

# TECHNICAL ASSISTANCE COMPLETION REPORT

Division: ERDI

<b>TA No. and Name</b> TA 4424 BHU: Strengthening the National Statistical System Phase 2			<b>Amount Approved:</b> \$250,000																															
			<b>Revised Amount:</b> \$250,000																															
<b>Executing Agency:</b> National Statistics Bureau (NSB), formerly Central Statistical Organization		<b>Source of Funding:</b> TASF	<b>TA Amount Undisbursed</b> \$34,735.00	<b>TA Amount Utilized</b> \$215,265.00																														
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<b>Description</b> <p>1. During the 2003 Country Programming Mission to Bhutan, the Government requested for further ADB assistance to build the capacity of the National Statistics Bureau (NSB), formerly the Central Statistical Organization (CSO), the primary statistical agency. Considering that its thrust will support better policy making and formulation, the technical assistance (TA) was included in the pipeline in 2003.</p> <p>2. The CSO, an agency under the Ministry of Planning, had benefited from two previous statistical capacity building assistance from ADB. The two TAs put the CSO toward the direction of a modern statistical system capable of providing official statistics that are consistent with international standards. When the Bhutan government decided in 2003 to redesignate the Ministry of Planning as a department under the Ministry of Finance, CSO became the NSB, an autonomous agency that reported to a newly created Statistical Board chaired by the Minister of Labor and Human Resources, with deputy secretaries from the ministries of agriculture, finance, health, and home affairs and the Royal Monetary Authority as members. NSB, in addition to its mandate as the primary compiler of official statistics, would also support the Board's coordination functions. To undertake these functions, NSB needed to establish a data support system that will systematically store and disseminate statistics compiled by various data-producing agencies, including metadata. Moreover, NSB has to complete the shift of national accounts to the more recent framework – the 1993 SNA – so that the current structure of the economy can better be measured. A master sample that would use as sampling frame the results of the first census of population that will be conducted in 2005 would also have to be formulated for future household surveys. However, the restructuring caused some administrative problems that disrupted NSB's data compilation and dissemination activities. The local area network of the defunct Ministry of Planning and all other administrative support that were previously available through the Ministry of Planning no longer became available to them. For these reasons, the statistical capacity building program that ADB has started must be continued to sustain the momentum toward a modern statistical system.</p>																																		
<b>Objectives and Scope</b> <p>3. The goal of the TA is to strengthen the national statistical system with the following objectives: (i) provide support to the reorganization of the NSB and the newly created Statistical Board; (ii) continue enhancing the compilation of national accounts; and (iii) upgrade the technical skill level of NSB staff.</p> <p>4. The TA covered the following components: (i) provision of technical support and equipment to NSB and the Statistical Board, including the finalization of the Statistics Law; (ii) improvement of national accounts; and (iii) apprenticeship programs for NSB staff.</p> <p>5. The TA provided 7 person-months of international individual consultants' services in the development of a designated statistics program and three-year plan; development of a statistical database system, including a local area network (LAN); improving the compilation of national accounts. In addition, the Office of Information Systems and Technology (OIST) staff in collaboration with TA project officer reviewed the information technology (IT) environment at NSB and proposed a workable strategy given limited funding for the development of the statistical database system mentioned above. OIST staff also supervised the work of database programmers, installation of computing equipment and software and database development.</p> <p>6. Thirteen NSB staff completed apprenticeship programs: in four areas: (i) on compilation of national accounts, conducted by the National Statistical Coordination Board (NSCB), Philippines (4 NSB staff); (ii) on database systems development and LAN, conducted by OIST staff and Informatics, Philippines (4); (iii) on survey analysis and development of the master sample conducted by ERD staff (4); and (iv) on office automation and procedures concerning disbursements, procurement and liquidation of cash advances conducted by relevant ADB units (1). The TA also funded dissemination workshop on national accounts and consumer price index that were attended by key data users and producers including NSB field officers and small studies to enhance the agriculture indicators used in the compilation of national accounts. To complete the establishment of LAN, necessary computing equipment and software were procured. Moreover, reference books and statistical software were also procured. NSB kept all the equipment, books and software.</p>																																		
<b>Evaluation of Inputs</b> <p>7. The major activities were planned well enough to fulfill the objectives of the TA. The consultants' terms of reference were appropriately determined based on the requirements of the TA's major activities and NSB. The consultants provided excellent advice and worked well with NSB staff. The statistics office management consultant was able to influence the NSB management to have a broader vision. One good example of this is the quarterly national accounts that NSB prioritized highly but which the government does not really need and for which inputs are not readily available. NSB was able to set its priorities straight with the guidance of the consultant. However, due to limited funds allocated for such purpose, the advisory</p>																																		

services were not sufficient to cover all the needs of the TA and the collaboration of OIST and ERDI staff in providing additional technical advice in information technology, database management, designing sample surveys and statistical methods, including acting as resource persons in the apprenticeship programs, was crucial in successfully completing all the activities covered in this TA.

