THE EVIDENCE GAP AND ITS IMPACT ON PUBLIC POLICY AND DECISION-MAKING IN DEVELOPING COUNTRIES

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It is now recognized that statistics are no longer just a technical issue but also a development issue. They constitute an essential element in improving the ability of government to develop appropriate policies, manage the economic and social development processes, monitor improvements in the living standards of the people and report back this progress to the public. Statistics are also needed by organizations other than governments and the public. The new focus on Managing for Development Results in developing countries has resulted in unprecedented latent demand for data. This has put pressure on already fragile, under-resourced and under-performing national statistical systems, leading to an evidence gap. As a result, policy-making in some countries can be purely subjective or ideological and the monitoring of policy outcomes can be constrained. The nature of the evidence gap is explored and a case is made for bridging this gap. The paper presents some requirements for this to happen.

BACKGROUND

The grim statistics about the '*bottom billion*' show that previous approaches to development that focused on achieving outputs failed to deliver development to the poor and as part of a major rethink of development approaches, developing countries and development partners have in recent years adopted and committed themselves to a new development paradigm popularly known as *managing for development results (MfDR)*. Development results means more than simply achieving outputs, important as these outputs may be. It is about achieving development outcomes and impact or sustained improvement in the lives of people–more children educated, fewer infants dying, more families lifted out of poverty, etc. MfDR emanated from a series of conferences organized under the auspices of the United Nations.

MfDR involves evidence-based policy and decision-making such as public expenditure allocations in pursuit of human development. It is a strategy that involves using sound statistics and information to make better decisions and steer development efforts toward clearly defined goals. MfDR marks a shift from focusing on inputs and outputs to performance and achievement of outcomes and long-term impacts. It has evolved as a global effort by both developing countries and development agencies.

Good quality statistics, viz. comprehensive, comparable, accurate and timely statistics, are needed more than ever before to guide public policy debate and development, and programme/project design, monitoring and evaluation of development policies, programmes and projects–in other words, to manage for development results. Apart from traditional areas, there are emerging policy areas that need to be illuminated by statistics–environment and climate change, gender, energy, human rights and freedoms, democracy and good governance, HIV/AIDS, etc. MfDR has put statistics firmly on the front burner of development discourse and processes. Indeed, statistics has now been elevated from being just a technical issue to a high ground of development issues (PARIS21, 2006). However, the recognition of the importance of statistics to national and international development has not translated into predictable and substantial investments in statistical development as well as concrete actions for building sustainable statistical capacity. In fact, many developing countries' statistical systems are still characterized by a '*vicious cycle*' of inadequate statistical advocacy and low profile, priority and effective demand for statistics; inadequate investment and resources for statistical production; and poor statistical output (poor quality data and inadequate dissemination). In some countries, some policy makers are quantitatively challenged and this tends to accentuate this vicious cycle. There is, therefore, a need to move the development of statistics towards a '*virtuous cycle*' where effective demand for data to inform MDGs and results-based management leads to more investment and resources for statistical production (budgets, skilled staff, financial and technical assistance) and consequently, better output (improved data quality and dissemination).

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EVIDENCE GAP

Statistical development in developing countries is faced with a twin challenge of low effective demand for statistics and inadequate supply of statistics. These challenges are responsible for the *evidence gap* where the demand for statistics far exceeds supply. The nature of this gap is explored and a case is made for bridging it. In the next section, we propose how this can be done and present some requirement for this to happen.

Challenges of data demand

For a long time, the challenge of statistical development and results measurement in developing countries was viewed purely as one of data supply. As a result, there has been a preponderance of *supply solutions* to data challenges. In particular, statistical training whether at Universities or in the in-service training programmes in National Statistics Offices (NSOs) is invariably done from the supply side; statistical capacity building programmes have been about building capacity to collect and supply more data; and much of the assistance from development partners (technical and financial) has by and large been directed towards meeting urgent data needs. This in part explains why there are mountains of data in some NSOs, some of which have not been processed let alone analyzed and made available to users. The truth of the matter though is that countries face a twin challenge of data demand and supply which are linked in a mutually-supporting loop.

