

Statistical Commission
Forty-third session
28 February – 2 March 2011
Item 3 (n) of the provisional agenda
Statistics of human development

Background document
Available in English only

**Annexes to the report of the United Nations Development Programme
on statistics of human development**

Prepared by the Human Development Report Office of the United Nations
Development Programme

ANNEX I: 2011 report calendar

Month	Production Milestones	Communications	Selected Consultation Events and Reviews
March	World Bank releases data for HDI income indicator. UNDESA releases data for HDI health indicator.	Consultations page and comments and criticisms page debut on HDR website, 7 March.	Second informal consultation with UNDP Executive Board, 30 March.
	First draft of 2011 HDR. 5 April.	Information on calendar of HDI statistical activities and availability of international data for the HDI sent to NSOs and UNDP country offices, 24 March.	Consultation with UNDP Civil Society Advisory Committee. NY, 24 March.
			Consultation with 2011 HDR Statistical Advisory Panel, NY, 24 March.
			Academic Advisory Panel, NY, 25 March. Second informal consultation with UNDP Executive Board, NY. 30 March.
April	All HDI indicators data received from int'l sources. 29 April	Notification to NSOs of countries missing one or more HDI indicators from international sources.	National/sub-regional Consultations in San Jose; Quito; Beijing; Brasilia; Tokyo; Ljubljana; Budapest. (Others TBC.) April-May.
			Statistics Advisory Panel, NY, 14 April.
			Consultation in context of Asian HDR on Climate Change. New Delhi 27-28 April.
May	Second draft of 2011 HDR. 16 May.	Report back to UNSC on implementation of Decision 10 of the 42nd Session of UNSC.	Third informal consultation with UNDP Executive Board. NY, 23 May.
			Civil Society Consultation at UN Commission on Sustainable Development. NY (date TBD).
			Consultation at Fourth UN Conference on Least Developed Countries. Istanbul (date TBD).
			Consultation with OECD, NGOs and other UN Agencies. Geneva 16 May.
			Consultation at Danish Ministry of Foreign Affairs. Copenhagen 18 May.
		Final notification to countries excluded from the HDI ranking	
	Human development measurements workshop for Gulf States with UN ESCWA May 9-11. Consultations with UNDP Executive Board Regional Groups. NY, 12 and 20 May.		
June	HDI, other statistical tables finalized for publication, 1 June.	Sending a letter informing national statistical offices about the final choice of indicators, their sources and release dates.	Annual Meeting of UNDP Executive Board. United Nations NY, 10 June.
	Final draft of 2011 HDR to UNDP Administrator. 27 June.		Consultation on sustainability measures. Kigali, Rwanda. 21-24 June.
July	Internal HDRO Production deadlines only		

August	Internal HDRO Production deadlines only		
September			Presentation at UN Department of Public Information Conference of Non-governmental Organizations: Sustainable Societies; Responsive Citizens. Bonn, Germany (date TBD).
November	Global Launch of 2011 HDR, 2 November (tentative).		

ANNEX II: Composition and minutes of the Statistical Advisory Panel

Statistical Advisory Panel of the Human Development Report April 14, 2011

Summary

The Human Development Report's Statistical Advisory Panel (SAP) had a teleconference on April 14, 2011. Six members were available for teleconferencing: Peter Harper, Irena Krizman, Michael Noble, Eduardo Nunes, Eric Swanson, and Miguel Szekely. Charles LeyekaLufumpa and MarcioPochmann sent their comments, others were invited to send comments. HDRO staff participated including Jeni Klugman, Francisco Rodriguez, Milorad Kovacevic and members of the HDRO Statistics Unit (Amie Gaye, Astra Bonini, Clara Aguna Garcia, and Shreyasi Jha) and William Orme.

- **Summary of the role of SAP and activities taken by HDRO in response to the UNSC concerns and recommendations**

Overall feedback from the panel on the activities taken by HDRO in response to concerns and recommendations of the UN Statistical Commission was positive, welcoming the steps taken towards more open and transparent communication with the national statistical offices and the broader statistical community.

