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**IMPROVING STATISTICS AND NATIONAL
CAPACITY-BUILDING**

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Introduction

Timely, well-documented and precise statistics that can be used for comparisons at the regional and international levels play an important role in the mechanism of formulating development plans and the related work programmes. Statistical indicators represent the main means of studying the status of development; establishing the current situation, progress made and future trends; discovering the greatest challenges to the achievement of national and international goals; and identifying priorities with respect to the allocation of local and foreign resources. Such indicators constitute a sound basis on which to formulate appropriate development policies and strategies.

The Economic and Social Commission for Western Asia (ESCWA) accords the highest priority to building the statistical capacities of its member countries to produce, disseminate and utilize statistics. With a view to building national capacities, a variety of methods are adopted, including the issuance of publications, the convening of meetings, the organization of training workshops and the provision of consultancy services.

ESCWA stresses the importance of cooperation between the producers and users of statistics in order to ensure the effectiveness of the process of gathering data, producing indicators, and formulating development policies and strategies. ESCWA cooperates with regional and international organizations with a view to revising international statistical standards and methods of collecting data on various issues including, inter alia, population, economic activity, persons with special needs, national accounts, the environment and consumer price comparisons.

This document covers many aspects of the process of improving statistics and building statistical capacities in the ESCWA member countries. It includes the following subjects: the preparation of a national strategy for the development of statistics; statistical needs for implementing the Millennium Development Goals (MDGs); the International Comparison Programme (ICP) and its situation and requirements; the System of National Accounts (SNA) and its status and requirements; and the current status and needs of sectoral statistics.

I. PREPARATION OF A NATIONAL STRATEGY FOR THE DEVELOPMENT OF STATISTICS

A. GENERAL OVERVIEW

National policy makers and the international development community have become increasingly aware of the need to strengthen statistical capacity to support the design, monitoring and evaluation of national development plans, including poverty reduction strategies (PRSs) and sector strategies and the global United Nations Millennium Development Goals (MDGs). The Second International Roundtable on Managing for Development Results, held in Marrakech, Morocco, 4-5 February 2004, and the resulting Marrakech Action Plan for Statistics emphasized the need for national strategies for the development of statistics (NSDSs) in order to provide a strategic framework for developing relevant poverty-focused statistical development strategies.

An NSDS is expected to strengthen statistical capacities across the entire national statistical system (NSS). It provides a vision of the status of an NSS after a period of five to ten years, and sets milestones for achieving that status. An NSDS presents a comprehensive and unified framework for continual assessment of evolving user needs and priorities for statistics and for building the capacity needed to meet those needs in a more coordinated, synergistic and efficient manner. It also aims to provide a framework for mobilizing, harnessing and strengthening national and international resources and supplies a basis for effective and results-oriented strategic NSS management.

In consultation with various partners from recipient countries and donor institutions, PARIS21 is preparing guidelines on improving the quality of statistics and their use in improving development outcomes, thereby enabling developing countries to design their NSDSs and assist partners in development, including civil society, consultants and international partners who provide technical and other forms of assistance to countries.

The guidelines are not prescriptive, given the wide variations in the countries and organizations that aim to use them. Moreover, they are based on a wide body of knowledge that has been accumulated from a number of areas including, in particular, the Managing for Development Results agenda and experience with PRSs; MDG country reports and international enabling programmes for statistical capacity building, namely, the General Data Dissemination System (GDDS), the Multi-annual Integrated Statistical Programme, STATCAP Master Plan and the United Nations Handbook on Statistical Organization; and the experiences of different countries in the design of NSDSs. Furthermore, the guidelines must be sufficiently broad and general to provide an introduction to an NSDS design team that is unfamiliar with those concepts. The guidelines are to be underpinned by more detailed "how to" notes and the extensive PARIS21 knowledge base.

B. KEY PRINCIPLES OF NATIONAL STRATEGIES FOR THE DEVELOPMENT OF STATISTICS

An NSDS must be integrated into national development policy processes and contexts, and must fulfil the following requirements:

- (a) Have political support and commitment, and be championed by high-level national officials;
- (b) Be demand-focused and user-friendly, enabling national Governments to manage for results by responding primarily to national needs and priorities for information while incorporating regional and international commitments and needs;
- (c) Develop statistics as a national and subnational public good, funded from Government budgets and complemented, where appropriate, by international support;
- (d) Be mainstreamed as part of national development policy, incorporate the design, monitoring and evaluation of PRSs, sector strategies and other national development plans and be capable of assessing progress toward MDGs;

(e) Respect relevant national legislation or regulations, recommending changes where appropriate, and all international, regional and bilateral commitments made by the country;

(f) Build on what is available and on existing and ongoing processes, working within the national context, both cultural and institutional.

An NSDS must be developed in an inclusive way, incorporating results-based management principles and quality standards. It must comply with the following requisites:

(a) Be the output of a consensus-building/advocacy process that assists in building commitment and partnerships, with clear processes for consultation throughout;

(b) Be the output of genuinely nationally led, owned and inclusive participatory processes including all stakeholder groups, namely, users, analysts and producers; Government, private sector and civil society; international and regional organizations; bilateral donors and specialized agencies;

(c) Incorporate results-based management principles in the design of the NSDS and manage its implementation by means of performance indicators on the supply of statistical information, value for money, user satisfaction, governance, support to national policies and confidentiality, and a plan for the reporting, monitoring and evaluation of performance;

(d) Use international standards, recommendations and experience in order to capitalize on global knowledge and ensure consistency between countries.

An NSDS must be comprehensive and coherent and provide the basis for the sustainable development of statistics while ensuring 'fit for purpose' quality. It must aim to do the following:

(a) Cover the entire NSS, including all data collection, analysis, dissemination and use, from censuses, surveys and administrative systems, and the mechanisms for coordination and consultation, recognizing that implementation may need to be sequenced;

(b) Provide a platform for the long-term, sustainable development of statistics whilst also addressing immediate data needs for development progress;

(c) Provide a resource for evidence-based decision-making, with 'fit for purpose' quality, incorporating relevance, accuracy, timeliness and independence in order to satisfy user needs;

(d) Serve as a coherent framework for international and bilateral assistance for statistics and avoid parallel systems for monitoring and evaluation needs of donor programmes.

An NSDS must show the current status of the statistical system, how it needs to be developed and how to accomplish that development. It must aim to do the following:

(a) Provide an assessment of the current status of NSS, incorporating a comprehensive appraisal of statistical outputs measured against agreed criteria;

(b) Provide a vision for national statistics and propose strategies for the delivery of that vision that address institutional and organizational constraints and include all statistical planning frameworks and performance indicators rather than a simple work plan;

(c) Incorporate substrategies for leadership and management, financial management, human resources, communications and infrastructure, including information technologies and dissemination, in addition to technical work areas, namely, national accounts and statistics on poverty and health;

(d) Set out an integrated statistical capacity-building programme, which meets the following conditions:

- (i) Builds capacity to implement and adapt the strategy;
- (ii) Transforms statistics into information through analysis, dissemination, publicity and user education;
- (iii) Is prioritized and timetabled;
- (iv) Provides the framework for the implementation of annual work plans;
- (v) Is sufficiently realistic, pragmatic and flexible to cope with changes in priorities, new information needs and lessons learnt and is as easy as possible to implement.

(e) Identifies financing requirements by responding to user needs and being realistic about resources.

This requires prioritization, sequencing and cost effectiveness, or, in other words, considering alternative sources of data, including administrative sources and sample surveys.

C. MAIN PHASES IN THE DESIGN OF NATIONAL STRATEGIES FOR THE DEVELOPMENT OF STATISTICS

The systematic development of a strategy must be carried out in inter-linked phases. The duration of each phase depends on a number of factors, including the urgency of the need for the strategy, the efficiency of Government decision-making processes and the complexity of NSS. Given that in many countries the development process will involve respecting Government, statistical and other regulations and learning through actions, the process must not be hurried and ample time must be allocated thereto. The following phases are recommended:

- (a) Phase 1: Political commitment and launching (NSDS design road map);
- (b) Phase 2: Assessment of the current status of NSS;
- (c) Phase 3: Vision and strategic planning exercises;
- (d) Phase 4: Implementation planning.

These phases are highlighted in the table below.

1. *Phase I: Political commitment and launching (National Strategies for the Development of Statistics design road map)*

During this phase, a country takes the decision to design a strategy. Triggers for this decision can include the following:

(a) Successful statistical advocacy, sensitization, dialogue and persuasion of politicians, policy and decision makers. In some countries this may have followed participation in PARIS21 stakeholder or other workshops where the need for more effective advocacy and NSDS was discussed;

(b) A rapid increase in demand for statistics to inform and monitor the results of development policies and initiatives. Usually the process of designing and, indeed, monitoring the implementation of a PRS in a country and tracking MDGs and other development policies and initiatives highlights the major weaknesses of an NSS and the need for it to be strengthened as an integral part of monitoring systems as, for example, with a poverty monitoring system;

(c) Participation in GDDS. If a country elects to participate in GDDS, it has already committed itself to establishing a statistical strategy;

Once the need to develop the strategy has been triggered, an NSDS design road map must be meticulously worked out.

