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**Items for discussion and decision: Data and indicators
for the 2030 Agenda for Sustainable Development**

Background document

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**Financing for data and statistics: enriched national statistical systems to support the
2030 agenda for sustainable development**

Prepared by the High-level Group for Partnership, Coordination and Capacity-Building
for statistics for the 2030 Agenda for Sustainable Development (HLG-PCCB)

Financing for data and statistics: enriched national statistical systems to support the 2030 agenda for sustainable development

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1. Introduction

Data and statistics for development are critical for policy making and planning, and for monitoring and measuring impact nationally and globally. Yet statistical systems in developing countries are often under-resourced and under-staffed, which affects the availability of evidence needed for policy- and decision-making and for the successful implementation of the 2030 Agenda.

By supporting and strengthening the foundation of the National Statistical Offices (NSOs) and placing national priorities at the center of all capacity development initiatives and activities, we can ensure that the NSOs have the capacity to address the needs of the 2030 agenda. At the national level, leveraging the support for the NSO through domestic resource allocation is the foundation to producing the needed data and statistics to monitor progress toward sustainable development at the national and subnational levels. This ultimately, leads to richer data coverage at the global level.

However, to strengthen the capacity of national data and statistical systems and channel financial resources at scale, domestic and international funds need to be mobilized in new ways that would create efficiencies in current spending, leverage existing resources and attract new funding. At the UN World Data Forum in October 2018 in Dubai, the statistical community and other key stakeholders announced the Dubai Declaration², which recognized that innovative funding strategies are critical for the successful implementation of the Cape Town Global Action Plan for Sustainable Development Data (CTGAP) and called for the establishment of an innovative funding mechanism to improve the quality and quantity of development data. In 2019, the Dubai Declaration was endorsed by the UN Statistical Commission.

The Declaration conveys a strong sense of urgency, as already four years into the implementation of the 2030 agenda many countries still lack the necessary data and statistical systems to fulfill the data demands for the realization of the 2030 Agenda. On 25 September 2019, the Deputy Secretary-General of the United Nations stated that it is “*time therefore to make the Financing Data Facility a reality.*”³

¹ This version includes inputs from the following invited issue partners: PARIS21, The World Bank, DFID, FAO, and ESCAP.

² <https://unstats.un.org/sdgs/hlg/dubai-declaration/>

³ United Nations, "Access to Timely, Relevant, Disaggregated Data Remains Major Hurdle, Deputy Secretary-General Tells 'Data4Now' Event", press release, 25 September 2017, available at <https://www.un.org/press/en/2019/dsgsm1339.doc.htm>.

Excerpt from the Dubai Declaration on the Establishment of a Transparent Financing Mechanism for Data

We call for:

17. The establishment of an innovative funding mechanism, open to all stakeholders under UN membership oversight, that is able to respond in a fast and efficient manner to the priorities of national data and statistical systems, with a goal to mobilize both domestic and international funds and activate partnerships and funding opportunities to strengthen the capacity of national data and statistical systems. The funding mechanism, entirely demand-driven, will be created under the mandate of the UN Statistical Commission and operate under the guidance of representatives of national statistical systems and different data and donor communities who will support the decision making on the operational modalities and on raising resources to address the data needs for the full implementation of the 2030 Agenda, and will be serviced by a Secretariat located at an international institution with global membership.

The importance and urgency of achieving better and more funding for sustainable development data was also recognized at the Bern High-Level Dialogue on Funding for Data for the SDGs in January 2019, which led to the creation of the Bern Network on Financing Data for Development – an open, multi-stakeholder alliance which aims to consider how low-capacity and fragile states can be given support to better identify their needs, improve investment proposals, coordinate better at the country level, and bridge domestic and external financial and technical support ahead of the UN World Data Forum in October 2020.

The present document has been prepared by the HLG-PCCB as a background document which builds on the existing work of the group focusing on the implementation of the CTGAP and further develops the ideas contained in the Dubai Declaration. This background document also outlines the purpose, key elements and ideas for the structure and governance of the financing mechanism. It is intended to serve as the basis for further discussion and action by members to establish the financing mechanism in 2020.