- **Methodological and computational issues related to estimation of the HDI:**

- Capping of expected years of schooling at 18 years is a short term solution for dealing with the outliers.
- Estimation of MYS by HDRO is a welcome interim step; welcomed long term solution based on collaboration with UIS.
- It was suggested that HDRO circulates the proposed methodology for computation of GNI (attached). It was agreed that a clear explanation of whatever method is used is necessary.

- **Options to increase country coverage of the HDI using cross-country regressions**

- Estimation should not be used for more than one dimension per country;
- Sensitivity analysis should be done for all the models,
- Models and results should be communicated to concerned countries.
- It was agreed that Eric Swanson review the data and models for estimation of GNI and Miguel Szekely for MYS and EYS.

- **Statistical tables**

HDRO will name and properly reference and explain the deprivation indicators.

Additional explanations about the Gallup data will be included.

HDRO will also reconsider publishing of precipitation and temperature data.

All data series will be properly footnoted and defined in the glossary of statistical definitions.

Human Development Report 2011 Statistical Advisory Panel Members#

Atkinson, Anthony	Senior Research Fellow, Nuffield College, Oxford, U.K.
Bediako, Grace	Director of National Statistical Office, Ghana
Dato' Hajan Wan Ramlah Wan Abd. Raof	Chief Statistician of Malaysia, National Statistical Office, Malaysia
Fu, Haishan	Director of Statistics, UNESCAP, Thailand
Giovannini, Enrico	President of the Italian National Institute for Statistics, Italy
Harper, Peter	Australian Bureau of Statistics, Australia, and Chairperson, United Nations Statistics Commission Expert Group on the HDI, ex officio
Jones, Gareth	Director, ADENI-Monitoring Statistics, Information for Action, Canada
Krizman, Irena	Chief Statistician, Statistical Office of the Republic of Slovenia, Slovenia
Lufumpa, Charles Leyeka	Director, Statistics Department , African Development Bank, Tunisia
Noble, Michael	Professor of Social Policy and Director, Centre for the Analysis of South African Social Policy, University of Oxford, U.K.
Nunes, Eduardo	President IBGE, Brazil
Pochmann, Marcio	President, Institute for Applied Economic Research (IPEA), Brazil
Swanson, Eric	Senior Adviser, Development Economics Data Group, World Bank
Székely, Miguel	Director, Technological Institute of Higher Studies, Monterey, Mexico

Draft Agenda for the Statistical Advisory Panel April 14, 2011

1. Introduction and adoption of the agenda.

Overview of methodological changes to human development indices done in *2010 Human Development Report*. A summary of recommendations of the Expert group of the UNSC and the latest UNSC will be discussed.

Documentation: Expert Group recommendations on the HDI

2. Methodological and computational issues related to estimation of the HDI:

- a) Education indicators – MYS, EYS**
- b) Gross National Income**
- c) Computation of the HDI for the current year**

HDRO background materials and presentation will focus on possible capping of EYS, on revising and advancing the MYS from Barro and Lee, and on estimation of GNI in constant terms. Conceptual and practical aspects of estimation of the indicators for 2011 from the official data for 2009 and 2010 will be presented.

Documentation: Technical note on HDI from 2010 HDR; Barro and Lee (2010) paper; Summary of estimation of GNI.

3. Options to increase country coverage of the HDI

- a) Estimation of EYS by a cross-country regression**
- b) Estimation of MYS**
 - i. from internationally standardized nationally representative surveys**
 - ii. using the education attainment statistics from UNESCO**
 - iii. by cross-country regression**
- c) Estimation of the PPP conversion rate by cross-country regression**

The problem with missing HDI for about 25 countries will be outlined. Main points of the proposed methods will be presented.

Documentation: A few examples of computation of MYS for some small island countries; WB document on estimation of missing PPP conversion rates.