2. Phase II: Assessment of the current status of the national statistical system

Assessment involves the following actions:

- (a) Identifying current and future needs for statistics and existing data gaps;
- (b) Assessing each key statistical output against agreed quality criteria;
- (c) Assessing the sustainability of the existing capacity and operational environment (institutional, infrastructural, technical and resources) to meet the identified data needs and fill existing data gaps;
- (d) Strategic analysis, perhaps incorporating an environmental scan, which involves a general search to identify driving forces that may impact the strategy, including changes in Government policies, trends in information and communications technologies (ICT), developments and changes in the economy, in addition to a strengths, weaknesses, opportunities and challenges analysis.

3. Phase III: Vision and strategic planning

Vision and strategic planning can involve revising NSS goals and principles and identifying goals and strategies for consultancy provision. Such strategies can then be translated into an action plan to address any institutional/organizational constraints and used to develop human resources, management, infrastructure, ICTs, dissemination and technical work areas.

4. Phase IV: Implementation planning

It should be stressed that the right strategies are not all that is required to render an NSS effective. Strategies must be properly and effectively implemented, and their implementation and effectiveness must be closely reported on and monitored.

TABLE. OVERVIEW FOR DESIGNING A NATIONAL STRATEGY FOR THE DEVELOPMENT OF STATISTICS

Phase	National goals	Outputs	Activities	Stakeholders	Duration	Comments
For each phase		Minutes of a meeting; recommendations; mission reports; communication to council of ministers; report.	PARLISTAT update; Meeting of coordination authorities; Drafting of stage reports.	Government and statistics minister; Statistical system coordinator; National team leader; Main users and	The political calendar takes precedence. Deadlines are adjusted accordingly.	
Phase I: Political commitment/ launching	Political commitment to develop an NSDS and establishing road map for design process.	Peer review report; Letter from the minister to colleagues and partners; Approved roadmap for NSDS design; Project document.	Advocacy film; Meetings with partners; Peer review; Study missions; Identification of future members of the national team; Drafting of the funding request.	producers; Partners and PARIS21 Secretariat consultants.	1 to 6 months, depending on the country.	It takes approximately three months to prepare a funding request.

Phase	National goals	Outputs	Activities	Stakeholders	Duration	Comments
Phase 2: Assessment	Making a diagnosis; Determining needs.	Agreement with national and international partners; Approved budget for the development of an NSDS.	Consultant missions; Launching workshop (PARIS21 guide); Consultations with all stakeholders; Collecting information on system status through SCBI; Ratifying workshop (PARIS21 guide).		2 to 3 months.	This stage requires the most gathering of data. A number of reports are already available.
Phase 3: Vision and strategic planning	Defining a vision; Choosing strategies.	Report including the vision and a comparative study of strategy scenarios.	Consultant missions; Consultations with all stakeholders; Ratifying workshop (PARIS21 guide).		1 to 3 months.	This stage is one of reflection, considering the future and integrating points of view.
Phase 4: Implementation planning	Implementation schedules finalized; mechanism for monitoring of NSDS implementation adopted.	Report including activity sequencing and implementation schedule; Report including detailed and time-specific implementation and monitoring plan arrangements.	Consultant mission; National dialogue workshop (PARIS21 guide); Consultations with all stakeholders; Costing exercise/donors roundtable; Formal reporting to political authorities.		6 to 7 months. This period corresponds to the last half of the first budget year.	Many activities are already scheduled. Strategies are already drawn up prior to budgetary discussions and the draft programme for the first budgetary year. Self-assessment through SCBI.
Implementation	Implementing strategies; Achieving results.	Annual reports on the statistical system; Detailed annual programmes; Annual budgets.	Launching workshop (PARIS21 guide); Drafting annual reports; Preparation of detailed annual programmes and budgets.	Producers; Users; Partners.	4 to 6 years.	Implementation begins in the first budget year of the plan period.

II. STATISTICAL NEEDS FOR THE IMPLEMENTATION OF THE MILLENNIUM DEVELOPMENT GOALS

A. GENERAL OVERVIEW

In September 2000, the United Nations held the Millennium Summit, which was attended by 147 Heads of State and Government. The United Nations Millennium Declaration issued by the Summit contains the MDGs, comprising eight goals, 18 targets and 48 indicators (see annex).

The Declaration requested the General Assembly to review on a regular basis the progress made in implementing the MDGs, and asked the Secretary-General to issue periodic reports for consideration by the General Assembly and as a basis for further action. Member States were requested to prepare periodic national reports on the progress made in implementing MDGs.

To date, nine ESCWA member countries have prepared such reports, namely, Bahrain, Egypt, Jordan, Kuwait, Lebanon, Palestine, Saudi Arabia, the Syrian Arab Republic and Yemen.

B. INTER-AGENCY AND EXPERT MEETING ON MILLENNIUM DEVELOPMENT GOALS INDICATORS

The United Nations Statistics Division, in cooperation with the executive office of the Secretary-General, held the Fifth Inter-agency and Expert Meeting on Millennium Development Goals Indicators in New York from 29 March to 1 April 2004.

The functions of the inter-agency expert group includes the preparation of the following reports:

- (a) The 2004 report of the Secretary-General on progress made in implementing MDGs;
- (b) The 16 page report of the Secretary-General concerning MDGs that will be submitted to the General Assembly in 2005;
- (c) The Glossy Report on MDGs;
- (d) Report to be disseminated on the Internet, including links to MDG database and to the relevant contributions of the regional commissions.

A further aspect of the functions of this group is the revision of the MDG indicators and the study of how they could be developed in other specific fields.

The regional commissions, including ESCWA, were requested to prepare regional reports on the progress made in implementing MDGs, which would be incorporated into the abovementioned 2005 report of the Secretary-General.

Countries were requested to prepare periodic national reports on the same subject. Each country is expected to have produced at least one report by 2005.

In cooperation with the United Nations specialized agencies, the regional commissions have the responsibility of ensuring that the statistics used at national level are the same as those used in the preparation of the regional reports and subsequently incorporated in the United Nations Statistics Division database and the 2005 comprehensive report of the Secretary-General.

It was agreed that the regional commissions, including ESCWA, should cooperate with the United Nations specialized agencies in providing technical support to countries in the preparation of national reports, with priority being given to those countries that had not yet produced any report. Consequently, the regional commissions are working to improve the capacities of their member countries in respect of the collection of data from a variety of sources, including censuses, household surveys and official records,

giving priority to the improvement of country capabilities to produce data on poverty, employment, gender, ICT, environment, national accounts, good governance and democracy.

C. ESCWA ACTIVITIES RELATED TO THE MILLENNIUM DEVELOPMENT GOALS

In 2004, ESCWA prepared the regional report on MDGs that discusses, in relation to each Goal, the current situation, future trends, challenges, the supportive environment and priorities with respect to the allocation of local and foreign resources. The report also contains a summary and recommendations.

ESCWA has also established a regional database on the Millennium Development Goal indicators and in 2003 published the sixth issue of the Compendium of Social Statistics and Indicators: Towards achieving MDGs.

ESCWA and the United Nations Statistics Division, in cooperation with the Central Administration of Statistics in Lebanon and the Arab Institute for Training, Research and Statistics, held the Expert Group Meeting on Data and Indicators to Monitor Progress Towards Millennium Development Goals in the ESCWA Region. The aim of the Meeting, which was held in United Nations House, Beirut, from 9 to 13 February 2004, was to raise the level of awareness of MDGs among national statisticians and data analysts, and support national capacities to produce and analyse statistics and indicators, with a view to following up implementation at the regional level of the Millennium Declaration. The most important recommendation made by the Meeting concerned the inclusion of the process of producing the MDG indicators as part of the regular work of the national statistical bodies.

On 20 June 2003, ESCWA held the Workshop on Social Indicators with emphasis on the Millennium Development Goals and Indicators, the aim of which was to raise awareness of MDGs and indicators and the national and international commitments to achieve those Goals by 2015, together with the relationship between the Goals and development challenges in the ESCWA member countries and the importance of following up and monitoring progress made in implementing MDGs and the general revision of the indicators.

ESCWA also supervised the translation of the handbook entitled Indicators for Monitoring the Millennium Development Goals: Definitions, Rationale, Concepts and Sources, which was issued by the United Nations Development Group, led by the United Nations Population Fund, the United Nations Development Programme and the Department of Economic and Social Affairs – Statistics Division. The handbook contains data pertaining to MDG indicators and explains the rationale for each indicator, the method of computation, the sources of the data and the agencies involved in gathering and disseminating the data.

D. THE AVAILABILITY OF DATA ON MILLENNIUM DEVELOPMENT GOALS INDICATORS IN ESCWA MEMBER COUNTRIES

Data on MDG indicators are considered to be available in certain ESCWA member countries, provided they exist for at least two years within the 1999-2003 period.

With respect to the first Goal, to eradicate extreme poverty and hunger, data for indicator 2, Poverty gap ratio and indicator 3, Share of poorest quintile in national consumption exist in only five of the 13 ESCWA member countries, while data on indicator 1, Proportion of population below \$1 per day, are available in six of those countries.

