

Section 3

TERMS OF REFERENCE

Evaluation Terms of Reference: Economic Statistics Programme

1. CONTEXT

Outline of the programme to be evaluated

DFID's Economic Statistics Programme began implementation in May 2015. It is managed by the Data for Development Team in Research and Evidence Division. It aims to improve the quality and availability of economic statistics by strengthening the capacity of national statistics systems. It originally funded two separate projects, the IMF's Enhanced Data Dissemination Initiative 2 (EDDI2) and UNESCAP's Regional Programme on Economic Statistics (RPES). A cost extension was approved in November 2015 which added a third partner (WAVES) and increased the budget to a total of £12.6m over 5 years (2015/16 – 2019/20). The programme now supports the following:

- £6.2m will be disbursed to the International Monetary Fund (IMF) for the second phase of their **Enhanced Data Dissemination Initiative** (EDDI2). Building on the successes and lessons of the previous phase, EDDI2 will provide technical assistance and training to national statistical systems on macroeconomic statistics; with a new focus on improving source data, the use of Open Data Platforms and will expand into more fragile states. A total of 45 countries will be supported of which 21 are DFID focus countries (see Annex 2 for details of countries participating in EDDI2).
- £1.5m will go to the UN Economic and Social Commission for Asia and the Pacific (UNESCAP) for the second phase of the **Regional Programme for Economic Statistics** which will increase the capacity of national statistical systems to produce economic statistics through direct support to 9 countries in south Asia and regional support to all countries in the region. A phased approach to implementation will be used and so far implementation has begun in the Maldives and Cambodia; other potential project countries approached are Bangladesh, Lao PDR and Sri Lanka.
- £4.5m will go to the World Bank for the **Wealth Accounting and Valuation of Ecosystem Services (WAVES) partnership**. The focus of WAVES is to support countries to produce policy-driven natural capital accounting (NCA) that is used in development planning, policy and economic decision-making. DFID's funding will allow WAVES+ to expand into an additional 5-8 countries.

The evaluation will only include two projects, the IMF's EDDI2 and ESCAP's RPES. These two projects will be evaluated separately but the evaluation should highlight any opportunities for cross learning. The component for WAVES+ is excluded from this evaluation.

The evaluation will be used for both learning and accountability purposes. It will be used by DFID and our implementing partners to learn lessons that will be useful for future phases of the projects. DFID would like to use the evaluation to demonstrate the results of its investment. The first phase of EDDI (2010-2015) was not independently evaluated but did have an internal midterm internal review¹. So the time is right for an independent evaluation of EDDI2. In terms of RPES, the evaluation will come at the end of its second phase and will provide an opportunity to learn lessons for the next phase, to test the theory of change and the results achieved so far.

¹ IMF (2012) Midterm review of EDDI <http://www.imf.org/external/np/pp/eng/2013/032013.pdf>

Background

Better quality economic statistics² are urgently needed to enable better macroeconomic governance and policy making at both the national and international levels. In many countries economic statistics are not of the quality required for evidence based policy making³, with some research suggesting that economic growth has been overstated for most African economies⁴. Economic statistics are based on old methods, out of date source data and are often not of the quality required for evidence based policy making⁵. In particular recent large revisions of GDP in Ghana and Nigeria have called into question the reliability of economic data in other African countries that have not yet rebased in a number of years.

The underlying causes of the issues with economic statistics have to do with weak capacity in national statistical systems and inadequate funding (both domestic and donor) which are often the result of underlying political economy and systemic issues. Despite the progress made in the past decade in improving national statistical systems, capacity building is a slow, deliberate process and many still face immense challenges including: under-funding; reliance on donor support; lack of institutional autonomy; very weak administrative systems; and poor coordination of the national statistical system.

Further background on the programme can be found in Annex 3.

Expected Results

The programme aims to achieve the following results:

IMPACT: Use of quality economic statistics by policy makers, the private sector and civil society, to support inclusive economic development and poverty reduction.