2. Purpose and overview of the financing mechanism

As envisaged in the Dubai Declaration, the purpose of the financing mechanism is to provide an organized platform to:

- support national statistical systems in identifying where investments are needed with the goal to mobilize the necessary funds, and help to identify ways to access needed funds;
- evaluate outcomes and establish a feedback mechanism to better target future investments; detect areas of public policy that demand data for program design (i.e. Governments Digitalization), considering that it is important to act at the beginning of the public policy process;
- and focus on disaggregated data that are more useful to policy makers as well as for development partners in order to ensure “evidence-based policy-making”.

The financing mechanism will be open to all stakeholders, both public and private, allowing for financing both in terms of monetary inputs as well as the provision of in-kind transfers and for openness in combining funding. The mechanism will also ensure and maximize the effectiveness of financing for capacity development. As one of its pivotal elements, the mechanism will help countries identify SDG-related data needs and set their priorities on what will be the highest investment impact. This in turn will facilitate government statisticians in building a country-driven investment case for finance ministers, and promote the continuation of the dialogue already started with donors (both public and private resource providers) focused on the same objectives.

The mechanism will focus on facilitating knowledge management and sharing of information, and ensuring more efficient coordination across donors and countries, with some funds dedicated to financing its operations and secretariat (see Section 5 below). The role and functions will include catalyzing high-impact investments in data and statistics to unleash greater domestic resources over the medium-term, exploring and implementing innovative funding instruments, and establishing and leveraging partnerships.

The mechanism will be guided by the following **overall principles**:

- Country leadership and ownership, with the NSO as the focal point, guided by national priorities and the implementation of the Cape Town Global Action Plan;
- Evidence-based intervention packages and the capacities required for their effective delivery at scale;
- Activities with long-lasting effects and with direct impacts on the continuous work of national statistical systems;
- Innovation: Be forward looking in use of technology, both for capacity development projects and for coordinating the matching of donors and recipients, and in reporting;
- Transparency: The mechanism will ensure full transparency of its functions, decisions and assessment of the results.

3. Key elements of the financing mechanism⁴

The financing mechanism will be organized around **three pillars** aiming to: **i) secure domestic funding, ii) improve efficiency of existing resources through better coordination, and iii) increase overall amount of funding.**

i. Secure domestic funding

At the heart of building financial commitment from external donors is national commitment and a focus on domestic resources allocation of funds to data and statistics and the improvement of national statistical systems. This requires a different approach in each country to adapt to existing processes and to leverage potential data champions, but the outcomes must be sustainable. The following list are key elements under the first pillar of a financing mechanism: securing domestic funding.

Actions by the NSOs with support from the financing mechanism:

- a. Develop national statistical development plans⁵ taking into account the needs and interests of policy makers and citizens to ensure an adequate balance between demand and supply.
- b. Develop a communication strategy with all stockholders to coordinate and to enhance the compatibility of the work and to agree on the best way to reach the donors to avoid duplication of efforts.
- c. Develop objective mechanisms in order to document success stories of evidence-based policies and capitalize and scale up those experiences to leverage funding, building on existing mechanisms or initiatives.
- d. Shift their paradigm from a production-based statistical system to a more service-oriented one, focusing on data users' needs. This user-centered approach should also be reflected in the legal framework.
- e. Adapt the generic business case to better explain the value of statistics and return of investment in statistics (ROI).
- f. Ensure that the importance of data to decision makers and citizens is clearly communicated, and to make investing in data attractive, showing the usefulness of statistics in people's lives.

Actions by partners and global communities with support from the financing mechanism:

- a. SDGs provide a framework for advocacy for domestic resources. Countries are engaged to achieve the SDGs, so policy makers have a "moral" obligation to provide adequate funding for monitoring SDGs through national statistics systems.
- b. Demonstrate the impact of donor support received at country level and highlight donor coordination.
- c. Develop the generic business case to better explain the value of statistics and return of investment in statistics (ROI) for NSOs to adapt to their national context.

⁴ The following key elements were developed by the HLG-PCCB based on discussions at the May 2019 meeting in Mongolia, which included invited issue partners (PARIS21, DFID, The World Bank, ESCAP and FAO).

⁵ The National Strategy for the Development of Statistics (NSDS) are the planning manual, developed by PARIS21, to achieve a constant data production.

- d. Install a champion for advocacy and lobbying to raise the profile of funding for data and statistics at the political level.
- e. Integrate funding for statistics in every program, not as a standalone activity, to support data needs and the national statistical system.
- f. Think beyond SDGs by strengthening the mechanism for funding to support sustainable, long-term statistical systems.
- g. Procure sustainable and affordable ways of securing significant additional funding for national development of statistics priorities.

ii. Improve efficiency of existing resources through better coordination

Where available, resources are often not used efficiently because of fragmentation, disconnection and duplications. There is therefore ample scope to strengthen coordination between donors and among donors and partner countries, promote south-south cooperation, and harness digital technologies to make the status quo of funding for statistics more cost-efficient. The next set of key elements focus around the second pillar to improve efficiency of existing resources.