With regard to Goals 2, 3, 4 and 5 concerning, respectively, the achievement of universal education, the promotion of gender equality and empowerment of women, the reduction of child mortality and the improvement of maternal health, data are available on all the indicators in the majority of ESCWA member countries.

With respect to Goal 6, to combat HIV/AIDS, malaria and other diseases, it appears that data on indicators 20 and 22, respectively Ratio of school attendance of orphans to school attendance of non-orphans

aged 10-14, and Proportion of population in malaria risk areas using effective malaria prevention and treatment measures, are not available in any ESCWA member country.

Similarly, no data are available in any ESCWA member country on indicators 29 and 32 relating to Goal 7, Ensure environmental sustainability. Those indicators are, respectively, Proportion of population using solid fuels and Proportion of households with access to secure tenure.

As for Goal 8, concerning the development of a global partnership for development, data are only available on indicators 45, 46, 47 and 48 concerning, respectively, Unemployment rate of 15-24 year olds, male and female and total; Proportion of population with access to affordable, essential drugs on a sustainable basis; Telephone lines and cellular subscribers per 100 population, and Personal computers in use per 100 population.

ESCWA attempted to evaluate the statistical capacities of certain of its member countries, namely, Egypt, Lebanon, Palestine, Saudi Arabia, the Syrian Arab Republic and Yemen, in the process of monitoring the progress made in implementing MDGs, as described in the national reports published up to the date of this report. The evaluation considered, in respect of each Goal, the capacity for data collection; the quality of the data of the most recent surveys; the capacity for statistical follow-up, statistical analysis, and incorporating such statistical analysis into policies and planning; and the ability to follow up and evaluate. It appeared that national data-collection capacity, particularly in Yemen, was weakest with respect to Goal 6, Combat HIV/AIDS, malaria and other diseases, and Goal 7, Ensure environmental sustainability. The national reports of the countries concerned did not shed any light on their statistical capacities with respect to Goal 8, Develop a global partnership for development, because most of the relevant targets were not applicable.

E. STATISTICAL NEEDS FOR SUPPORTING THE CAPACITIES OF ESCWA MEMBER COUNTRIES IN COLLECTING DATA ON MILLENNIUM DEVELOPMENT GOALS INDICATORS

The measurement of MDG indicators requires the statistical capacity to produce timely, valid, reliable and comparable data. National statistical capacities can be built through a number of activities, including study tours to the senior statisticians, educational grants to those working in national statistical bodies, and local, regional and international training courses in the collection, dissemination, analysis and use of various types of data.

1. *Statistical needs and the concerned bodies*

(a) *Goal 1: Eradicate extreme poverty and hunger*

National statistical capacities must be supported in the implementation of household income and expenditure surveys and other household surveys, and national surveys on nutrition, health and population, and the adoption of anthropometric measurement. The most significant parties involved in Goal 1 are the national statistical bodies and ministries of labour, ESCWA, the United Nations Statistics Division (UNSD), the United Nations Children's Fund (UNICEF), the Food and Agricultural Organization of the United Nations (FAO), the World Health Organization (WHO) and the World Bank.

(b) *Goal 2: Achieve universal primary education*

National statistical capacities must be enhanced in the implementation of household surveys and censuses and the updating of Ministry of Education records. The parties most relevant to this Goal are the national statistical bodies and ministries of education, ESCWA, UNSD and the United Nations Educational, Scientific and Cultural Organization (UNESCO).

(c) *Goal 3: Promote gender equality and empower women*

National statistical capacities must be strengthened in the implementation of labour force and household surveys and censuses and the updating of Ministry of Education, social security and national parliamentary records. The parties most relevant to this Goal are the national statistical bodies, ministries of education and parliaments, ESCWA, UNSD, the United Nations Development Fund for Women, the International Labour Organization (ILO), UNESCO and the Inter-Parliamentary Union.

(d) *Goal 4: Reduce child mortality*

A system of civil registration must be activated and the capacities of countries strengthened in regard to the carrying out of household surveys, including the Pan Arab Project for Child Development, demographic and health surveys, and multiple indicator cluster surveys; as well as censuses; and in regard to the updating of administrative records on child immunization. The most significant parties involved in Goal 4 are the national statistical bodies and ministries of health, ESCWA, UNSD, UNICEF and WHO.

(e) *Goal 5: Improve maternal health*

Civil registration systems must be improved and the capacities of countries strengthened in regard to the carrying out of the abovementioned household surveys, including the Pan Arab Project for Child Development, demographic and health surveys, and other multiple indicator cluster surveys; and health records must be kept constantly up-to-date. The most significant parties involved in Goal 5 are the national statistical bodies and ministries of health, ESCWA, UNSD, the United Nations Population Fund (UNFPA), UNICEF and WHO.

(f) *Goal 6: Combat HIV/AIDS, malaria and other diseases*

The capacities of countries must be strengthened with respect to the conduct of censuses and of comprehensive demographic and health surveys of multiple indicator nature; malaria survey components must be added to household surveys; vital statistics registration systems must be supported; and the records of ministries of health must be updated. The parties most involved in this Goal are the national statistical bodies and ministries of health, ESCWA, UNSD, the United Nations Population Division, UNFPA, UNICEF and WHO.

(g) *Goal 7: Ensure environmental sustainability*

Countries must take action to collect national statistics on forests and improve the records of ministries of the environment and other ministries that identify protected areas; administrative reports on new and existing facilities must be compiled; and household surveys must be carried out. Those involved in this goal are the national statistical bodies and ministries of the environment, a number of United Nations organizations and programmes, including ESCWA, UNSD, the United Nations Human Settlements Programme (UN-HABITAT), the United Nations Environment Programme (UNEP) and the International Comparison Programme (ICP).

(h) *Goal 8: Develop a global partnership for development*

In the ESCWA member countries, data are only available for a few indicators relating to this goal. The capacities of those countries must be strengthened with respect to the carrying out of labour force surveys and censuses and the improvement of administrative records. Those most concerned with this Goal are the national statistical bodies and ministries of labour and communications, ESCWA, UNSD, ILO and the International Telecommunications Union.

2. *Data collection requirements*

In order to ensure that data collected by ESCWA member countries can be used for the purposes of international comparisons and in producing MDG indicators and development indicators in general, the following requirements must be observed:

- (a) With respect to data collection:
 - (i) Periodic population censuses must be carried out, together with surveys of housing and establishments;
 - (ii) Household income and expenditure surveys must be carried out every five years;
 - (iii) Labour force surveys must be carried out at least once a year;
 - (iv) Special household surveys on various issues, including disability and nutrition, must be carried out;
 - (v) The current statistics extracted from administrative records, including statistics on education and information on the labour force, migration and vital statistics, must be developed.
- (b) With respect to methodology:
 - (i) The modern concepts that are the outcome of international conferences on labour statistics must be adopted. The most recent of such conferences was the Seventeenth International Conference of Labour Statisticians, held in Geneva, Switzerland, from 24 November to 3 December 2003;
 - (ii) International social and economic classifications must be adopted, including the International Standard Industrial Classification of All Economic Activities, the Central Product Classification, the Standard International Trade Classification, the International Standard Classification of Occupations and the International Standard Classification of Education. It should be noted that most of those classifications are currently being updated;
 - (iii) The concept of gender should be mainstreamed in statistical operations when surveys are designed and carried out and when their outcomes are tabulated and disseminated.
- (c) At the institutional level:

A framework for statistical bodies should be prepared periodically in order to meet the emerging needs of the users of the data.

F. SUMMARY

The data relevant to the MDG indicators are available in the majority of the ESCWA member countries with respect to the Goals relating to education; gender equality and the empowerment of women; the reduction of child mortality; and the improvement of maternal health. Data on the other Goals are not available.

It is therefore necessary for most ESCWA member countries to exert great efforts to improve their capacities in the field of the production of timely, valid and reliable statistics that can be used for comparisons, in order to follow up the progress made towards realizing MDGs.

In that context, those countries must take the following steps:

- (a) Consider the process of producing MDG indicators part of the mandate of the national statistical body;
- (b) Periodically provide ESCWA and UNSD with MDG Indicators;
- (c) Prepare and disseminate national reports on the progress made towards achieving MDGs: every country should have published at least one such national report before December 2005, the date on which the

Secretary-General of the United Nations will submit his comprehensive report on MDGs to the General Assembly.

Similarly, ESCWA and the United Nations specialized agencies in the region must take the following steps:

(a) Establish a joint inter-agency technical task force involved in the Millennium Declaration to be responsible for developing a database on the MDG indicators and preparing a regional report on the progress made towards achieving MDGs in the ESCWA region;

(b) As part of the initial project supported by UNSD, cooperation between ESCWA member countries should be strengthened in respect of support for and development of census-related activities;

(c) The capacity of member countries to produce precise data and indicators on income and its distribution must be strengthened, as must their ability to prepare periodic estimates of price and expenditure levels on GDP and the sectoral components at current and fixed prices, in accordance with 1993 SNA.

