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Session 2 - International commitments and frameworks

Title: Collaboration among Developing Countries, Partner States, and International Organizations in Building Statistical Capacity for National Accounts: The DFID-Funded GDDS Project for Anglophone Africa¹

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The General Data Dissemination System (GDDS) Project Phase II, “Modules for Strengthening Statistics,” was initiated in September 2006 as a collaboration among 21 Anglophone African countries plus Mozambique. The United Kingdom Department for International Development (DFID) has provided the funding and broad oversight, while the IMF and World Bank are executing a technical assistance program to help the 22 client countries build statistical capacity consistent with their national priorities. Important among these priorities are the implementation of the *System of National Accounts 1993* and establishing production of the basic source data underlying the national accounts. The project was designed within the framework of the GDDS, with the IMF covering macroeconomic and financial statistics and the World Bank covering socio-demographic statistics. The project funding covers the three years beginning May 1, 2006 and ending April 30, 2009, the first four months for project design and the last 32 months for project implementation. The project builds on the results of the DFID-funded GDDS Phase I project (2002–2006) for 15 Anglophone African countries. Phase I led to all but one of the countries participating in the GDDS establishing a foundation for systematic improvement of their macroeconomic and socio-demographic statistics. The DFID/IMF/World Bank GDDS Project provides important learnings on some of the key features of a framework for successful collaboration on national accounts development among the countries of a region and multiple providers of technical cooperation resources.

The rationale and structure of Phase II were greatly influenced by the surfacing of **client countries’ priorities** for statistical development during Phase I. As Phase I was nearing its end, participants strongly supported continuing the project with focus on the key issues and problems that had been identified in preparing their GDDS metadata and plans for improvement. As a result of some of the Phase I regional events and activities, countries realized that they faced similar challenges and could learn from each other. At the same time, countries recognized that they differed in statistical development and absorption capacity. It was clear that a successor to Phase I would have to target TA to specific topics reflecting national priorities and country groupings with comparable needs.

A **modular approach** thus emerged for Phase II, whereby the recipient countries, the IMF, and the World Bank would design together a series of specialized modules of technical assistance in given topical areas reflecting IMF and World Bank topical competencies for groups of five or six countries with similar needs. Besides satisfying the needs of groups of countries at similar levels of statistical development and facilitating learning among countries, this approach would also introduce efficiencies into the delivery of the TA by

¹ The views expressed herein are those of the authors and should not be attributed to the IMF, its Executive Board, or its management.

streamlining the often time-consuming process of agreeing on the terms of reference of individual missions.

The **project management structure** of Phase II continued from Phase I², except that experts have been hired as part-time module managers to meet the specific management needs of each module. Module managers are experts in the relevant fields and provide backstopping to short-term experts who deliver most of the module TA.

Between May and September 2006 DFID, the IMF, and the World Bank **developed an initial menu of modules** countries could consider under Phase II. The 22 countries opted into modules reflecting their national priorities through a questionnaire and interview process. Countries' instrumental role in developing and choosing from the menu of modules promoted buy-in and ownership of their Phase II projects.

The module selection process culminated during a launch workshop that was held in September, 2006 in Cape Town, marking the real **beginning of the Phase II project**. All countries participating in the project attended the meeting and gave unanimous endorsement to the modular approach and the general framework of the project. Eight macroeconomic statistics modules were chosen for the IMF to deliver, and seven socio-demographic statistics modules for the World Bank.

The broad objectives of the IMF **national accounts module** of Phase II are: (1) improved technical capacity to link different time series following updates or rebasing, a situation that arises often in African countries in view of frequent changes and disruptions in the data series; and (2) improved production of and access to various source data that are critical for the compilation of reliable national accounts. As this module has the broadest coverage in the IMF component of Phase II in terms of potential issues, the action plans are more diverse and individualized than in the other topical modules, reflecting, for example, critical resource policy-related issues in some countries with a base of statistical capacity, or special training and assistance in forming a usable database in the wake of recent civil conflict in others. The World Bank Phase II **modules on agricultural, labor market, and population statistics**, as well as its **module on Management of Statistical Systems** strongly support the foundations for national accounts compilation. These modules address what are often the chief impediments to improving the quality of the national accounts—the lack of good quality basic source data and institutional capacity to retain, support, and manage a cadre of trained staff.

The **opening workshops** for each module were spread over the following year, concluding in October 2007. These workshops set plans for achieving concrete objectives in the countries participating in each of the modules, along with action plans, timetables, and agreed outputs. Each module workshop is now being followed by a series of 2–4 TA missions to each country by the IMF or World Bank over the remaining months of the project to help the countries implement their action plans. Mid-stream regional workshops may also be held as appropriate. Modules will conclude with closing workshops or events designed to present and assess the results of the modules. The **follow-up TA** required to implement the action plans was agreed in the opening workshops and should be completed by March 2009. Countries that do not maintain commitment to timely progress will not be able to complete the modules in which they are participating. Phase II's design thus builds in incentives for mutual

² There are two project managers, each at the IMF and World Bank headquarters and a regional advisor based in Nairobi.

commitment between the client country and the provider of technical cooperation to see its module projects through.

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