4. Challenges in presentation of the Inequality-adjusted HDI and Multidimensional Poverty Index

A brief presentation of the two human development indices based on micro data. Emphases will be on the fact that the survey data used for estimation of inequality refer to different years and different living standard variables – income, consumption, or assets index. A similar situation characterizes the MPI.

HDRO seeks the Panel's comment on how to present these indices in the context of across country comparison.

Documentation: 2010 Background papers: Alkire and Foster, Kovacevic, Alkire and Foster, Alkire and Santos.

5. Statistical Annex for 2011 HDR

A brief presentation of the indicators and tables proposed for the 2011 HDR.

HDRO seeks the Panel's comments on the selected indicators, possible alternatives or alternative sources

Documentation: List of tables with the list of indicators

ANNEX III: List of statistical consultations and meetings

Meetings on Statistics

Consultation with statistical agencies of countries omitted from 2010 HDI	New York, NY	22 Feb 2011
Statistics Commission discussions on HDI and indicators	New York, NY	23-24 Feb 2011
Eurostat conference "Statistics for policymaking: Europe 2020"	Brussels, Belgium	10-11 March 2011
ECLAC Executive Committee of the Statistical Conference of the Americas	Havana, Cuba	6-8 April 2011
Bilateral meetings with Cuban authorities on the HDI	Havana, Cuba	6-8 April 2011
Statistical Advisory Panel	Teleconference	14 April 2011
Human development workshop for Gulf States	Qatar	9-11 May 2011
Measuring progress of societies (OECD and UNDP co-chairs)	Mexico City, Mexico	11-13 May 2011
ECLAC Expert Group on HDR	Teleconference	16 May 2011
59th plenary session of the Conference of European Statisticians	Geneva, Switzerland	14-16 June 2011
Review of sustainability measurements	Kigali, Rwanda	21-24 June 2011
Presentation on human development statistics to heads of NSOs of OECS	Teleconference	19 October 2011
ECLAC 6 th Stat. Conference of Americas	Bavaro, Dominican Republic	16-18 November 2011
International Conference: Taking Stock: Measuring Social Development	The Hague	14-15 December 2011

ANNEX IV: Copy of letter to NSOs with selected annexes

25 March, 2011

Dear Sir, Madam,

I am writing to respond to the concerns expressed at the recent 42nd session of the United Nations Statistical Commission. This is the first of several steps to enhance transparency and consultations.

We recognize that a serious set of concerns and issues were raised by Member States during the 42nd session, related to the perceived lack of transparency and consultations, discrepancies between national and international data sources, and the omission of states from the 2010 HDI ranking. I want to underline that we are committed to address these concerns as best we can, as soon as possible, in the ways that are outlined below.

I very much regret that I was unable to participate in the UNSC discussions, as a sudden death in my immediate family meant that I was unexpectedly not in New York that week. However I have had an opportunity to review a summary of the discussions and consult with a range of Members States and stakeholders, and I feel that we now have a good understanding about the concerns that were raised and the process for moving forward.

Like the UNSC, we are committed to make the adjustments needed to enable more constructive engagement in the period ahead. More specifically, to address the concrete recommendations enumerated in the UNSC decision point *j*, HDRO is moving ahead in the following respects:

- i. HDRO has established a calendar for the various preparatory phases for the Human Development Report – attached in annex 1 – and is hereby providing this information to NSOs. The calendar includes key milestones in terms of production, communications and consultations and review;
- ii. A draft list of indices and indicators for the 2011 report is provided in annex 2;
- iii. The UNSC also requested that a communication plan be established. This has several elements:
 - Annex 3 contains a comprehensive list of data sources to be used in compiling the 2011 indices and the deadlines by which HDRO must receive all updated data from international data providers. This includes the relevant posting location of the technical notes for the composite indices. This provides the opportunity to review the sources, and to bring any discrepancies in estimates to the attention of the relevant international data agency;
 - We are planning two key communications subsequent to this letter, to inform member states in the event of missing data;
 - We will communicate directly with all member states where inadequate official data would prevent their inclusion in the 2011 Human Development Index – this will be done by informing country and regional statistical offices about missing indicators and possible methods for imputation. Potential methods of imputation will be subject to review. Final notification to countries affected by missing indicators will be provided by June 1.