III. THE INTERNATIONAL COMPARISON PROGRAMME: THE SITUATION AND THE REQUIREMENTS

A. GENERAL OVERVIEW

The World Bank cooperates with the global statistical community, the UNSD, the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development, the Statistical Office of the European Communities and a number of regional institutions, including ESCWA, in implementing the most recent round of ICP, namely, the 2003-2006 Global Round, sometimes referred to as ICP 2004. Preparations for this round have been underway since 2001, and invitations to participate in it have been issued to States and the regional and institutional monetary agencies.

After ICP had been established in 1968, the field surveys for its first round were carried out in 1970 with the participation of 10 countries. The number of participants had increased to 118 by the sixth round (1993-1996), and in the most recent round, 160 countries took part. Currently, ICP is considered an integral part of national statistical work in European and Non-Aligned Movement countries.

The basic aim of ICP is to provide additional evaluative tools in order to improve comparisons of Purchasing Power Parity (PPP) estimates in the countries that are being compared, by ensuring that comparisons between disparate economies take into account the impact of relative price on purchasing power.

The aims of ICP can be summarized as measuring gross domestic product (GDP) and price and expenditure levels in the countries being compared, using PPP and the extrapolation of various evaluative indicators and numbers, including indicators on, inter alia, productivity, investment, standards of living and poverty, and the comparison of volumes and prices in a variety of economies.

B. THE SITUATION OF THE INTERNATIONAL COMPARISON PROGRAMME

The basis of ICP is, essentially, a comprehensive system of statistics and economic analysis that use statistical methods to produce the data that is necessary in order to calculate PPP estimates, price levels and expenditure values. The aim of the programme is to obtain specific data on the prices of given commodities and services; Government and public expenditure; and estimates of GDP and its components at various levels of aggregation. All those statistics are used in order to calculate PPP in the local currencies of the countries involved in the comparison. That calculation involves statistical processes that require the use of a set of programmes that facilitate the operation.

In its current round, ICP has been so developed as to focus more intensely on sustainable development issues, including poverty. The Programme has been re-designed in order to remedy the deficiencies of previous rounds that resulted in insufficient, irrelevant or unreliable data that gave similar results; poorly planned implementation schedules; no strategy for ensuring the continuation of the Programme; lack of ability to provide sufficient material resources; quantitative and qualitative shortfalls in human resources; lack of the required support from the main beneficiaries; and a lack of commitment in certain participating countries.

A new strategy has therefore been put in place that aims to strengthen the Programme and obtain more precise data for PPP, in addition to ensuring the continuation of the Programme through subsequent rounds and its cooperation with national statistical programmes, as part of a comprehensive framework for the building of national and regional statistical capacities. The new ICP strategy in the 2004 round includes PPP calculations on poverty as an integral part of the Programme and the assurance of sufficient resources to implement and manage ICP in all its national and regional locations.

The main aim of this round may be summarized as the rebuilding of confidence in the significance of data calculated on the basis of PPP, which are one of the main outputs of ICP, and the production of high quality data that can be used in comparisons.

The outcomes of ICP are highly analytical and may be used for the purposes of preparing studies and designing a variety of policies. When PPP standards are used to evaluate local results for the countries being compared, it is possible to make objective comparisons of true production volumes in countries that produce comparable commodities and services, even when technical standards and resources are limited. Such comparisons help to identify absolute and relative differences in the economies of those countries and supply analytical content for scientific research and the formulation of policies relating to resource management, levels of production, techniques employed, investment and markets.

When the economic performance of the countries being compared is measured using per capita GDP in real prices rather than nominal value, indicators will be produced that can measure standards of living, which are the conclusions that are essential for the formulation of appropriate relevant policies.

It should be noted that comparisons are more realistic when there are not big differences in the standards of living of the countries being compared: when there are, PPP comparisons become less meaningful.

Programme outcomes include calculations of comparative prices and quantities of commodities and services. Such indicators are quantitative comparative research tools that are used in formulating price management policies and amending national accounts figures for the purposes of international comparisons. When the expenditure items of economic sectors are measured at true values, comparisons between countries may be made of Government expenditure, thereby providing data that illustrate how resources are allocated and employed. As a result, the performance and efficiency of various countries may be evaluated even when those countries are not comparable with respect to levels of development and quality of services.

The rapidity of globalization and the integration of global markets have led to a need among financial institutions for a strong knowledge base. Similarly, large multinational corporations and certain investors require data that can be compared on a global scale.

PPP provide a number of possibilities that can assist in producing indicators which may be used in the following manners:

(a) To compare the economic values that embody the differences that cannot be evaluated using the exchange rate: PPP is calculated on the basis of the number of currency units required to buy goods or services equivalent to what can be bought with one unit of the base country. This provides a better basis for comparisons between the economic levels of countries than the currency exchange rate, because the latter does not reflect the differences in prices of commodities in different countries, and PPP is not affected by changes in the prices themselves;

(b) To evaluate the true relative progress of income level developments in the countries being compared: PPP is used to calculate the purchasing power of GDP overall or at levels of aggregation, thereby making it possible to analyse the various frameworks of prices and volumes, which is not possible using only currency exchange rates;

(c) To carry out detailed studies on economic and social developments and prepare comparative studies of markets. Certain PPP outcomes may be used in building comparative figures for trade and investment, in addition to comparative figures that can be used in estimating the comparative economic cost of one currency unit and comparative price levels;

(d) To gauge the point at which the poverty line begins, and then observe progress made in reducing poverty levels, which is an MDG. The 2004 round of ICP will include PPP comparisons of the poorest population groups that will assist in determining the poverty line and, consequently, in monitoring its development. The commodity basket consumed by poor persons in the countries being compared will be the basis for the comparison of prices and the purchasing power of the poorest population groups.

1. *ESCWA involvement in the 2004 round of ICP*

For the first time, ESCWA took part in the sixth round of ICP in 1993, adopting a shortened form of the Programme and using a narrow database that covered 11 member countries. ESCWA is participating in the current round, with the same number of countries.

Aware of the importance of ICP and its potential benefit for statistical work in the region, ESCWA and its member countries agreed to join this round of the Programme in 2002. The strategic aim of ESCWA in becoming involved in the 2004 round of ICP may be summarized as to develop and improve methods of comparison and monitor the progress made by statistical work in member countries towards achieving MDGs in general and the eradication of extreme poverty and hunger in particular. By participating in the Programme, ESCWA also intends to strengthen statistical programmes relating to prices and national accounts, by building statistical capacities, perfecting national statistical programmes and bringing them into line with ICP.

2. *Measures taken by ESCWA with a view to involvement in ICP*

In common with other regional parties, ESCWA has taken several measures and laid down a number of rules that are aimed at successfully implementing the 2004 round of ICP. A summary of those measures and rules is set forth below:

(a) The formation of national task forces in all the participating countries. Such task forces should be characterized by efficient management and continual coordination with the regional office for the Western Asia region. Its members should have technical capabilities and practical skills that will make it easy for them to receive the training necessary for implementation of the Programme;

(b) The provision, insofar as is possible, of the financial resources that will ensure sound implementation of all stages of the Programme;

(c) The improvement of the quality and level of knowledge relating to sophisticated working techniques, guidance and standards for implementation of the most recent round of ICP, by convening numerous meetings and workshops and providing direct technical assistance to countries;

(d) The provision of encouragement to participating countries to implement the Programme through the effective involvement of its statistical professionals and to train and build the statistical capacities of the greatest possible number of national staff;

(e) The achievement of every possible mutual reinforcement between efforts exerted in the collection of ICP-related data and the regular national statistics programme relating to prices and national accounts. A new system has been developed in order to identify a basket of commodities and services and collect the prices, for use in calculating PPP. That basket of commodities and services will be taken into account in calculating comparative price levels. As a result, those prices may be used in the future as an additional indicator and ICP outcome and will assist in the Programme's development and improvement. ICP is also linked with the preparation of national accounts on the basis of SNA 1993. As a result of that linkage, price statistics in member countries will develop, through the use of new concepts for determining commodity classifications and a set of programmes that can be used for collecting and analysing prices;

(f) The standardization of statistical norms and practices in member countries, which will assist in the production of national and regional indicators that can be used in local and international comparisons;

(g) The involvement of the participating parties and Programme beneficiaries in requesting financial support from funders, and the creation of a good impression of the Programme that will give it credibility, by convening numerous meetings in ESCWA with the regional office of the Programme and by establishing an executive council comprising a group of national Programme coordinators and international experts, that will cooperate with the regional coordinator in managing and implementing the Programme;

(h) The establishment of a page on the ESCWA web site devoted to ICP in the Western Asia region and the provision of a link on that page to the World Bank ICP site.

C. THE STATISTICAL REQUIREMENTS FOR INCREASING THE BENEFIT OF THE INTERNATIONAL COMPARISON PROGRAMME IN THE WESTERN ASIA REGION

Set forth below are the requirements for increased involvement in ICP in the Western Asia region:

1. Movement towards the increased continuity of the Programme by ensuring that it is used to the utmost, and that its outcomes are used in order to conduct comparisons. In order to achieve such continuity, the institutional status of the Programme must be developed by establishing ICP units in the World Bank and the various regions of the world, including the Arab region, and in all the member countries that are participating in the Programme; providing those units with a working mechanism that will implement carefully thought out plans and precise schedules; using ICT developments to link all the national and regional offices to the central office in the World Bank and to each other; and the establishment within those proposed national units of focal points in the main regions and governorates and the Government and non-governmental bodies that produce data.