OUTCOME: Increased availability of high quality economic statistics and improved capacity of national statistical systems to produce quality economic statistics

OUTPUTS: IMF EDDI2

- Improved National Accounts and price statistics in Africa and fragile states in the Middle East & central Asia; including the use of better source data in Africa
- Improved balance of payment statistics, government finance statistics and monetary statistics; including regional harmonisation in east and central Africa.
- Improved dissemination of economic statistics, including the use of open data platforms and Statistical Data and Metadata eXchange (SDMX) standard in Africa

OUTPUTS: UNESCAP RPES:

- Improved knowledge among the national statistical system, users and development partners on the strengths and weaknesses of national statistical systems that affect the production of the Core Set of Economic Statistics in project countries
- Improved capacity of national statistical training institutions on the Core Set of Economic Statistics

² Definitions: throughout this business case “**good quality**” is defined according to the [IMF's Data Quality Assessment Framework](#) and “**economic statistics**” are defined according to a) the [UNESCAP Core Set of Economic Statistics](#) and b) the following data categories of the [IMF's General Data Dissemination System](#): Real Sector, Fiscal Sector, Financial Sector and External Sector.

³ AfDB (2014) [In-Depth Situational Analysis of the Reliability of Economic Statistics in Africa](#); IMF (2013) [Regional Economic Outlook: Sub-Saharan Africa](#); UNESCAP (2010) [Proposed regional programme for the improvement of economic statistics in Asia and the Pacific](#)

⁴ Jerven (2014) [African Growth Miracle or Statistical Tragedy?](#) UNU WIDER

⁵ AfDB (2014) [In-Depth Situational Analysis of the Reliability of Economic Statistics in Africa](#); IMF (2013) [Regional Economic Outlook: Sub-Saharan Africa](#); UNESCAP (2010) [Proposed regional programme for the improvement of economic statistics in Asia and the Pacific](#)

- Improved technical knowledge and statistical infrastructure in national statistical systems for the production of quality economic statistics (defined as the Core Set of Economic Statistics)

OUTPUTS: World Bank WAVES:

- Implementation of WAVES+ objectives: 1) Expanded support for country implementation of Natural Capital Accounting (NCA); 2) Advancing NCA through regional cooperation and 3) Strengthening global momentum on NCA.

The original Theory of Change for the programme is included in Annex 1.

Targeted beneficiaries and stakeholders

The direct beneficiaries of the programme are national statistical systems in the countries covered by the programme; EDDI2 will also directly work with ministries of finance and central banks. They will benefit from technical assistance, training and guidance which will build their capacity to produce and disseminate quality economic statistics. The peer reviews and assessments generated by the RPES will also have spill over benefits to the wider national statistical system beyond just economic statistics such as informing implementation of National Strategies for the Development of Statistics (NSDSs) and coordination of the national statistical system.

In the longer term, a range of users will benefit from this intervention (including DFID, partner governments, the private sector, and the research community) which will allow for the design and monitoring of better economic development policies at the national and international level; enhancing the credibility and accountability of policies; as well as more robust analysis of economic growth in developing countries.

Other relevant programmes

A range of DFID departments and other donors have supported partner governments either directly or via international organisations to improve economic statistics.

- **Research & Evidence Division:** The Statistics for Results Facility (SRF) supports countries to implement their NSDSs part of which will go towards economic statistics. The evaluation⁶ of the SRF pilot phase did not focus on economic statistics.
- **Regional Departments:** Africa Regional Department (ARD) provides funding to the IMF Africa regional TA centres part of which will be spent on supporting countries to improve economic statistics. In addition, ARD also supports UNECA's regional programme on national accounts. All IMF Regional TA centres conduct midterm evaluations.
- **DFID Country offices:** A number of country offices support statistical system strengthening which includes some support to economic statistics. For example, as part of wider implementation of NSDSs e.g. Zimbabwe, Tanzania, Rwanda. Others have funded surveys that provide vital source data. In addition, some tax projects in country offices have components to improve collation of tax data e.g. Bangladesh, Pakistan.
- **A number of international organisations are active in supporting economic statistics.** The Inter-secretariat Working Group on National Accounts (ISWGNA) coordinates the development and implementation of the System of National Accounts (SNA). It includes the IMF, the World Bank, Eurostat, OECD, and the UN. All of which have their own programmes which aim to improve economic statistics.

