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THE ROLE OF OFFICIAL STATISTICS

Supporting paper submitted by the National Statistical Committee of Kyrgyzstan*

INTRODUCTION

1. The transition period in the Kyrgyz Republic was marked by a profound alteration in lifestyle, starting with the legislation and ending with the building of a market economy. All the changes related to the building of the market economy in the country - privatization of businesses, taxation policy, increase in competition, integration, investment flows – are reflected in statistics today.
2. In a market economy, the demand for statistics increases dramatically, the number of users expands, and the role of official statistics increases accordingly. In the course of the reforms taking place in all areas, it is becoming necessary to create a new statistical information system, which would meet the requirements of the market economy, provide reliable information and permit integration into world economic and information activities.
3. A mission from the Statistical Division of IMF visited the Kyrgyz Republic in November 2002. The aim of the mission was to assess the experience of data dissemination in the Kyrgyz Republic based on the comparisons with parameters of General Data Dissemination Standards (GDDS) and Special Data Dissemination Standard (SDDS). The mission also assessed the quality of national accounts statistics, consumer price index, producers price index, state finances, monetary statistics, as well as balance of payments statistics.
4. The IMF mission drew the following main conclusions stated in the Report on the

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Observance of Standards and Codes (ROSC): the quality of macroeconomic statistics in the Kyrgyz Republic has considerably improved over the last years. The experience of data dissemination in the Kyrgyz Republic more than fully meets the recommendations of GDDS and the majority of SDDS requirements. The IMF mission prepared recommendations on the conduct of activities contributing to countries' observance of international standards in statistics, which would ensure that Kyrgyzstan joins SDDS within a year.

5. The National Statistical Committee (NatStatCom) has prepared the metadata in accordance with the Special Data Dissemination System of IMF on sector, tax, budget, financial, external trade and social sectors which were sent to IMF for agreement. An advance release calendar has been prepared, as has a summary national data page.

6. On 26 February 2004, the Kyrgyz Republic became the 57th country to subscribe to the International Monetary Fund's Special Data Dissemination Standard (SDDS). Subscription to SDDS is viewed as the culmination of many initiatives on the statistical front and it is evidence of the existence of a developed statistical system in Kyrgyzstan.

7. Within the framework of SDDS, we have applied a comprehensive approach to disseminating economic and financial data, which has to comply with the parameters of coverage, periodicity, timeliness, accessibility, reliability and quality of disseminated data. Certain achievements of the NatStatCom in recent years would not be possible without regular methodological and technical assistance provided by international economic and statistical organizations.

8. The participation of the NatStatCom of the Kyrgyz Republic in international programmes and projects has contributed to the harmonization of international rules and standards in the statistical practice of the Kyrgyz Republic and the establishment of a system of internationally comparable statistical indicators.

9. Today, state statistics in the Kyrgyz Republic is an efficient information system, providing data collection and processing on an independent basis. State statistics acts as a kind of guideline in the social sphere, in economy and policy; it satisfies the needs of all users in statistics who take part in the social, economic and political life of the country.

10. One of the main features of the effective functioning of the statistical and informational system is its independence from the influence of political and governmental bodies. In this regard, the institutional status of the NatStatCom is of a certain interest. The fact is that the National Statistical Committee was split from the Government, but it has the same status as that of line ministries and is accountable only to the head of the country – the President of the Kyrgyz Republic.

SUSTAINABLE DEVELOPMENT INDICATORS OF THE KYRGYZ REPUBLIC

11. In September 2000, Kyrgyzstan, like other countries of the world, accepted the Millennium Declaration, which addresses the problems of peace, security, development, environment protection, human rights and governance.

12. MDG fully complies with the goals of the Kyrgyz nation set in the Constitution of the country, the programme of Comprehensive Development Framework (CDF) of the Kyrgyz

Republic and Poverty Reduction Strategy Programme (PRSP). These fundamental documents are the basis for the goals and challenges of Kyrgyzstan in the first decade of the 21st century and establish principles and tools to achieve the goals and meet the challenges.

13. CDF and PRSP highlight three principal components of the general goals of sustainable development of Kyrgyzstan, which comply with MDG:

- achieve effective and transparent governance;
- build a fair society, which provides protection and human development;
- ensure sustainable economic growth.

14. Cooperation between the NatStatCom and World Bank within the framework of the project “Network of Social Protection of the Kyrgyz Republic” allowed NatStatCom to implement a “Poverty Monitoring” component. This component has provided reliable data on poverty in Kyrgyzstan, and became one of the main and reliable sources of information in the development of sustainable development indicators.

15. The NatStatCom has conducted four surveys (spring and autumn of 1996, autumn of 1997 and 1998). Since 1999, a multipurpose survey on poverty was introduced into statistical practice on a regular basis and, since 2003, an integrated household survey including employment and labour force issues has been tested and introduced.

16. While implementing the component, NatStatCom has created a database, which is used for analyses of poverty, employment, wages and incomes, social expenses, food, health, family planning, education, and housing by country and region. The improved system of social indicators satisfied users’ needs in social statistics and provided a full set of indicators needed for the development of the Poverty Reduction Strategy Programme. It should also be noted that the Government of the Kyrgyz Republic began to develop PRSP thanks to the availability of good statistics highlighting the real situation of poverty in the country.

17. A new challenge - the development of the Kyrgyz Republic’s Comprehensive Development Framework (CDF) indicators, which characterize the social and economic situation in the country and its regions - gave an impulse to the development of the programme and determined priority areas to achieve goals. It also necessitated the improvement of the current system of statistical indicators and the building of a new system of information services provided to users.