2. The support of the Governments of ESCWA member countries for central statistical bodies, offices and departments, in order to make them effective centres for data management and the preparation of statistics that can be used in comparisons. It is therefore hoped that the Governments of ESCWA member countries will accord their central statistical bodies the highest institutional status, as is the case in Group of Eight (G-8) industrialized countries, and give them the authority to monitor the validity and quality of the raw data that are produced by the various national ministries and institutions, and the responsibility for computing the indicators and statistics necessary for decision-making.

3. The improvement of the performance of statistical professionals working in central statistics bodies and offices with respect to ways and means of gathering and analysing data, preparing comparative figures, computing the indicators necessary for decision-making and designing statistical models at the level of the overall economy of the country. It is therefore important that those professionals should work closely with users of data, statistics and the calculated indicators, including by holding seminars with, inter alia, universities, research centres, the major industrial and commercial institutions, banks and investment corporations, with a view to becoming familiar with their goals and their needs in respect of data and statistical indicators.

4. The appreciation by countries that are participating in ICP that they are not merely taking part in the Programme but are the main beneficiaries and those with the greatest interest in its outcomes, and that it must therefore be implemented in strict accordance with the agreed schedule. All the national ICP task forces in the ESCWA region work in complete cooperation with the ESCWA Programme task force and undertake their duties with the greatest seriousness. However, the pressure of other obligations in certain participating countries can lead to occasional delays in the implementation of ICP-related work, which has an impact on overall progress. To the extent possible, ESCWA provides technical assistance in order to ensure that work in member countries is completed within the proper period.

5. The nature of the 2004 round of ICP requires that the Programme should be one of the priorities of the work of statistical bodies in participating member countries, in order to prepare both PPPs and price indicators.

6. All the relevant parties should be involved in the provision of the necessary financial and human resources for implementation of the Programme. That will only be the case if all the abovementioned requirements are met and, in particular, the establishment of ICP units within the organizational framework of the participating bodies. The necessary resources must therefore be included in additional budgets, or the budgets relating to central statistical bodies and offices in the member countries and regional donors must be readjusted to include the allocations necessary to implement the comparative price levels programme, including ICP. With a view to implementing ICP, participating countries will have to have recourse to additional sources of funding, including Arab funds and international funding institutions, in order to finance important projects in developing countries with the aim of implementing ICP.

IV. SYSTEM OF NATIONAL ACCOUNTS: THE SITUATION AND THE REQUIREMENTS

A. GENERAL OVERVIEW

With effect from the early 1950s, most countries in the ESCWA region began preparing some of their accounts in accordance with the 1953 System of National Accounts (SNA). In the early 1970s, greater importance was attached to the application of 1968 SNA; at the end of the 1990s, certain of those countries began to prepare their basic accounts in accordance with 1993 SNA. There are differences between them with respect to the stages of implementation of the System and the application levels that they have reached within each stage.

The principal aim of 1993 SNA was to update 1968 SNA in keeping with important developments in the economic, financial and monetary fields and changing economic and social relationships, and to ensure coordination and compatibility with other statistical systems in accordance with international statistical standards. The data furnished to the System also contributes to the formation of a comprehensive picture of a country's economy. The System is considered an excellent guide for national accountants in all parts of the world, that allows for flexibility in its application and helps to promote the central role of national accounts in statistics in general.

B. THE STATUS OF PRACTICAL APPLICATION OF THE SYSTEM IN THE COUNTRIES OF THE ESCWA REGION

Despite the fact that more than 10 years have passed since the new SNA was introduced, very few ESCWA member countries have made much progress in applying it in a manner that accords with current general international economic developments. With effect from the late 1990s, many practical attempts have been made by the countries of the region to apply the System in accordance with specific plans and programmes, the variations as to detail and outcome of which are commensurate with the statistical technical and funding status of each country and its analytical requirements.

Such attempts were made, in particular, in Bahrain, Egypt, Jordan, Oman, Palestine, Qatar and the Syrian Arab Republic, all of which countries have provided well-documented data. The remaining ESCWA member countries, namely, Iraq, Kuwait, Lebanon, Saudi Arabia, the United Arab Emirates and Yemen, are currently making serious endeavours to apply 1993 SNA. It should be noted here that some of those countries have made reasonable progress in applying the System, as is indicated by the responses to the annual ESCWA questionnaire on national accounts studies. Nevertheless, many other countries of the region have not yet been able to meet ESCWA's request to provide it with figures in constant prices, with respect in particular, to disposable income, gross fixed capital formation and expenditure over GDP.

Notwithstanding the disparities between the experiences of those countries with regard to level of application and the stage of implementation that has been reached, they have a common denominator in the preparatory steps for application and implementation of the System, which may be summarized as set forth below:

- (a) Preparation of the data on the basis of its principal sources, in accordance with administrative sector classifications;
- (b) Harmonization of concepts at the level of each sector;
- (c) Attention to the issue of comprehensiveness and evaluation methods;
- (d) Formulation of integrated and continuous economic accounts for each sector;
- (e) Construction of a schedule of resources and their uses;
- (f) Integration of and coordination between overall economic sectoral accounts.

The abovementioned experiences have also contributed to the preparation of individual accounts for each institutional sector, namely, financial and non-financial companies, the Government overall, the family, and non-profit institutions serving households. The accounts involved include production, income generation, allocation of primary and secondary income, redistribution of income in kind, use of disposable income, capital and monetary.

In general, there are differences between institutional units with respect to the way in which the various accounts are prepared. In Egypt, Jordan and Oman, for example, production accounts were prepared by reviewing the other accounts, including the capital account, in the non-financial companies sector. It should be noted that monetary accounts were in some cases not produced because of a lack of data on changes in monetary sources.

1. *The role of ESCWA in applying the System*

Since the System was introduced, ESCWA has held, either alone or in partnership with certain regional and international organizations, many training workshops and seminars for specialist technical professionals working in the national accounts departments of member countries. The aim was to introduce the new 1993 SNA, its principal features and the methodology used in applying it, as well as clarifying the extent of its relationship to the previous, 1968 SNA, and to such other international statistical system methodologies as are contained in the IMF Statistics Department's *Government Finance Statistics Manual*, *Monetary and Financial Statistics Manual* and *Balance of Payments Manual*.

It should be noted that ESCWA has attempted to prepare a regional project that would include a number of the countries in the region, with the aim of applying the System. However, funding problems have prevented implementation of the project and prompted member countries to adopt individual projects or programmes that have been specially prepared for them individually in accordance with their material, technical and statistical circumstances and in cooperation with the ESCWA regional advisor on national accounts. However, recently an initiative is being launched in collaboration with UNSD and the GCC to strengthen the latter group's capacities in applying SNA 1993.

2. *Difficulties arising from application of 1993 SNA*

Attempts to apply SNA have encountered numerous problems with respect to the composition of national accounts. To that end, some countries relied on previously published information that had been issued for the purposes of specific statistics and did not take into account the requirements of 1993 SNA. The problems encountered included, inter alia, problems of comprehensiveness and the methodology that had been used in order to amass and classify the data in those publications, and the amount of detail that was provided. There are therefore discrepancies between accounts, not merely at the level of the sectors that comprise the economy, but also at the level of the activity within each sector. There is, furthermore, a paucity of data on the prices used in the evaluation process. A number of other practical problems exist, varying in accordance with the nature of each sector of the economy.

C. THE STATISTICAL REQUIREMENTS FOR A BETTER AND MORE COMPREHENSIVE APPLICATION OF THE 1993 SYSTEM OF NATIONAL ACCOUNTS IN ESCWA MEMBER COUNTRIES

Requirements for a better application of 1993 SNA in ESCWA member countries include the following:

1. Capacity-building with regards to the application of the 1993 SNA, by increasing support and providing sufficient technical and material resources. Set forth below are some of the most important recommendations that must be taken into consideration by ESCWA member countries and to which ESCWA should pay the greatest attention, following up the implementation process in member countries:

(a) The programmes of work of statistical bodies and the relevant units should be so developed as to take into account the stages of completion of System application or the beginning of its implementation;

(b) The importance must be stressed of reviewing statistical frameworks and ensuring comprehensiveness in the organizational sectors and at the level of overall economic activity, both of which will help to increase confidence in the data;

(c) The guiding concepts of 1993 SNA must be respected when the System is applied;

(d) Staff working in the relevant national accounts departments and units must be provided with personal computers and trained how to use them and how to exploit the special programmes that can accelerate the preparation of national accounts and help to appraise them on the basis of System requirements.

2. With the participation of national accounts experts from the UNSD and the ESCWA SNA advisors, intensive technical training courses must be held for those working in the field of national accounts in ESCWA member countries, covering the following tasks:

(a) A survey of non-monetary State assets must be prepared, with a view to re-evaluating them for the purposes of preparing a fixed capital consumption account based on correct information;

(b) The cost of both direct and indirect financial intermediary services must be calculated;

(c) A linkage must be made between commercial activity accounts and 1993 SNA;

(d) The importance must be stressed of preparing national accounts data in constant prices: numerous periodic, systematic surveys must be carried out in addition to censuses, in order to fill the data gaps. Familiarity must be gained with the methodology of preparing national accounts in constant prices in accordance with 1993 SNA standards.