Assessments of National Statistical Systems (NSSs) in developing countries show that while latent national data demand is high, effective demand is not as high and needs to be increased. Low effective data demand within the countries has been attributed to a number of factors including the following:

- lack of information about available data sets and series and how to access them,
- limited data access - often data are scattered in different forms in data producing organizations, thereby making it inconvenient to access and use them,
- non-availability of a "*one-stop data centre*" to act as a single access point to the national statistical system.
- data are sometimes not made available to users in a timely manner or in a usable form. For instance, often data supply is limited to national estimates yet estimates are also needed at sub-national levels for targeting interventions and resources ,
- sometimes, data users have doubts about the veracity of available data, and
- in a number of countries, some high level policy and decision-makers are "*quantitatively challenged*". They are not always empowered and lack knowledge about how to access and effectively use data. This is a much more serious challenge at sub-national level.

While the situation is beginning to change, the above factors have in the past combined to lower effective demand for data and some policies and decisions made in these countries are not evidence-based. Indeed some have been purely subjective or ideological and the monitoring of policy outcomes has been constrained. Increasing effective demand for statistics to support MfDR agendas is the most important factor and a *sine qua non* for achieving statistical development and for statistics to thrive. It is, therefore, crucial that the opportunities and political momentum presented by MfDR are taken full advantage of to reform and further develop statistical capacity in developing countries. In the next section, we highlight how this can be done.

Challenges of data supply

The new focus on MfDR has resulted in unprecedented latent demand for statistics in developing countries. This has put pressure on the already fragile, under-resourced and under-performing National Statistical Systems (NSSs). Many NSSs are unable to meet the current and future demand for statistics and are badly in need of strengthening. There are many factors which have negatively impacted on data supply in many countries. These factors are mainly organisational and institutional in nature rather than technical, and include the following:

(a) *lack of statistical reforms*. Many countries have undertaken economic, political and wider public sector reforms. There are, however, still countries where meaningful statistical reforms have not been introduced. This is where:

- official statistics are produced under out-dated and non-conducive statistical legislations;
- there are inadequate links of statistical systems to policy processes and data production is often not relevant to today's policy and development issues;
- statistical production is not aligned with national planning and budget timetable such as reviews of the Poverty Reduction Strategies (PRSs) and annual national budgets;
- statistics and NSOs have a low profile in government; and
- arrangements for inter-institutional co-ordination, collaboration and information sharing among data producers are weak or informal and should be strengthened as part of the statistical reforms.

(b) *lack of a clear vision and strategies for national statistical development*. This has in part contributed to inadequate attention to and investment in statistics by governments and limited support from development partners. In particular, the failure to produce a well-designed National Strategy for the Development of Statistics (NSDS) has made it difficult for development partners to coordinate and align their support to such countries. There is international consensus that the design and implementation of the NSDS is the best way to build national capacity and strengthen statistics in support of MfDR in developing countries. NSDS is the main action point (there are 6 action points) of the Marrakech Action Plan for Statistics (MAPS). MAPS was adopted in 2004 at the Second Roundtable on Managing for Development Results in Marrakech, Morocco to improve national and international statistics to support the MDG review scheduled for 2010. The NSDS is a robust, comprehensive and coherent framework to facilitate the development of statistics in a coordinated and synergic manner at country level, using modern and proven management principles. It covers all data users and sectors. There are many developing countries which have not yet designed the NSDS or designed it properly.

(c) *inadequate coordination* of the multiple players so essential to a well-functioning statistical system - most notably between data producers and users, between the NSOs and line ministries that collect and manage sectoral data, amongst line ministries themselves, between academic and official statisticians. There is also a tendency in some countries for statistical activities to be organized as stove-pipes or independent production lines, usually for purposes of meeting the individual needs of their sponsors or specific users. There is, therefore, a need for better-coordinated statistical production and for users to know what statistics to expect and when, irrespective of their sources. In addition, more often than not, there is poor coordination of donor assistance at country level.

The said inadequate coordination has often resulted in inefficiency in the use of resources for statistical production; production of lower quality statistics; duplication of effort; and inadequate data development, use and application; as well as failure to establish synergy amongst the priorities of the different players in statistical development. Lack of donor coordination has often led not only to duplication of statistical activities but also duplication of effort in reporting to different donors.