You are kindly requested to bring any *significant* discrepancies (such as those that would be material in the HDI calculation), to the attention of HDRO (HDRO.Stats@undp.org) and the Expert Group. In doing so,

statistical offices should bear in mind the timeframe for resolving data discrepancies is tight, with HDRO seeking to source data from international sources by 29 April and to finalise statistical tables by 1 June.

We recognize that concerns were expressed by a number of member states about the use of non-official data, and in particular the use of mean years of schooling in the HDI. I would like to recall that the use of the mean years of schooling figure was endorsed in principle by the UNSC Expert Group on the HDI in 2010 -- recommendation 16 “supports in principle the selection of the newly proposed education indicators namely, Adult mean years of schooling and School life expectancy and agrees that the indicators could improve the measurement of the education dimension in HDI”. Given the huge advances in education achievements around the world, literacy is now a redundant measure of achievement in many countries. According to UNESCO, in 68 out of 169 countries, the adult ALR equal or greater than 95 percent: over 85 percent of the very high human developed countries (36/42), and almost 60 percent of high human developed countries (25/43). And this rate will only increase in the future, since the youth literacy rate now exceeds 95 percent in 63 of the 104 countries with data, and is 99 percent in 35. This reflects that literacy gaps have been successfully addressed by many governments, which makes this indicator far less useful for the purposes of cross-country comparison.

Recommendation 3 of the Expert Group explicitly allowed for the use of “non-official sources (which) may occasionally be used as supplementary series in cases where official data are not available”. At the same time it is important to reiterate that the use of this unofficial series for mean years of school is only temporary and a transitional measure until such time that the data is produced officially by UNESCO’s Institute for Statistics. The Expert Group proposed that “the compilation of this indicator be conducted under the auspices of an international agency, possibly UNESCO.”

We are pleased to advise that discussions with UNESCO about mean years of schooling, which began in March 2010, remain underway. We very much welcome UNESCO’s willingness to investigate this topic in the coming year as one of its top priorities. In the interim, HDRO shall request that the Expert Group and the Statistical Advisory Panel review the existing data and methodology, and provide HDRO with recommendations around its use in 2011, recognizing that this is a transitional measure until UNESCO is in a position to provide estimates.

HDRO is now undertaking several additional steps which are designed to enhance the quality of the data and transparency of the preparation process. This includes a significantly expanded set of regional and country consultations that are being scheduled for the coming months – this includes planning for consultations in India, Costa Rica, Ecuador, China, Brazil, Japan, Slovenia and Hungary, among others, to which national statistical offices will be invited, as well as with regional groupings of the UN, in NY.

We are also looking forward to advice and feedback on HDR statistics from key review mechanisms that are expected to provide comments over the coming weeks and months; namely:

- The Expert Group UNSC decision (point *i*) “stressed the continuing role of the Expert Group on the Human Development Index established by the UNSC in 2010, and mandated the continuation of its work in reviewing the issues arising from its first report” – this step is very much welcomed by HDRO.
- As recommended by the Expert Group, the Statistics Advisory Panel has been reactivated. It is expected to comprise majority membership from developing countries including official statisticians, international agencies and academics, and will meet on April 14th in New York. In order to facilitate coordination, the Chair of the Expert Group has been invited to sit on the Statistical Advisory Panel.

We do hope that these newly and significantly expanded efforts to increase transparency and consultations will serve to help re-establish good relations and trust with member states' statistical agencies.