3. The ESCWA SNA advisor must be charged with carrying out a practical and realistic evaluation of the implementation of 1993 SNA by member countries. Obstacles and ways of overcoming them must be specified, in preparation for identifying successful means of providing technical support to member countries.

4. The relevant officials in member countries must be urged to strengthen cooperation between statistical mechanisms as the units responsible for the preparation of national accounts, ministries and central banks, and each must be required to respect the applied international methodologies.

V. SECTORAL STATISTICS: THE SITUATION AND THE REQUIREMENTS

A. GENERAL OVERVIEW

Sectoral statistics play an important role in the formulation of policies, linking sectoral indicators and understanding the relationships between the various sectoral activities for sustainable development in light of the available resources.

ESCWA makes every effort to strengthen inter- and extra-regional cooperation in the fields of energy, natural resources, the environment, agriculture, industry, trade and transport, by using a coordinated scientific procedure for the sustainable and comprehensive management of the aforementioned sectors and use of technological developments in a manner appropriate to conditions prevailing in the region. ESCWA therefore needs access to periodic detailed sectoral statistics provided by official sources in member countries if the collection of such statistics is to be improved, their sources are to be verified and the related indicators are to be developed and thereafter disseminated.

As part of the evaluation of sectoral statistics in ESCWA member countries, this part of the report will review the situation and requirements relating to statistics in the industry, agriculture, energy, environment, trade and transport sectors.

B. THE SITUATION OF SECTORAL STATISTICS

1. *Industrial statistics*

In recent years, ESCWA has focused on producing industrial statistics in close cooperation with the Arab Industrial Development and Mining Organization (AIDMO), which collects and forwards to ESCWA for analysis and dissemination data from Arab member countries. Both ESCWA and AIDMO intend to continue that cooperation, which was slightly disrupted in 2003.

Industrial statistics were included in chapter VI of the twenty-third issue of *Statistical Abstract of the ESCWA region*, which gives data on the number of establishments, employees, wages and salaries, output and value-added in manufacturing industries, classified by the International Standard Industrial Classification of All Economic Activities (ISIC) Second or Third Revisions, in addition to the non-classified main mining products and main manufacturing products from 1990 to 2002.

Notwithstanding the availability of industrial statistics in general, there are a number of problems, including the inconsistency of the data, which means that it is not possible to make proper comparisons between countries, in addition to gaps in the periods covered by the data produced in accordance with ISIC.

If industrial statistics are to be improved, ESCWA needs its member countries to supply periodic data that are classified in accordance with ISIC Rev. 3, in order to link those statistics with all the other sectors, with a view to providing a comprehensive picture of the situation in member countries and their progress in achieving sustainable development.

2. *Science and technology statistics*

Science and technology statistics are deficient in many respects for a number of reasons, including the fact that in ESCWA member countries in general there is no central body responsible for amassing and classifying statistics on science and technology activities undertaken by national and external institutions. This is primarily because of the plethora of such activities and the number of bodies responsible for them.

The most significant data that ESCWA needs to collect from member countries on science and technology activities include the following;

(a) The generation and dissemination of scientific and technological knowledge through educational systems, all the different media and the Internet;

(b) The exploitation of such knowledge to renew and upgrade the performance of the various production and service sectors;

(c) The formation of highly dependable human resources in universities and ministries of higher education; and the coverage of all aspects of each activity in a manner that details the number of persons employed therein, the volume of expenditure allocated thereto and the observable return in the form of economic and social benefits that support related development endeavours;

(d) Scientific research and development activity;

(e) Technology transfer contracts that are part of commercial agreements and international aid programmes.

Because of the fundamental connection between science and technology development activity and sustainable development activity, the available data on the number of activities and the fields in which they are carried out, the local funding and foreign purchases that are allocated thereto, and their outcomes must be gathered. To that end, science and technology observatories must be updated and given responsibility for gathering and classifying those statistics and furnishing them to the parties responsible for following up policies relating to the development of the various aspects of science and technology capacities. Those observatories could amass the required data in all the abovementioned categories and so prepare them as to constitute a basis for the best possible development of national capacities. ESCWA is currently assisting King Abdul Aziz City for Science and Technology in Riyadh in establishing an observatory of this type.

3. *Agricultural statistics*

ESCWA receives agricultural statistics from the FAO database, UNSD and the World Bank. Those statistics were included in chapter V of the abovementioned *Statistical Abstract of the ESCWA region*, which gives data on the total area and production of cultivated land, number of livestock, per capita share of agricultural and foodstuffs production, fish catches and use of agricultural machinery and fertilizers. FAO classifications were used with respect to those data. Selected indicators on agricultural productivity in the ESCWA region were calculated for the purposes of comparison with world levels. However, there are gaps in the statistics relating to the total area and production of land cultivated with vegetables, fruit and cereals.

In order to develop agriculture-related statistics, ESCWA would like member countries to supply it periodically with the following data, classified by ISIC:

(a) Prices of main agricultural commodities;

(b) Proportion of land affected by degradation or desertification;

(c) Indicators relating to agricultural water use;

(d) Land and water conservation techniques;

(e) Basic farm-related statistics, including labourers, transport and energy;

(f) Agricultural income, including production costs and net income;

(g) Investment, including national banks, loans, official development assistance, foreign direct investment and private sector investment.

4. *Energy statistics*

In order to formulate plans and programmes related to sustainable economic, social and environmental development in the ESCWA member countries, it is very important that statistics on energy are supplied. Data are available on production and local consumption, exports and imports of crude oil and natural gas, oil derivatives and electricity generation and use. However, those statistics are insufficient in the absence of detailed data on the energy used in economic and services sectors. When such data are available, they are often neither regular nor classified by ISIC.

In 2003 and 2004, with the aim of assisting member countries in filling in the gaps in energy statistics, ESCWA organized two workshops on such statistics and, in particular, statistics relating to the production and sectoral consumption of energy and energy classifications relating to sources and reserves. It is hoped that member countries will follow up implementation of the recommendations made at those workshops, thereby helping to improve statistics and make them compatible with the international classifications and encourage the regular collection, review and analysis of data.

ESCWA hopes that the range of statistics produced by its member countries will be expanded to include the following:

- (a) The cost of primary sources of energy, derivatives and electricity generation;
- (b) Sectoral energy consumption data, disaggregated by type of fuel and consuming sector;
- (c) The statistics necessary to assist in calculating MDG indicators and, in particular, the following targets of Goal 7, target 9, namely, 27: Energy use (metric ton oil equivalent) per \$1 GDP (PPP); 28: Carbon dioxide emissions (per capita) and consumption of ozone-depleting CFCs (ODP tons); and 29: Proportion of the population using solid fuels.

Similarly, ESCWA hopes that member countries will conduct regular statistical surveys on energy use in the various sectors of each country and will direct the relevant bodies to respond to the questionnaires sent out by ESCWA when specific information is needed for energy studies.

5. *Environmental statistics*

The environment is one of the three basic elements of sustainable development, the other two being the economy and society. While international environmental statistics have greatly improved, much remains to be done at the professional and scientific levels. The work of preparing environmental and sustainable development indicators and the system for integrated environmental and economic calculations continues to be impeded by lack of fundamental environmental data that is of the requisite quality and comprehensiveness with respect to period.

Notwithstanding the noticeable increase of the environmental commitment of the Arab countries of the Western Asia region over the past 30 years and, in particular, since the United Nations Conference on Environment and Development, which was held in Rio de Janeiro, Brazil, from 3 to 14 June 1992, environmental statistics are still inadequate, and a great deal of effort will be required in order to improve them, because what few environmental monitoring programmes that are available are restricted to inhabited areas, are not consistent over time and suffer from lack of data control. The validity and credibility of environmental data in the region are seriously affected by the fact that environmental legislation is not applied, no national or regional systems support environmental laboratories, there is no coordination between institutions responsible for gathering data and no proper funding for such projects.

At the request of UNSD, a special consultant prepared a detailed report on the status of environmental statistics in the 13 ESCWA member countries.* The report reviewed the institutional and legal status of environmental statistics in various countries of the region and underlined the need for statistics-related regulations to be amended to allow for the establishment of environmental information programmes. Primary sources of statistical data must be found, be they observatories, Government institutions, or special or statistical surveys, and there must be coordination between Government and non-governmental parties, through the establishment of a specialized body or steering committee for the collection of environmental information that conforms to international definitions and classifications in the field of environmental statistics. The report also noted the importance of training human resources and increasing the number of staff responsible for environmental statistics, as well as the provision of a special budget for such statistics. It

* United Nations Statistics Division, *An evaluation of the status of environmental statistics in the 13 ESCWA member countries*, prepared by Khamis Raddad (unpublished).

appears from the report that the majority of ESCWA member countries do not issue special reports on environmental statistics and do not use modern technology to deal with the data. Similarly, those countries issue very few publications and have few databases, and in the data that are published there are gaps that must be filled.

