

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: PAHQ

TA No., Country and Name			Amount Approved: \$800,000	
TA 3946-PNG: Improving Economic and Social Statistics			Revised Amount: —	
Executing Agency:		Source of Funding:	Amount Undisbursed:	Amount Utilized:
National Statistics Office		TASF	\$168,510.90	\$631,489.10
TA Approval Date:	TA Signing Date:	Fielding of First Consultant:	TA Completion Date:	
24 October 2002	15 November 2002	24 February 2003	Original: 30 April 2005	Actual: 31 December 2009
			Account Closing Date:	
			Original: 30 April 2005	Actual: 27 May 2010

### Description

The poor quality of economic statistics is a major concern in Papua New Guinea (PNG). The national accounts statistics were based on limited sources of basic data and heavily relied on indirect extrapolation of benchmark estimates. Trade and government financial statistics were of poor quality, and there has been no agricultural census since 1975 and no official household income expenditure survey since 1977. There has also never been a labor market survey. The primary agency responsible for national statistics, the National Statistics Office (NSO), has a weak capacity to prepare regular economic statistics. For these reasons, the Government of PNG in May 2001 requested the Asian Development Bank (ADB) to provide technical assistance (TA) to support capacity building for economic and social statistics in the country, in particular through strengthening NSO's capacity.

Due to the weak capacity of NSO to collect economic statistics, the Bank of PNG has gradually taken on the responsibility to collect and compute primary business and employment data used for national account statistics. It was therefore important for ADB to also work closely with the Bank of PNG during the implementation of this TA.

The TA was to strengthen macroeconomic management and policy and planning decisions in the government. It was expected to produce more reliable and timely statistics to reduce market uncertainty and to improve resource management. Specifically, the TA aimed to strengthen and upgrade the capacity of NSO and Bank of PNG in preparing regular economic statistics such as national accounts, poverty analysis and the consumer price index that are essential for policy development.

### Expected Impact, Outcome and Outputs

The expected impact of the TA was to enhance economic management and performance through regular availability of improved socioeconomic statistics. The expected outcome was to support and upgrade the capacity of the government to prepare national accounts and economic statistics on a sustainable basis. The main outputs were: (i) enhanced methodology and estimation techniques for national accounts, CPI, and other relevant economic statistics; (ii) built capacity of NSO staff in key economic statistics to conduct household surveys; (iii) improved linkages with data providers and users of economic statistics; and (iv) support in the development of manuals and pertinent documentation on data collection, processing, analysis of CPI, and other relevant economic statistics. The TA was highly relevant and critical for the improvement of economic and social statistics in PNG. The TA was also effective in providing support for the implementation of the Demographic Health Survey (DHS).

Three minor changes in scope were approved in 2005, 2006 and 2008. The first and second minor changes were proposed to provide additional support (both financially and technically) to conduct a DHS including facilitating pilot testing and training manual preparation. The third minor change was proposed to (i) further analyze the DHS data, (ii) improve verification and analysis of the Business Liaison Survey (BLS) data, a survey conducted jointly by NSO and Bank of PNG that feeds into national accounts computations, and (iii) design and implement a labor market survey and its analysis.

### Delivery of Inputs and Conduct of Activities

The TA provided 43 person-months of international consultant inputs and 3 person-months of national consultant inputs including a national accounts and economic statistics specialist, one demographer, two statisticians, two economists, a public health and survey specialist, a demographic and health survey specialist, a survey specialist and a geographic information system (GIS) specialist. Along with the three minor changes in scope, the terms of reference of consultants were also modified.

The TA completion date was extended five times from the original date of 30 April 2005 to the actual completion date of 31 December 2009. The main reason for the extensions was to provide support to the 2006 DHS which started in 2007 and was finalized in November 2009. The last extension from December 2008 to December 2009 was proposed to include additional activities such as GIS mapping by using DHS data, improved verification of primary economic statistics used to compute gross domestic product, and to implement and analyze a labor market survey. The institutional and technical capacity of the executing agency, NSO, was limited particularly to manage DHS implementation within a reasonable

timeframe. ADB flexibly responded to the requests for extensions and minor change in scope to accommodate necessary actions.

Both national and international consultants' outputs were appreciated by the government, especially by NSO and the Bank of PNG. However, NSO noted that it would have been more effective for the TA to provide long-term consultants rather than several short-term consultants, due to NSO's limited capacity to absorb the expertise (for example, statistical and demographic analysis) provided.

### **Evaluation of Outputs and Achievement of Outcome**

Major achievements under the TA were: (i) training of enumerators for the demographic and health survey; (ii) installation of internet and local area network for data entry equipment; (iii) training to enhance computer skills of staff; (iv) data analysis including GIS mapping of the 2006 DHS data to visualize key findings of the survey and GIS training for key NSO and Department of Health staff; (v) a labor survey database and analysis; and (vi) installation of a new BLS database system that automates data verification techniques.

Despite several changes in scope, delays and extensions of implementation period, all the outputs were consistent with the TA's objective to support and upgrade the capacity of the Government to prepare national accounts, economic statistics and DHS. GIS mapping of demographic data provided essential information for the government on future programming on rural health improvement projects. The TA satisfactorily delivered the expected TA outputs despite delays in the implementation, in particular those relating to the DHS.

### **Overall Assessment and Rating**

The TA is rated successful. It was effective in achieving its objective and in delivering the outputs stated in the design and monitoring framework. The TA provided relevant support in the country's development priority to establish economic and social statistics. TA inputs are likely to be sustainable because the analysis of DHS data is led by NSO. The data compilation and analysis under the TA will be useful for the government in policy making and conducting comparative analysis with other Pacific countries. Training of NSO and Bank of PNG staff in data compilation and analysis will be useful for conducting future national scale surveys.

### **Major Lessons**

Three major lessons were drawn from the TA. Firstly, it would have been better for the TA to further specify the outputs and activities for improving economic and social statistics to achieve its objective within the original TA period. Secondly, it would have been more effective to provide long-term consultants to transfer highly technical skills such as household data collection and analysis. Thirdly, timely decision making and follow-up actions for closing consultants' contracts and TA financial account are required to ensure timely completion.

### **Recommendations and Follow-Up Actions**

To achieve sustainable TA outcomes and outputs, it is recommended to include knowledge sharing activities as a part of household survey implementation plans for the government, especially NSO, as some of the personnel who were trained during the implementation period either left or were not able to transfer the knowledge to regular NSO staff who will be undertaking future analyses of surveys and data. It is also recommended to encourage the government to provide easy access to the DHS data, e.g. through a website. As DHS is a rich data source, the data should be utilized by researchers and policy makers for further analysis, policy recommendations and formulation of new projects and programs on health.

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