A more general concern expressed by Member States is that frequent revisions to methodology of the key indices create challenges for national statistical offices that are put in the position of explaining the method and its implications to policy makers. In this respect and also with relevance to the upcoming consultations, I should note that the HDRO is not proposing any major new additions or changes to the methodology and indicators used for its primary indices this year, subject to discussion and feedback from the Statistical Advisory Panel, the Expert Group and the Academic Advisory Panel. In the event that HDRO subsequently decides to make changes in 2011, national statistical offices and the Expert Group will be promptly notified. The total number of statistical tables will also be radically reduced, from 17 in 2010 to only 10 in 2011.

I do hope that the foregoing meets the expectations of Member States for the period ahead. If there are any additional concerns, please do not hesitate to let me know.

Before closing, I should again express our profound regrets for the issues and dissatisfaction which have recently arisen around the Human Development Report's statistics. It is our sincere hope and belief that our demonstrated responsiveness to the recommendations of the UNSC, as outlined in the measures above, will help to put relations with the global official statistical community back onto a more constructive and fruitful basis.

All the best,

Jeni Klugman
Director
Human Development Report Office

CC:

Professor Paul Cheung

Director of the Statistics Division of the United Nations
New York

UNDP Resident Representatives / Resident Coordinators

Original Annexes to the letter:

Annex 1. Consolidated HDRO Calendar of Key Production Milestones, Communications and Events

NB. This annex is included in this report as Annex II.

Annex 2. Proposed Contents of HDR 2011, Statistical Annex Tables.

NB. This annex is not included in the report as not being relevant after the Human Development Report was published.

Annex 3. Composite indices components and their sources

NB. This annex is included. See the next page.

Annex 3. Composite indices components and their sources

Indicators	Source		Date of availability
	Agency	URL	
Human Development Index	HDRO	http://hdr.undp.org/en/statistics/	November, 2011
Life Expectancy at Birth	UN Population Division	http://esa.un.org/unpp/index.asp	Late March, 2011
Mean Years of Schooling	Barro-Lee /UNESCO	http://www.barrolee.com/data/full1.htm	Currently available
Expected years of schooling	UIS	http://stats.uis.unesco.org/unesco/TableViewer/tableView.aspx?ReportId=185	End of April, 2011
GNI per capita (PPP US\$)	World Bank IMF	http://data.worldbank.org/indicator	End of March, 2011
Maternal mortality ratio	UNICEF/WHO	http://www.unicef.org/sowc2011/index.php	Currently Available
Adolescent fertility rate	UNICEF/WHO	http://www.unicef.org/sowc2011/index.php	Currently available
Seats in parliament	IPU	http://www.ipu.org/wmn-e/world.htm	Currently available
Population with at least secondary education	UIS/Barro-Lee	http://stats.uis.unesco.org/unesco/ReportFolders/ReportFolders.aspx and http://www.barrolee.com/data/full1.htm	End of april
Labour force participation rates	ILO	http://laborsta.ilo.org/	Currently available
List of surveys used for inequality estimation by country	HDRO	http://hdr.undp.org/en/media/Sources-of-data-for-inequality-measures-in-2010.pdf	End of April, 2011
List of surveys used for Multidimensional poverty index by country	HDRO	http://hdr.undp.org/en/media/Sources-of-data-for-MPI-2010.pdf	End of April, 2011
HDRO technical notes	HDRO	http://hdr.undp.org/en/statistics/indices/	Currently available
HDRO research papers	HDRO	http://hdr.undp.org/en/reports/global/hdr2010/papers/	Currently available

ANNEX V: Copy of the letter to countries without HDI

07 April, 2011

Dear [head of stats office without HDI in 2010],

In my letter dated March 25, I outlined several steps that the Human Development Report Office is undertaking to enhance transparency and consultations in response to the concerns expressed at the recent 42nd session of the United Nations Statistical Commission. In the letter we provided a calendar of the various key activities in terms of communications and consultations, review and production. We also provided a draft list of indices and indicators for the 2011 report, as well as a comprehensive list of data sources to be used in compiling the 2011 indices.