National level

- a. National Governance – put the NSO at the center of coordination of funding for data and statistics. This requires that capacity development activities are entirely based on nationally developed blue prints that outline national priorities and that the NSO be given a stronger coordinating role through an adequate national statistical law and institutional support.

International level

- a. International governance - Coordinate funds, via establishment of a platform for inventory, mappings, monitoring and evaluation of funds for statistics (such as the PARIS21 Statistical Capacity Monitor platform), as well utilizing sub-regional institutions wherever feasible.
- b. Take advantage also of the Committee for Coordination of Statistical Activities (CCSA) to contribute to the coordination at the international level among agencies.
- c. Promote long term National Statistical Plans that integrate global and national development agendas as a way to prioritize strengthening and funding country capacities.
- d. Propose a set of criteria to provide funding (e.g. existing anticorruption law, national income level of the recipient, existing statistical laws, existing National Strategy for Development of Statistics, result based continued financing, SMART indicators, FPOS-compliance...).
- e. Discuss a proposal for a code of conduct for donors, as well as for the private sector.
- f. Collect information on country needs and priorities, and segment them into areas of work. For example, broad areas of work include technical support, data sources, technological needs and dissemination.

Donor level

- a. When donors develop programmes/ projects in any sector or area, they should include a section or chapter devoted to statistical development.

Mechanism structure

- a. Financing mechanism would also be useful to better negotiate with donors “at the ministerial level” including the participation of the NSOs.
- b. Review lessons learned and SWOT analysis of traditional funding to inform the new mechanism and funding streams.
- c. Need improved coordination of activities and funding at both country level and donor level.
- d. The mechanism should allow donors and agencies to come together by providing a platform for communication.
- e. Need prioritization of data sources – this can be based on the global data needs or an alignment between national, regional and global data needs. Should also use the National Strategy for Development of Statistics, and where applicable also the Regional Strategy for the Development of Statistics, as the main reference.
- f. Need a more structured way for accessing donor support. This could be achieved through an inventory at the country level of what support, financial or otherwise, is needed from donors and which are the areas where donors are already active.
- g. Need a match-making mechanism that will enable linking between the country needs and what the donors can provide that fit in their agenda/priorities, including by establishing an accessible database that can match donors and projects. For instance, this could take the form of a clearing house or be inspired by other examples.⁶
- h. Funds should go as directly as possible to data producers within the NSS.
- i. Mechanism needed to leverage smaller investment with larger ones (e.g., trust funds) to accomplish bigger projects.
- j. Need a simple fast and uncomplicated process to access donor funding for projects, regardless of their size, that have an important impact to be able to take advantage of funding opportunities.
- k. Propose regional partnerships (joint venture projects) to implement regional initiatives to encourage exchange of know-how and technical cooperation similar to European methods in implementing regional programmes.

iii. Increase overall amount of funding (through existing donors and acquiring new donors)

Domestic resources mobilization and better use of existing resources will not always be enough for the national statistical systems to meet the data demands of the 2030 agenda. The third pillar centers around increasing the overall amount of funding. This would be accomplished by both existing donors and by bringing new donors and partners on board to address all aspects of the resource deficits.

⁶ For example, the clearing house mechanism under the Convention on Biological Diversity (CBD).

- a. Explore alternative sources of funding (foundations, private sector, cost recovery)
- b. Align donors' evolving priorities with national statistics strategies or plans
- c. Establish an inclusive mechanism where new data providers (including the private sector and others) can be incorporated
- d. Develop a business case, emphasizing that this is a cross cutting issue for sustainable development and the SDGs in particular.
- e. Install an advocate for funding for data and statistics, who would be a champion for statistics
- f. Develop communication packages and marketing materials that use language aimed at the donor community.
- g. Funding should prioritise the objectives of the CTGAP strategic areas.

