparability.

10. The agencies members of the Inter-Agency and Expert Group have also formally adopted the Statistical Data and Metadata Exchange (SDMX) as a platform for data and metadata exchange and have been working with countries where there has been interest in adopting SDMX for Millennium Development Goal indicators to facilitate data and metadata exchange and minimize differences between national and international sources.

11. A United Nations Statistics Division project funded by the United Kingdom Department for International Development also focused explicitly on resolving the discrepancies. Building on progress made during its pilot phase (2008/09), the project has started working with 11 countries across Asia and Africa to take stock of outstanding discrepancies between national and international indicators and to work with national statistical offices, line ministries and international agencies to understand, explain and address these discrepancies. The project has launched a data dissemination prototype, MDGLabs,³ which displays national and international key Millennium Development Goal indicators and highlights and explains any discrepancies for 27 countries. This application has received positive feedback from both the donor and the project countries.

II. Member States concerns

A. Brazil

12. The Brazilian Institute of Geography and Statistics and the other high authorities of the Brazilian federal government, including the Permanent Mission of Brazil to the United Nations, have been concerned about the introduction of the UNDP Multi-dimensional Poverty Index. The Government of Brazil is extremely uncomfortable with the indicators disseminated by UNDP, which have been produced without consultation with the Brazilian Institute of Geography and Statistics and the ministries of health and education. For that reason, Brazil accepts the Index and other UNDP indicators with reservations and does not recognize them as official United Nations data.

³ Available from <http://unstats.un.org/unsd/mdglabs>.

13. Brazil's strong disapproval of UNDP indicators stems from the current UNDP practice, and more specifically from the following three facts: (a) the non-use of the official statistics produced by the Brazilian Institute of Geography and Statistics and other Brazilian ministries and authorities in the production of the Index and other indicators; (b) the lack of transparency about the data sources used by UNDP and about the methodological approaches implemented and assumptions made in calculating the Index; and (c) the lack of cooperation between UNDP and the Brazilian authorities as well as between UNDP and the global statistical community. Brazil finds this practice in violation to the recommendations adopted in Economic and Social Council resolution 2006/6 on strengthening statistical capacity.

14. Brazil is also of the view that if appropriate measures for reducing data gaps and discrepancies between national and international data are not taken now by the global statistical community, the concerns of Brazil could deepen with the expected release of a myriad of new data and indicators from the 2010 Brazilian Census of Population. A high possibility of non-use or, in the worst-case scenario, misuse of these data exists if UNDP continues to avoid cooperation with the Brazilian authorities. This issue will become even more critical with the approaching 2015 target date when each country's achievements towards the Millennium Development Goals will be evaluated.

B. Morocco

15. In Morocco, the release of the Multi-dimensional Poverty Index developed by the Oxford Poverty and Human Development Initiative with the support of UNDP resulted in confusion in the public opinion and a strong reaction from both official statisticians and government officials.

16. The announcement coincided with the release of the national Millennium Development Goals report with an emphasis on the new monetary approach-based poverty rates showing a significant progress in terms of poverty alleviation, especially after the launching in 2005 of the National Initiative for Human Development.

17. This release of the Multi-dimensional Poverty Index is considered unacceptable for many reasons:

(a) The data used for Morocco was collected between 2003 and 2004, while more recent data from the 2007 Living Standard Measurement Survey was available and could produce updated poverty figures. No request for this data was received from the Oxford Poverty and Human Development Initiative or UNDP. Furthermore, the Department of Statistics of Morocco expressed its availability to provide this data to update the Moroccan figures without any positive feedback from both institutions;

(b) The ranking of 104 countries on the basis of data with reference years ranging from 2000 to 2008 is meaningless, given that the eight years range is long enough to allow major changes in poverty figures;

(c) The methodology used suffers from many major drawbacks, including the subjectivity in the choice of dimensions, indicators and weights of the Multi-dimensional Poverty Index. These choices were more guided by data availability rather than relevance and methodological soundness;

(d) The featuring of this experimental index in a major United Nations publication such as the *Human Development Report* will potentially have significant policy implications as this may be seen as a political statement by UNDP.

18. In Morocco, this release was particularly disappointing as UNDP has always been considered a major partner with which consultations are continuously held on issues related to human development and Millennium Development Goals. Many experts from the Human Development Report Office participated in January 2010 in the International Conference on the Measurement of Human Development organized by the High Commission for Planning of Morocco but no information was disclosed about this at the time of the preparation of the Index.

19. More importantly, Moroccan official statisticians were particularly surprised by the release of such indices in a United Nations publication without any consultation with the international statistical community, especially the United Nations Statistical Commission, as recommended in March 2010 by the Experts Group on the Human Development Index.