⁶ World Bank (2014) SRF evaluation

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/321057/Statistics-Results-Facility-Catalytic-Fund-pilot_-_phase.pdf

2. PURPOSE

The evaluation will be used for both accountability and learning purposes. In terms of accountability, DFID would like to use the evaluation to demonstrate the results of its investment. In terms of learning, DFID and our partners would like to use the evaluation to highlight lessons that will be useful for future phases of the programmes; in particular the midterm review of EDDI2 will be used to make changes to delivery in the remaining two years of the programme.

The target audience for the evaluation will be DFID's Data for Development Team and the programme implementers (IMF Statistics Division and UNESCAP). The evaluation findings will also be useful for a wider audience including the Steering Group for the RPES, DFID's Statistics Cadre, other staff in DFID managing statistics projects, other donors and partnerships such as PARIS21.

3. SCOPE & OBJECTIVES

This will be a **summative and process evaluation** that will focus on assessing the intervention on the basis of its contribution to development outcomes and impacts within its context. An important assumption to test is whether policy makers are using the economic statistics, which have been improved or produced as a result of this project, and whether this use led to improved policies or decisions.

The component for WAVES+ is excluded from this evaluation. The evaluation will only include the IMF's EDDI2 and ESCAP's RPES.

It will be a **three stage evaluation**: the inception stage will include an inception report; the midterm stage will include a midterm review of EDDI2 and an evaluation progress report; the final evaluation stage will include an evaluation report of RPES and a final evaluation report which will include the evaluation of EDDI2 (see the Outputs section for more detail).

4. EVALUATION CRITERIA AND QUESTIONS

The following **evaluation questions** have been identified but can be refined during the inception period of the evaluation through consultation with the evaluation team and stakeholders.

The following questions are proposed for **both the EDDI2 and RPES Evaluations**:

1. How could the theories of change for EDDI2 and RPES be improved to more accurately represent the projects?

The **mid-term review of EDDI2** will assess whether any changes to programme delivery are needed in the remaining 2 years of the project and will answer the following questions:

1. How effective has the delivery and implementation of EDD2 been during its first two years of implementation?
2. What changes might be needed in terms of design or operation to improve the delivery of objectives in the remaining years of the project?
3. Have outputs been delivered in a cost effective way? How could cost effectiveness be improved?

The **UNESCAP RPES evaluation** will focus on outcomes, effectiveness and the implementation of the project and will answer the following questions:

1. How effective was RPES in improving knowledge of the strengths and weaknesses of national statistical systems and institutional capacities as they relate to the production of the core set of economic statistics (output)? What lessons can be learned to improve the effectiveness of future phases of RPES?
2. What evidence is there that RPES has contributed to increasing the availability of high quality economic statistics and improving the capacity of national statistical systems to produce quality economic statistics (outcome)?

3. What evidence is there that the project has generated approaches and lessons of use for better coverage of gender issues in RPES implementation?
4. Is there evidence to show that the capacity built in national statistical systems is sustainable and will be maintained after the end of the second phase?
5. What were the challenges encountered in implementing RPES and how were these challenges addressed? What lessons can be learned to improve the implementation strategy of future RPES activities?

The **EDDI2 Evaluation** which will focus on the impact, efficiency and effectiveness of the project and will answer the following questions:

1. How effective was the project in meeting its objectives and what lessons can be learned to improve the effectiveness of future phases of EDDI2?
2. How effective was the pilot approach to focusing on source data in EDDI2? What have the main barriers been to improving source data and what strategies were effective in overcoming these?
3. What evidence is there of the impact of EDDI2? For example, to what extent economic statistics have been used in policy or decision making to support economic development and poverty reduction? What evidence is there that the use of economic statistics has improved socio-economic development? What are the barriers to the use of economic statistics and how can they be overcome?
4. Were outputs and outcomes of EDDI2 achieved in the most efficient way? How could efficiency be improved in future projects?
5. Is there evidence to show that the capacity built in national statistical systems is sustainable and will be maintained after the end of the projects?
6. How could future phases of EDDI better contribute to the use of economic statistics to better understand gender equity issues?