(d) there are *weaknesses in statistical capacity* to collect, process, manage, analyze, interpret and use statistics arising mainly from government under-investment in statistical capacity building (under-staffing, demoralized and despondent staff and limited budget), ad hoc support and lack of coordinated, and predictable longer-term funding by development partners. The Third Roundtable on Managing for Results held in Hanoi, Vietnam in 2007, identified under-investment in statistics as one of the constraints to managing for results. The summary of proceedings of the roundtable reads, in part, "*There is general consensus among participants in this session that statistics are underfunded*….". As a result, critical statistical infrastructure has not been built or maintained, and statistical systems and activities in some countries have become unsustainable. In this connection, we have witnessed significant reversals in statistical development and an inability to continue statistical activities, which were seeded by funding from donor programmes. "*What is needed*", concludes the report of the Hanoi Roundtable, "*is longer-term sustained funding by donors and governments*". In advocating for better funding for statistics, the point should be made that, "*Investment in statistics will pay for itself many times over by improving how resources are allocated. Statistics highlights where resources are needed and what impact those resources have had*" (PARIS21, 2006).

What has been the effect of inadequate data supply to meet the ever-increasing demand for data? In a number of countries, the people are poorer because of a clear evidence gap as:

- policy and decision-making as well as service delivery have suffered,
- proper allocation and targeting of resources and programmes has been hampered,
- citizens have not been enabled to make informed choices, and
- governments have not been able to effectively monitor and report on progress on the one hand and on the other hand, governments have not been properly held to account for some of the policies and decisions.

HOW TO BRIDGE THE EVIDENCE GAP AND REQUIREMENT FOR THIS TO HAPPENGovernments and other stakeholders are anxious to see improved performance in production and more effective use official statistics especially for evidence-based policy and decision-making. How can this be done and what are the requirements for this to happen?

Enhancing effective demand for statistics

A number of things could be done to enhance effective demand for statistics in developing countries. Here we focus on statistical advocacy and empowerment of data users. There is a need for greater *statistical advocacy* to:

- promote '*statistical thinking*' in society and put statistics on the national development agenda;
- demonstrate to governments (planners, policy-makers, managers and administrators), politicians and legislators and other stakeholders the power and importance of statistics as a strategic resource for policy, planning, decision-making, good governance, accountability and management;
- making a case for specific statistical activities e.g. the Population and Housing Census, drawing attention to a whole range of uses census data could be put to and highlighting the costs and benefits of the census compared to other information sources;
- mobilize national and international resources for statistical development; and
- promoting statistical planning and coordinated investment in developing statistical capacity.

Where data users are quantitatively challenged, their empowerment to use statistics in their work, including for evidence-based policy and decision-making in pursuit of development outcomes, will be important. Sight should not be lost of the fact that some of them also dispense national and other resources.

Perhaps the best way to advocate for statistics is to: (i) mobilize the entire NSS to mainstream data users into the data production processes and to get them to play proactive roles in national statistical processes - data users have generally been on the periphery of national statistical production, playing second fiddle in the development of NSSs; and (ii) avail users with statistical data and information of good quality in a timely manner and in a form that makes them intelligible and usable. The NSOs have a special role to play in this including establishing formal *data user-producer committees* and ensuring that they function (in many countries these committees are established and they meet a couple of times and then become moribund); organizing, on a periodic basis, informational and training workshops for various users of data including policy and decision-makers; responding speedily and effectively to data needs of key users (especially policy and decision-makers) and informing users what data are available, when and where they can be accessed; and improving data access including development and updating of *user-friendly and accessible national databases*. Data analysts also have a role to play by undertaking policy-relevant data analyses to add value to existing data. Statistical training centres including Universities can also play a useful role in this regard by making the curricular more relevant to the needs of countries. For instance the Department of Applied Statistics at the University of Rwanda has introduced courses on the *use of data systems in policy analysis.* They should also should organize some courses for policy and decision-makers.