20. On the same issue, UNDP has extended in recent years the coverage of its Human Development Index using various imputations and estimations of the underlying indicators for countries with no such data available. This practice often results in significant changes in country ranking while no significant real change in terms of human development is realized.

21. Instead of making the absence of a country from its ranking an incentive to develop its national statistical system, UNDP favours universality of its ranking over the soundness of the underlying methodologies and the reliability of data.

C. South Africa

22. In a conference room paper² before the Statistical Commission at its thirty-sixth session (2005), Statistics South Africa has first communicated its concerns about the use of source data and, therefore, about the index that the *Human Development Report* provides. In the paper, Statistics South Africa indicated that the issue of international organizations not using official country data sources for their reports has been repeatedly brought up. The following concerns were mentioned:

(a) International agencies should clearly identify and describe data sources, methodologies selected, and the limitations of the data used for knowledge generation;

(b) International agencies should explain the context within which results are presented, explained and interpreted, as well as explain the context of the data sources used, their validity and reliability;

(c) International agencies should use sources that coincide with nationally representative datasets from the statistical agency.

23. As this matter has not been given finality to date, the Statistical Commission pointed out during its forty-first session that it would be desirable to be cautious about the release of the *Human Development Report 2010*. A report from the further discussions on this topic, that took place at an expert group meeting held in March 2010, is also before the Commission (see E/CN.3/2011/14).

24. It is regrettable that the *Human Development Report* continues to carry discrepant results that contradict other national data and that there is no metadata standard explaining sources and methods used for their calculation. Some of the most startling differences between the indicators in the *Human Development Report* and the indicators for monitoring the Millennium Development Goals provided below point to the discrepancies and conclusions that the Human Development Report Office is advised to address:

(a) As regards Goal 1 on proportion of population below US \$1.25 in South Africa, the Human Development Index reports 26.2 per cent, while the *Millennium Development Goals Report* records a reducing proportion from a high of 17 per cent in 2000 to 9.7 per cent in 2006. The sources of data for this estimate in the Index are not known, while the data used for the Millennium Development Goal indicator are the Income and Expenditure Surveys of 2000 and 2005 and the International Comparison Programme 2005 results applied for the purchasing power parity value;

(b) As regards Goal 2 on literacy, the Human Development Index reflects constant literacy across the period 2005 to 2008 of 89 per cent, while the Millennium Development Goals show progression from 83 per cent in 2002 rising to 89 per cent in 2009. The source of the Millennium Development Goal indicator is the 2001 Census of population of South Africa and the subsequent household surveys, including the 2007 Community Survey. It is difficult to conclude constant literacy rate based on the known data sources. This casts doubt on the sources of data used for the Index;

(c) As regards Goal 4 on the under-five mortality rate, the *Millennium Development Goals Report* shows deterioration on this indicator of 59 per 1,000 in 1998 to 104 per 1,000 by 2007. The Human Development Index gives a single measure of 67 per 1,000 as of 2008. Given the deteriorating health conditions in the country, the *Millennium Development Goals Report* provides a more plausible result than the Index. The Millennium Development Goals estimate of this indicator is based on the 2001 Census of population and the 2007 Community Survey, as well as the 1998 Demographic and Health Survey;

(d) As regards the life expectancy, which carries a larger share of impact in the Human Development Index, the Index has provided a figure of 52 years while the *Millennium Development Goals Report* has given a figure of 58 by 2007, having declined from 61 recorded in 2001. The current period points to an improving life expectancy. The mortality and causes of death report recently released shows that the absolute number of people that die has dropped slightly; the proportions of those who died at ages 20-34 peaked in 2003, but shows a steady decline since and in 2008 approached the 2001 levels. This observation suggests that life expectancy is improving. The Index life expectancy suggests the opposite of empirical evidence;

(e) The proportion of one year olds immunized against measles shows startling differences, where the implied coverage for the Index is at 62 per cent, while the later *Millennium Development Goals Report* puts the figure at 98 per cent, based on the information from the administrative health records of the Department of Health.

III. Points for discussion

25. **The Commission is invited to:**

(a) **Advise on the consultation mechanism between Member States and the international agencies on the choice of development indicators and their methodology as well as data sources;**

(b) **Advise on the further implementation of Economic and Social Council resolution 2006/6 and the conclusions of the Friends of the Chair presented to the Commission at its thirty-seventh session in 2006 (E/CN.3/2006/15, paras. 55-61) and of the 2010 Expert Group meeting on the Human Development Index (E/CN.3/2011/14, annex);**

(c) **Request the United Nations Statistics Division to significantly enhance its coordination role among the organizations of the United Nations system in the selection and quality assessment of development indicators and consult with Member States as and when necessary.**