8. The local training and dissemination workshops that were conducted under the TA were suitably designed and efficiently implemented. A successful national accounts user-producer workshop was conducted in 2006 and fostered a good working relationship between the data producers and data users of national accounts in particular. The participants, coming mainly from various ministries/government agencies, appreciated the workshop and gave assurance of their cooperation and data support to NSB. The apprenticeship programs conducted for selected NSB staff were designed well to suit the skill requirements of NSB. The participants were carefully selected in consultation with NSB. The project officer collaborated with OIST, ERDI and NSCB in developing the apprenticeship programs and training materials. Intensive hands-on training was incorporated in all the apprenticeship programs to enable the trainees to gain more confidence in performing the same tasks in their home office.

9. Frequent correspondence through e-mail with all concerned parties on the basis of a comprehensive schedule of TA activities supplemented a few review missions in ensuring that TA activities were completed. OIST and ERDI staff also provided technical advice through e-mail and telephone to NSB staff so that the LAN and statistical database system can be properly maintained.

### **Evaluation of Outputs**

10. The Statistics Act, designated statistics program and the three-year plan that was developed under this TA were accepted by NSB and other relevant government units. The draft Statistics Act was translated in the national language so that it could be ratified in the national assembly, after the general election is completed in 2008. Meanwhile, The Government designated NSB as the central authority for collection and release of any official data, which is the mandate of the NSB as specified in the draft Statistics Act. By this designation, all government units have to secure prior approval from NSB for all statistical matters.

11. Although the three-year plan and designated statistics program was discussed by NSB with other government agencies, its implementation has yet to formally begin because the Statistics Board, the highest policy-making body that was established for statistics, has not met since August 2005, after a government committee, "Good Governance Plus" recommended that NSB be put directly under the supervision of the Office of the Prime Minister. Although this recommendation has not been promulgated and the Statistics Board has not yet been dissolved, there has been no new policy in statistics since December 2005 and hence, a void in management. In the meantime, the key components in the three-year plan, such as the development of the master sample and the improvement of national accounts and other critical statistics are being implemented without formal government approval and thus, limited funding.

12. With the support of the TA, NSB was able to shift its compilation of national accounts to the 1993 System of National Accounts (SNA) framework. The national accounts consultant gave comprehensive on-the-job training to all national accounts staff in various tasks related to the 1993 SNA compilation. Small surveys and studies were also conducted to improve the estimation process, especially for the agriculture sector. Moreover, NSB staff who underwent the apprenticeship program were able to gain experience using a more advanced system of national accounts compilation.

13. NSB is now equipped with modern computing equipment and staff are able to exchange files electronically, use e-mail and store data in a central database system. The three staff who were trained in LAN and database systems administration for six weeks, have to support all the applications in NSB and hence, they do not have time to acquire sufficient expertise to fully maintain the systems. While the Online National Statistical Database System (NSDBS) can be accessed by the general public through the Internet, there are still some technical problems that occur intermittently. NSDBS has 5,840 subjects and around 25,414 data records and is currently undergoing data validation.

14. Through one of the apprenticeship programs, a master sample was developed by the four NSB staff under the guidance of ERDI staff. The master sample is envisioned to provide the primary sampling units for all the future surveys of national coverage in Bhutan. In this way, the surveys can be linked at the sampling unit level, thus enriching the data analysis and research.

### **Overall Assessment and Rating**

15. The TA was successful.

### **Major Lessons Learned**

16. This TA was able to successfully complete more complex activities despite limited funding because it was able to harness expertise within ADB and adapt outputs from previous TA. OIST and ERDI provided technical expertise that is usually done by consultants. The statistical database system design for Bhutan was an adaptation of the more complex design of ADB's statistical database system. Moreover, the master sample design for Bhutan was adapted from the Philippines master sample design that was also funded by ADB. The experience of OIST and ERDI staff in this TA gave them a better understanding of the ADB's purpose in helping developing member countries.

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

17. The ratification of the Statistics Act in 2008 and the implementation of the three-year plan should be monitored. The Country programming mission should discuss these activities with the government.

18. NSB has to sustain its efforts in completely migrating national accounts compilation to SNA 1993. Since there is no follow-up TA for this purpose, ERDI staff should regularly correspond with NSB regarding this matter.