In the light of the foregoing, it is clear that the environmental statistics infrastructure in the Western Asia region is deficient. If those statistics are to be improved, special attention must be given to the building of technical and institutional capacities and activation of observation and monitoring organizations, and member countries must supply basic information. It is also important that the various monitoring parties coordinate with respect to the gathering and interchange of data through a single statistical mechanism.

Member countries are required, above all, to complete questionnaires on the environment, including the UNSD environment questionnaire. In cooperation with that Division and the United Nations Environment Programme, ESCWA arranged a workshop to train participants in how to complete the questionnaire on water, air, soil and waste. The questionnaire helps to calculate selected indicators and, in particular, the following targets of MDG 7, target 9, namely, 25: Proportion of land area covered by forests; 26: Ratio of area protected to maintain biological diversity to surface area; 30: Proportion of the population with sustainable access to an improved water source, urban and rural; and 31: Proportion of the urban and rural population with access to improved sanitation.

6. *Foreign trade statistics*

(a) *Foreign trade in commodities*

Statistics on foreign trade in commodities play an important role in formulating policies and strategies for import and export plans that, in turn, affect the economies of countries. It is therefore necessary to pay particular attention to such statistics and the ways in which they are collected, processed and analysed. In order to make their role more effective, the globally agreed comparison systems and practices must be applied at the regional and international levels and appropriate policies and plans formulated.

Foreign trade statistics data from ESCWA member countries appear in regular publications, CDs and on member country Internet sites. The published data vary from country to country with respect to comprehensiveness and presentation. Some countries do not disseminate the data on their foreign trade in the detail required, nor do they give statistics on trading partners and the type of commodity involved in accordance with the International Harmonized Commodity Coding and Classification System (HS 6-digit). Most countries exclude data on crude oil from their foreign trade statistics and do not give detailed data on source or target country. When member countries do publish data on re-exports, it does not provide detail on country or commodity.

The statistical data published by certain countries of the region only give values in local currencies while in others they are in United States dollars. Published statistics do not include statistics on the quantities involved in foreign trade, be they imports, exports or re-exports. When such information is included, it is incomplete.

The ESCWA Globalization and Regional Integration Division statistics team is responsible for gathering the statistics on foreign trade supplied by member countries and for classifying and storing the data on a special database. The statistics are used to update data and statistical indicators on the foreign trade commodities of the countries of the region. They are published on the ESCWA Internet site and in the annual *External Trade Bulletin of the ESCWA Region*.

This publication contains the overall trade statistics for the countries of the region and the share of the region in total world trade, together with its annual growth in comparison with world trade growth, the importance of intraregional trade in total trade, the matrices on intraregional trade for each country of the region and on their trade with their partners in the region. Also covered is the trade of the countries of the region with all the other countries of the world. The publication uses the system of presenting the data and the statistical metadata in order to give end-users the necessary clarifications of the data it contains.

In presenting in that publication data, statistics and indicators on the foreign trade in commodities of the countries of the region, it is the intention of ESCWA to assist member countries in making comparisons at the regional and global levels, which will help all the countries of the region to formulate policies on trade within and beyond the region, thereby serving their own economies and those of the region.

One of the most important supports in conducting proper comparisons at the regional and global levels is the application of the globally agreed systems, concepts and definitions that are recommended by UNSD. Those systems include the International Harmonized Commodity Coding and Classification System, which is used by most countries of the ESCWA region when disseminating statistics on foreign trade in commodities.

The quality and coverage of the data and statistics published by member countries have an impact on the precision and validity of the statistics disseminated by ESCWA in statistical publications and studies or on the Internet. The precision and validity of the data on international trade statistics made available by member countries also impacts on the measurement of certain important development indicators, including the MDGs indicators.

Set forth below are some of the statistical requirements with which ESCWA hopes to be regularly supplied by member countries:

- (i) Statistics on foreign trade, exports, imports and re-exports, disaggregated by country and commodity, in accordance with the International Harmonized Commodity Coding and Classification System that is globally agreed and recommended by UNSD, using HS 6-digits at the sub-headings level, HS 4-digits at the headings level, HS 2-digits at the chapter level and 21 sections at the section level, and using the international codes for countries and geographical groups agreed by UNSD;
- (ii) Statistics on the value and quantity of crude oil by partner country;
- (iii) International trade movement, under the heading of "other commodities", disaggregated by country and commodity: large quantities are given with no mention of originating country in the case of imports or target country in the case of exports;
- (iv) Detailed data on the values and quantities of foreign trade that are placed under the heading of "other countries";
- (v) Data on re-exports disaggregated by country and commodity: certain countries publish that type of statistic in the overall form;
- (vi) Statistical data on the quantities of imports, exports and re-exports disaggregated by commodity and trading partner country: most countries of the region publish details of foreign trade using local currency or the dollar and do not disseminate systematic statistics on quantities.

b) *Foreign trade in services*

The services sector is important to a country's economy, given the speed of technological progress in the transport, communications, banking and insurance sectors, on the Internet and in electronic commerce, which makes it incumbent upon ESCWA member countries to pay attention to ways and means of gathering the relevant statistical data and the possibilities of upgrading those means in order to improve the quality of the data provided. Trade in services is different from trade in commodities with regard to the way it is recorded and data on it are collected, and it is more difficult to make comparisons in its regard. There is no internationally recognized law in respect of services, nor any clear customs administration system.

In gathering statistics on foreign trade in services, ESCWA relies on statistical data in the balance of payments statements that are periodically published by the countries of the region in annual statistical publications issued by national statistical bodies and central banks.

The statistics on foreign trade in services that are disseminated by the countries of the ESCWA region vary with respect to comprehensiveness. Certain countries publish the outgoings and incomings of such service sectors as transport, insurance and communications, while others publish data on the transport and travel sectors, while including the statistics on the receipts and expenditure of all the other service sectors under another heading.

Given the difficulties faced by ESCWA member countries in gathering, processing and analyzing this type of statistic, and the important part played by such statistics in conducting negotiations and signing international agreements, ESCWA plans to hold a training seminar from 14 to 17 December 2004 as part of its role of building the capacities of member countries and training statistical staff in the region. Taking part in the seminar will be experts from UNSD, the World Trade Organization, the United Nations Conference on Trade and Development and IMF, who will familiarize member countries with the international classifications and definitions used by the United Nations Statistics Division and provide training in ways of gathering and processing statistics for this sector. One of the requirements at this level is the amassing of statistics for each sector in accordance with the globally agreed statistical systems and classifications, including 1993 SNA and the *Balance of Payments Manual*, fifth edition. Statistics should be disaggregated by trading partner country.

7. *Transport statistics*

Transport in its various forms, be it road, maritime or air, is an important factor in sustainable development, given the global economic challenges facing the region, including the formation of regional blocs, customs unions and common markets. In order to support this important economic sector in member countries, ESCWA assists the countries of the region in becoming parties to agreements aimed at facilitating the movement of goods and passengers, thereby benefiting trade in both goods and services and strengthening the economies of the region as a whole. It is therefore important to improve and update the relevant statistical data and ways of gathering it, using the international classifications and definitions.

The statistical abstracts that are published annually by member countries are the principal source used by ESCWA in preparing and issuing statistical studies and publications on those countries. Those national abstracts frequently suffer from the fact that the statistical data which they contain is neither up-to-date nor comprehensive with respect to certain important data, including the length of the rail and road networks, the movement of passengers and goods, and statistics on road accidents.

The definitions used when gathering and disseminating certain transport sector statistics vary from country to country, including those applied to passable or unpassable roads and asphalted roads. Some countries publish statistics on vehicles that have been registered recently, which gives rise to shortcomings in information on the overall total of operational vehicles, while other countries do not publish any data relating to the number of operational vehicles. The terms used to identify groups of vehicles vary from country to country: the term for "bus" in one country may not have the same connotation in another. Furthermore, some countries publish statistics for this sector using either the financial year or the Hegira calendar.

Current needs for transport statistics include the following:

- (a) Recent statistics on the length of the rail and road networks and on numbers of public and private vehicles;
- (b) Road transport statistics, inward and outward movements of passengers and freight statistics;
- (c) Detailed statistics on maritime transport that include data on passenger movements, inward and outward movement of vessels and amount of freight put on and off board;
- (d) Statistics on road traffic accidents, including the following details:
 - (i) Number of accidents per annum;
 - (ii) Number of road accidents disaggregated by principal cause and type of accident;

- (iii) Number of cars damaged;
- (iv) Number of fatalities disaggregated by gender and age;
- (v) Number of casualties and seriousness of injury: slight or serious;
- (vi) Statistics on drivers responsible for accidents disaggregated by gender and age;
- (vii) Number of traffic violations disaggregated by type of violation.

(e) When disseminating statistics, the Christian era should be used rather than the financial year or the Hegira calendar, in order to assist in making regional and international comparisons.

It should be noted that some of those needs are met in the annual publications of certain countries of the region. It is hoped that those member countries whose regular publications do not include such statistics will take action to forward them regularly.