4. Accountability

The financing mechanism will have a clear and transparent system in place to assess results of the activities and the efficiency of the funds spent

- Accountability for investment results
- Demonstrate efficiencies at country level through concrete milestones.
- Concrete outcomes (related to development issues) and time bound targets clearly set

5. Structure and organisation: Governance⁷ and role of the HLG-PCCB and other key actors

The financing mechanism will be an umbrella structure to coordinate and consolidate existing and future inputs for the implementation of the CTGAP and provide a system to promote coherence among the different approaches and projects being undertaken in the national settings. Delivery of capacity development will rely on partnerships. The implementation of the CTGAP will be country-led and driven, with national priorities at the centre.

- Governance structure needs to be streamlined, at both a high-level and more micro-level
- Processes should be streamlined, in order not to build inefficiencies.

Setting up a strong and efficient governance and oversight structure is key to the successful implementation of the CTGAP. The UN Statistical Commission, and the HLG-PCCB as it's the main strategic body for capacity development for data on the 2030 agenda, will be a main player in the oversight of CTGAP implementation through its annual reviews.

There are two main options for how the governance structure of the financing mechanism can be developed, including:

⁷ The following section on the Governance structure contains extractions from the HLG-PCCB background document submitted to the 50th session of the UN Statistical Commission in March 2019, entitled "Summary of Better Data for Sustainable Development: Implementing the Cape Town Global Action Plan for Data for the 2030 Agenda." Available at: <https://unstats.un.org/unsd/statcom/50th-session/documents/BG-Item3a-HLG-summary-financing-paper-E.pdf>

- (a) A two-tier system consisting of an executive and an advisory board with a secretariat handling the operational aspects.
- (b) An executive committee that provides both the guidance and the advisory functions with a secretariat handling the operations.

Suggestions for how each of these organs, as well as cooperation with other actors, would work is outlined below.

Executive Committee

The Executive committee guides the work of the financing mechanism and provides the strategic framework for capacity development activities. It oversees the operational modalities of the mechanism and guides decisions on raising resources to address data needs.

The Executive Committee includes members of the HLG-PCCB, representatives of other data communities and donors and other key partners. A sufficient level of representation from NSOs is essential to maintain a strong link between the demand driven nature of the mechanism and global efforts being undertaken. The Committee will conduct extensive consultations with a wide range of development partners and donors to ensure better coordination of activities.

Advisory Board

The Advisory board would be established to provide sector-specific and practical expertise on the areas of work of the capacity development activities. It would consist of experts from academia, international agencies, regional commissions, and other partners active in the area of capacity development. The members would draw from the larger data community to bring in various perspectives.

NSOs

As the implementation of CTGAP is country-led and driven, NSOs have a crucial role in ensuring that national priorities are reflected in the overall work of the mechanism. NSO representation to the Executive Committee is a vital aspect of the mechanism. In calling for increased financial commitments both from external and internal sources, the importance of the NSO cannot be overemphasized.

The success of the first pillar to secure domestic resources is by nature at the national level, and the NSOs is central to achieving this. The approach in each country to secure domestic will be tailored to the national context, with support from the international community and the mechanism.

Secretariat

The Secretariat of the financing mechanism will be housed at a large international organization. The World Bank and the United Nations have agreed to co-host the facility, a semi-autonomous unit, that would be located at the World Bank, to take advantage of the institutional setup and experiences dealing with large financial funding mechanisms as well as leverage the institution's operational capability and provide unique access to ministers of finance. The Secretariat is responsible for the daily operations of the mechanism, manages the flow of resources, and is responsible for aligning needs and resources. It has a few staff members, including staff seconded from the World Bank and the United Nations Statistics Division.

Connection between the financing mechanism and the UN Country Teams

The purpose of the financing mechanism is to support national priorities and NSOs and thus, there will be a strong connection to the UN Country Teams (UNCTs). Working with UNCTs, which provide inter-agency coordination at the country level, the financing mechanism can further enhance delivery of capacity development activities as an integrated process.

This financing mechanism builds upon the existing role of the UN system in countries to facilitate national ownership. The UNCTs can help with the coordination at the national level of projects carried out by the mechanism and ensure that these projects are integrated, when appropriate, into activities of the entities of the UN system active in the country. As the mechanism will match the national priorities to existing projects and funding available, the UNCTs offer an opportunity to work within this existing structure, potentially broadening the impact of the financing mechanism's initiatives and deepening support for the NSOs.

National priorities and national development plans will guide the financing mechanism to meet the national data needs. Working with the UNCTs, the financing mechanism can further ensure that capacity development initiatives reflect the reality of priorities established by the governments.