18. To NatStatCom’s credit, it should be mentioned that they were prepared to provide all the needed information to CDF developers and, at the same time, statisticians took an active part in drafting the Programme. The methodology for CDF and PRSP indicators was developed and a task team provides the CDF secretariat with information.

19. CDF monitoring is carried out based on a regular monitoring of selected indicators that meet the criteria of measurement, adequacy, low costs of data collection, and insensibility to indirect factors. A system of indicators is used for monitoring to measure and assess the implementation of certain activities in order to answer the following questions: Were planned activities implemented? Were projected parameters of development achieved? What are the intermediate results of activities in the matrix of CDF actions?

20. The provision of most of the data, especially quantity indicators, is the job of the NatStatCom. Other ministries and departments also take part in data collection, and these ministries and departments are fully responsible for the data they supply. Moreover, based on selected indicators using international standards, NatStatCom has recalculated sustainable development indicators since Kyrgyzstan's independence. Lack of awareness, information limitations, and inadequacy of information development methods may create a misleading picture regarding the country and its peculiarities of development.

21. To provide timeliness and quality of official statistics, it is important to adequately determine not only the system of indicators, data resources and methodology, but also to develop internationally comparable statistical indicators. It is important to ensure that all used indicators are measured, available in time-series and that all the indicators assess the real situation.

22. Long-term planning is called for to determine future priority areas of the information and statistical system, to satisfy new information needs and to agree on actions with the Government and international organizations.

23. To further develop strategic management in statistics based on the principles of independence and regularity, which would satisfy the needs of a wide range of users and meet the requirements of international standards, the NatStatCom has developed the Programme of Statistics Development of the Kyrgyz Republic for 2001-2005, which is being implemented successfully.

24. Within the framework of this Programme, the NatStatCom has determined one of the most important challenges – monitoring and provision of statistical data characterizing the indicators included in the system of indicators of sustainable development of CDF and PRSP programmes. Consistency of statistical data was provided through the use of general concepts, classifications and methodological standards.

25. A single system of classification and coding of economic and social statistics, comprising national classifications adapted to international classifications, has played an important role in providing unity of methodology and organization of the system of indicators, information systems and resources.

26. One example is the classification of economic activity types and statistical classification of products (goods and services). To provide comparability of national and international data, the two classifications were approved by the Government and have "state" classifications status.

27. Statisticians of the Kyrgyz Republic also pay great attention to the use of international concepts and methods. This permits international comparisons and analyses of the economic situation in the country by all the interested parties. Finally, it helps to preserve independence and does not allow manipulation of the conceptual provisions.

28. Official statistics studies accurately the processes and events that take place in the country, analyzes them in depth and highlights them impartially in publications. There is no doubt that statistical data reliability can be ensured only if state statistical services are independent. The National Statistical Committee of the Kyrgyz Republic aims to preserve and

strengthen its status of independence, which is ensured by the Law “On State Statistics”. The NatStatCom itself puts together a set of indicators to be collected from enterprises and population, and selects the methodology of data collection, processing and publication.

RELATIONS WITH THE MINISTRIES AT CENTRAL LEVEL

29. The main condition for successful implementation of sustainable development indicators is partnership and the active participation of all interested parties in carrying out the actions and achieving the challenges. Partnership means that all classes of society and the government participate in achieving the goals and settling national problems in all spheres. All governmental bodies and civil society (NGOs, trade unions, public organizations, etc.) of the country should become partners.

30. The National Statistical Committee of the Kyrgyz Republic coordinates the information and statistical system of the country, provides methodological guidelines, introduces state and departmental reporting in the country, coordinates the activities of ministries and departments, and provides comparability of national statistics with international statistics.

31. Ministries and departments run their departmental statistical observations and collect departmental statistics in accordance with the procedure set by the NatStatCom of the Kyrgyz Republic. The list of indicators of departmental statistics, applied methods and principles of organization must be agreed upon with the NatStatCom, thus reducing respondent burden and avoiding duplication of statistics collected by ministries and departments.

32. To further increase the effectiveness of interdepartmental information exchange and produce reliable macroeconomic indicators characterizing social and economic development, the Government has charged the NatStatCom with the coordination of the development of a single system of classification and coding of economic and social information.

Support of international organizations in strengthening statistical capacity

33. Within the framework of international cooperation, methodological and technical support has been provided on a regular basis. Support is obtained from the EU Tacis Programme, IMF, UNFPA, World Bank, DfID and the Swedish International Development Agency (SIDA).

34. UNFPA has provided support in implementing a sub-programme on population development issues, aimed at strengthening national capacities in introducing demographic and gender indicators in national and regional planning, as well as policy-making in the area of sustainable development of the Kyrgyz Republic’s population.

35. IMF has provided support in the area of methodology of macroeconomic statistics and development of the system of statistical indicators. The database and metadata are being updated in compliance with Special Data Dissemination Standards.

36. With the support of the Asian Development Bank, a project on environmental statistics has been implemented. With the participation of ADB, NatStatCom has established a database on poverty in the countries of the Asian and Pacific region.

37. Cooperation with DfID has helped to settle many issues of regional statistics and healthcare statistics. NatStatCom has introduced international classification of deaths (ICD-10), and has developed the matrix of social accounts, LFS and household budget surveys.

FUTURE CHALLENGES

38. Not all the indicators recommended to monitor sustainable development indicators globally are measured, which might highlight the situation in Kyrgyzstan more accurately. In some cases, instead of using international indicators, similar indicators measured by state statistics are used.

39. At present, the NatStatCom is developing the next stage of statistics - the Programme to increase the quality of the statistical and information system. The main strategic goal of the Programme is to introduce indicators used in EU countries. To achieve this goal, NatStatCom will need the significant methodological and consultative support of international statistical services and organizations.

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