Enhancing data supply

There are many things data producers need to do to enhance data supply. These include the following:

(i) Understanding user requirements: Data producers need to understand better development issues, policies and processes; they need to understand the policy environment in which they produce statistics; and more importantly, they need to learn more and understand well what it is that they are expected to monitor and measure. They should, therefore, have an appreciation of national, regional and international development agenda (Poverty Reduction Strategies, Millennium Development Goals, etc) as well as national policy, planning and budget cycles as these will have a bearing on what data are needed, how they are needed and when they are needed. They need to get involved in the development policy debate and dialogue, and in the design of policy monitoring and evaluation systems. This understanding and involvement is necessary to understand user requirements and to make statistics more policy relevant and responsive.

(ii) Development of institutional and organizational capacities: A major cause of poor performance in data supply in developing countries is the weak institutional and organizational capacities in many countries which has major consequences for the quality of data found in national, regional and global statistical systems and databases. These capacities need to be developed. In particular, there is a need to improve institutional arrangements – update and make the national statistical legislation more conducive; establish coordination arrangements – between data producers and users, among data producers, between data producers and researchers/data analysts, and between academic and official statisticians, etc. There is a need to coordinate data producers with analysts to add value to data through policy related data analysis and use, and between data producers and training institutions for purposes of meeting human resource needs of statistical systems.

Organizational capabilities will be built through human resources development – formal and informal training, retraining, skilling and re-skilling. NSOs will need to develop human resources policies in close collaboration with key stakeholders like Universities and set up *in-service training centres* to meet the demand for training in statistics at basic and intermediate levels. These centres have helped a number of countries to build minimum competencies in data collection and management across government, thereby supporting policy and decision-making especially in sectors (health, education, agriculture, water, etc). It will also be necessary to build an enabling infrastructure for statistical development including physical infrastructure, statistical infrastructure (national classifications, master samples, registers, field organization, etc), IT infrastructure (equipment, software, networks, Internet, standards and policies, etc), and organizational competencies (communication, teamwork, planning and organizing, accountability, client orientation, commitment to continuous learning, technological awareness).

(iii) Develop and implement an NSDS: The National Strategy for the Development of Statistics (NSDS) is a comprehensive framework for assessing and tracking user needs, addressing data limitations including aligning data demand with supply and integrating statistics within national development policy processes. It provides a trajectory defining where the National Statistical System as a whole should be in the medium-term and a "road map" and milestones for getting there. The NSDS covers all sectors and users, and introduces modern and proven management principles in the management of official statistics. It also provides a framework around which development partners can harmonize or align their support to statistics. An effective NSDS is one that is country-owned, policy-led, anchored in the nation's development processes e.g. PRS and developed in an inclusive and participatory manner**.** "*Properly designed NSDSs which address priority data needs and provide a plan for investing in the institutions and infrastructure needed for a well functioning statistical system, have been shown to be the most effective way to guide statistical development*" (World Bank, 2007).

Requirement for bridging the evidence gap

In developing countries, a major requirement for bridging evidence gap is commitment of national governments to statistical development. In developing countries in general, not only are the national governments the main users of official statistics but they are also the main funders of statistical activities in the countries. Other actors like the private sector, civil society and academics

play a small role in comparison and usually the statistics they produce are not considered official statistics. Therefore, government commitment to statistical development is critical and a *sine qua non* for national statistical development and sustainability of statistical systems.

It is important to point out that perhaps government commitment to statistical development is usually not well understood and often, it is reduced merely to provision of funds to undertake key statistical activities like censuses. Government commitment to statistical development includes, *inter alia*, commitment to extensive use of statistics; mainstreaming statistics in policy, decision-making and budgetary processes; raising the profile and priority for statistics and undertaking statistical reforms. It is, therefore, crucial that statistical advocacy targets those who make decisions and those who influence decisions in government.

CONCLUSION

The evidence gap created in developing countries by unprecedented increase in latent demand for data exceeding supply needs to be bridged. This can best be done by enhancing effective demand for and supply of statistics. Effective demand for statistics should be enhanced by undertaking proactive measures to advocate for statistics, and by empowering data users. Supply of statistics should be enhanced through understanding user requirements, development of institutional and organizational capacities, and designing and implementing the NSDS. It is crucial to get government commitment to statistical development as this is the *sine qua non* for achieving statistical development and for statistics to thrive in developing countries.

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