A part of our communication plan, outlined in the letter, is a direct communication with national statistical offices of all member states where inadequate official data would prevent them from inclusion in the 2011 Human Development Index. We committed to inform national and regional statistical offices about missing indicators and possible methods for imputation.

Our preliminary analysis of availability of HDI components at international sources suggests that we do not have sufficient information on educational attainment for computation of mean years of schooling of adult population (ages 25 and older) for your country. We have checked the following sources:

UNESCO Institute for statistics, Data center, Educational attainment for adult population (aged 25 years and older) <http://stats.uis.unesco.org/unesco/ReportFolders/ReportFolders.aspx>;
Demographic and Health Surveys <http://www.measuredhs.com/>
UNICEF's Multiple Indicators Clusters Surveys (MICS), http://www.unicef.org/statistics/index_24302.html
Barro and Lee data set <http://www.barrolee.com>

In order to address this gap, and to allow inclusion of your country in the 2011 HDI rankings, we are proposing to estimate the mean years of schooling using a *cross-country regression model* based on following national indicators – *adult literacy, total gross enrollment ratio, percentage of urban population, life expectancy, and the region*. This model has emerged from a comprehensive review and thorough statistical analysis. Our results suggest that the estimates which emerge from this model are reliable. At the same time this imputation model will be subject to discussion at the Statistical Advisory Panel on April 14, 2011.

If you have any concerns, questions, or you have alternative suggestions, please contact us at (HDRO.Stats@undp.org). Please note that our timeframe is very tight and we will finalize the statistical part of the report by the beginning of May.

Thanks in advance and all the best,

Jeni Klugman
Director
Human Development Report Office

Annex VI: A copy of the final letter to countries without HDI
United Nations Development Programme
Human Development Report Office



July 1, 2011

Dear [head of stats office without HDI in 2011],

As outlined in our letter dated March 27, the Human Development Report Office has been undertaking a range of steps to enhance the transparency of the statistics used in the report. We have shared the draft list of indices and indicators for the 2011 report, as well as a comprehensive list of data sources to be used.

An important element in our enhanced communication efforts is the commitment to inform national statistical offices of all member states where inadequate official data would prohibit inclusion in the 2011 Human Development Index. You should have received a letter on April 18 to inform your office about missing indicators and a possible omission from the HDI table.

We regret to advise that we are unable to estimate the 2011 HDI for your country because of two missing indicators – the purchasing power parity conversion rate needed to express the per capita gross national income in international dollars and mean years of schooling for adult population.

We do hope that future improvements in data availability will allow inclusion of your country in upcoming global reports.

If you have any concerns or questions at this point, please contact us at (HDRO.Stats@undp.org) by July 21, 2011.

Thanks and all the best,

A handwritten signature in blue ink, which appears to read 'M. Kovacevic', is positioned above the typed name.

Milorad Kovacevic
Head of Statistics
Human Development Report Office

Mr./Ms. [head of stats office without HDI in 2011],
Director, Bureau of Statistics

Annex VII: A copy of the letter to NSOs about mean years of schooling

2011 HDI Education Indicator - A New Data Set

July 15, 2011

Dear Madam/Sir,

As outlined in our letter dated March 27, the Human Development Report Office has been undertaking a range of steps to enhance the transparency of the statistics used in the report. We have shared the draft list of indices and indicators for the 2011 report, as well as a comprehensive list of data sources to be used.

An important element in our enhanced communication efforts is the commitment to inform national statistical offices of all member states about data that were not directly provided by international agencies. Such an indicator is mean years of schooling. You can see the values of this indicator posted at <http://hdr.undp.org/en/statistics/data/2011/>.

We would also like to draw your attention to recent updates to life expectancy published by UNDESA (http://esa.un.org/unpd/wpp/unpp/panel_population.htm) which have significant implications for a number of countries.

If you have any concerns or questions at this point, please contact us at HDRO.Stats@undp.org by July 27, 2011.

Thanks and all the best,

Milorad Kovacevic
Head of the Statistical Unit
Human Development Report Office