C. THE COMPLETE STATISTICAL REQUIREMENTS FOR ALL SECTORS

General requirements for statistics on the various sectors include the following:

1. Access to precise official data from member countries in order to improve statistics and evaluate them with respect to reliability and precision.
2. The ESCWA representatives responsible for statistics should be permitted to verify the data provided by member countries.
3. Rapid communication should be made possible between the ESCWA and member country focal points, in order to resolve problems and verify data.
4. Focus should be placed on statistics that make it possible to calculate MDG indicators in the various sectors.
5. The possibilities for gathering and verifying data should be increased.
6. Regular surveys should be carried out in the sectors.
7. Member countries should respond quickly and transmit data electronically.

Annex

**THE MILLENNIUM DEVELOPMENT GOALS,
TARGETS AND INDICATORS***

Goals and Targets for the millennium declaration	Indicators for monitoring progress
<p>Goal 1: Eradicate extreme poverty and hunger</p> <p>Target 1: Halve, between 1990 and 2015, the proportion of people whose income is less than one dollar a day</p> <p>Target 2: Halve, between 1990 and 2015, the proportion of people who suffer from hunger</p>	<p>1. Proportion of population below \$1 (PPP) per day^{a/}</p> <p>1A. Poverty headcount ratio (percentage of population below the national poverty line)</p> <p>2. Poverty gap ratio [incidence x depth of poverty]</p> <p>3. Share of poorest quintile in national consumption</p> <p>4. Prevalence of underweight children under 5 years of age</p> <p>5. Proportion of population below minimum level of dietary energy consumption</p>
<p>Goal 2: Achieve universal primary education</p> <p>Target 3: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling</p>	<p>6. Net enrolment ratio in primary education</p> <p>7. Proportion of pupils starting grade 1 who reach grade 5^{b/}</p> <p>8. Literacy rate of 15-24 year-olds</p>
<p>Goal 3: Promote gender equality and empower women</p> <p>Target 4: Eliminate gender disparity in primary and secondary education, preferably by 2005, and in all levels of education no later than 2015</p>	<p>9. Ratio of girls to boys in primary, secondary and tertiary education</p> <p>10. Ratio of literate women to men, 15-24 years old</p> <p>11. Share of women in wage employment in the non-agricultural sector</p> <p>12. Proportion of seats held by women in national parliament</p>
<p>Goal 4: Reduce child mortality</p> <p>Target 5: Reduce by two thirds, between 1990 and 2015, the under-five mortality rate</p>	<p>13. Under-five mortality rate</p> <p>14. Infant mortality rate</p> <p>15. Proportion of 1 year-old children immunized against measles</p>
<p>Goal 5: Improve maternal health</p> <p>Target 6: Reduce by three quarters, between 1990 and 2015, the maternal mortality ratio</p>	<p>16. Maternal mortality ratio</p> <p>17. Proportion of births attended by skilled health personnel</p>

* This list is taken from *Indicators for Monitoring the Millennium Development Goals: Definitions, Rationale, Concepts and Sources*, produced by the United Nations Development Group.

Goals and Targets for the millennium declaration	Indicators for monitoring progress
<p>Goal 6: Combat HIV/AIDS, Malaria and other diseases</p> <p>Target 7: Have halted by 2015 and begun to reverse the spread of HIV/AIDS</p> <p>Target 8: Have halted by 2015 and begun to reverse the incidence of malaria and other major diseases</p>	<p>18. HIV prevalence among pregnant women aged 15-24 years</p> <p>19. Condom use rate of the contraceptive prevalence rate^{e/}</p> <p>19A. Condom use at last high-risk sex</p> <p>19B. Percentage of population aged 15-24 years with comprehensive correct knowledge of HIV/AIDS^{d/}</p> <p>19C. Contraceptive prevalence rate</p> <p>20. Ratio of school attendance of orphans to school attendance of non-orphans aged 10-14 years</p> <p>21. Prevalence and death rates associated with malaria</p> <p>22. Proportion of population in malaria-risk areas using effective malaria prevention and treatment measures^{e/}</p> <p>23. Prevalence and death rates associated with tuberculosis</p> <p>24. Proportion of tuberculosis cases detected and cured under DOTS</p>
<p>Goal 7: ensure environmental sustainability</p> <p>Target 9 :Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources</p> <p>Target 10: Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation</p> <p>Target 11: By 2020, to have achieved a significant improvement in the lives of at least 100 million slum dwellers</p>	<p>25. Proportion of land area covered by forest</p> <p>26. Ratio of area protected to maintain biological diversity to surface area</p> <p>27. Energy use (kg oil equivalent) per \$1 GDP (PPP)</p> <p>28. Carbon dioxide emissions per capita and consumption of ozone-depleting CFCs (ODP tons)</p> <p>29. Proportion of population using solid fuels</p> <p>30. Proportion of population with sustainable access to an improved water source, urban and rural</p> <p>31. Proportion of population with access to improved sanitation, urban and rural</p> <p>32. Proportion of households with access to secure tenure</p>
<p>Goal 8: develop a global partnership for development</p> <p>Target 12: Develop further an open, rule-based, predictable, non-discriminatory trading and financial system.</p> <p>Includes a commitment to good governance, development and poverty reduction—both nationally and internationally</p>	<p>Some of the indicators listed below are monitored separately for the least developed countries (LDCs), Africa, landlocked countries and small island developing States.</p> <p>Official development assistance</p> <p>33. Net ODA, total and to the least developed countries, as a percentage of OECD/DAC donors' gross national income</p>

Goals and Targets for the millennium declaration	Indicators for monitoring progress
<p>Target 13: Address the special needs of the least developed countries.</p> <p>Includes: tariff and quota free access for the least developed countries' exports; enhanced programme of debt relief for heavily indebted poor countries (HIPC) and cancellation of official bilateral debt; and more generous ODA for countries committed to poverty reduction</p> <p>Target 14: Address the special needs of landlocked countries and small island developing States (through the Programme of Action for the Sustainable Development of Small Island Developing States and the outcome of the twenty-second special session of the General Assembly)</p> <p>Target 15: Deal comprehensively with the debt problems of developing countries through national and international measures in order to make debt sustainable in the long term</p> <p>Target 16: In cooperation with developing countries, develop and implement strategies for decent and productive work for youth</p> <p>Target 17: In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries</p>	<p>34. Proportion of total bilateral, sector-allocable ODA of OECD/DAC donors to basic social services (basic education, primary health care, nutrition, safe water and sanitation)</p> <p>35. Proportion of bilateral official development assistance of OECD/DAC donors that is untied</p> <p>36. ODA received in landlocked countries as a proportion of their gross national incomes</p> <p>37. ODA received in small island developing States as proportion of their gross national incomes</p> <p>Market access</p> <p>38. Proportion of total developed country imports (by value and excluding arms) from developing countries and from the least developed countries, admitted free of duty</p> <p>39. Average tariffs imposed by developed countries on agricultural products and textiles and clothing from developing countries</p> <p>40. Agricultural support estimate for OECD countries as a percentage of their gross domestic product</p> <p>41. Proportion of ODA provided to help build trade capacity</p> <p>Debt sustainability</p> <p>42. Total number of countries that have reached their HIPC decision points and number that have reached their HIPC completion points (cumulative)</p> <p>43. Debt relief committed under HIPC Initiative</p> <p>44. Debt service as a percentage of exports of goods and services</p> <p>45. Unemployment rate of young people aged 15-24 years, each sex and total^f</p> <p>46. Proportion of population with access to affordable essential drugs on a sustainable basis</p>

Goals and Targets for the millennium declaration	Indicators for monitoring progress
Target 18: In cooperation with the private sector, make available the benefits of new technologies, especially information and communications	47. Telephone lines and cellular subscribers per 100 population 48A. Personal computers in use per 100 population and Internet users per 100 population 48B. Internet users per 100 population

Notes:

a/ For monitoring country poverty trends, indicators based on national poverty lines should be used, where available.

b/ An alternative indicator under development is "primary completion rate".

c/ Among contraceptive methods, only condoms are effective in preventing HIV transmission. Since the condom use rate is only measured amongst women in union, it is supplemented by an indicator on condom use in high-risk situations (indicator 19a) and an indicator on HIV/AIDS knowledge (indicator 19b). Indicator 19c (contraceptive prevalence rate) is also useful in tracking progress in other health, gender and poverty goals.

d/ This indicator is defined as the percentage of population aged 15-24 who correctly identify the two major ways of preventing the sexual transmission of HIV (using condoms and limiting sex to one faithful, uninfected partner), who reject the two most common local misconceptions about HIV transmission, and who know that a healthy-looking person can transmit HIV. However, since there are currently not a sufficient number of surveys to be able to calculate the indicator as defined above, UNICEF, in collaboration with UNAIDS and WHO, produced two proxy indicators that represent two components of the actual indicator. They are the following: (a) percentage of women and men 15-24 who know that a person can protect herself from HIV infection by consistent use of condom"; (b) percentage of women and men 15-24 who know a healthy-looking person can transmit HIV.

e/ Prevention to be measured by the percentage of children under 5 sleeping under insecticide-treated bednets; treatment to be measured by percentage of children under 5 who are appropriately treated.

f/ An improved measure of the target for future years is under development by ILO.

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