It is proposed that the following OECD-DAC evaluation criteria will be applied:

- **Efficiency** of the programme in delivering its outputs and outcomes.
- **Effectiveness** of the projects in meeting their objectives.
- **Impact** of the programme on the socio economic development of the project countries. Assessing the evidence that the project has achieved its outcomes.
- **Sustainability** of the capacity built in national statistical systems by the project activities.
- **Equity** in terms of exploratory questions assessing how gender equity issues could be better covered by the projects.

The OECD-DAC criteria of relevance, coverage and coherence are less important for this evaluation.

5. METHODOLOGY

The evaluation team will use a mixture of **qualitative and quantitative methods** to assess the intervention on the basis of its contribution to development outcomes and impacts within its context. We expect that a **theory based approach** and robust mixed methods shall be used.

Tenderers should explain their proposed methodology in their bids through inclusion of an evaluation framework and a proposed timeline of work. We also expect bids to explain clearly their proposed sampling method for selecting case study countries. The final selection of countries can be decided during the inception period in consultation with DFID, UNESCAP and IMF.

The following is a **possible approach that could be followed but we are open to alternative approaches**. The supplier should ensure that their methodology is consistent with the DFID Evaluation Policy as well as the IMF Evaluation Framework.

Proposed methodology for the **EDDI2 Mid-Term Review**

1. Review project documents including the logframe, business case, annual reviews, mission reports, the IMF Results Based Management system, feedback forms from EDDI2 workshops.

2. Conduct interviews with IMF staff including the project manager, module managers and others.
3. Collect feedback through phone interviews and/or e-surveys from samples of stakeholders participating in the project such as staff in national stats offices, central banks, finance ministries.
4. Use this information to assess whether any changes to project implementation should be recommended for the final two years of the project.

Proposed methodology for the **UNESCAP RPES Evaluation**:

1. Review project documents
2. Literature review of the available evidence.
3. Interview the project implementers and others directly involved in implementing the project.
4. Select case study countries taking into account the phased approach to project implementation⁷.
5. Conduct key informant interviews with DFID, UNESCAP staff and members of the Steering Group of the RPES.
6. Conduct key informant interviews in case study countries including: staff of national statistics offices; policy makers and other users of economic statistics and other stakeholders.
7. Conduct surveys of national focal points and/or other relevant staff of national statistics offices to gather feedback on the effectiveness of the project in achieving objectives.
8. Map the expected key users of economic statistics in project countries (or in case study countries if relevant).
9. Assess the evidence available to support the current theory of change, explore the barriers to increasing the availability and the use of economic statistics and how these can be overcome.
10. Use this information to refine the theory of change of the project.
11. Triangulate findings in order to assess and present the impact, effectiveness, efficiency, sustainability and equity of the projects; the lessons learned; and make recommendations for future programmes.

Proposed methodology for the **EDDI2 Evaluation**:

1. Review project documents
2. Literature review of the available evidence.
3. Conduct key informant interviews with DFID and IMF staff (including the project manager, module managers and others).
4. Select case study countries using a sound sampling method⁸. For example, stratifying project countries by module or region and fragile/conflict states (FCAS) and selecting countries from within each strata.
5. Conduct key informant interviews with stakeholders in case study countries including: staff of national statistics offices, central banks and ministries of finance; policy makers and other users of economic statistics in the project countries and other stakeholders.
6. Conduct surveys of stakeholders in countries not selected for case studies including: staff of national statistics offices, central banks and ministries of finance to gather feedback on the effectiveness of the project in achieving objectives.
7. Map the expected key users of economic statistics in project countries (or in case study countries if relevant).
8. Assess the evidence available to support the current theory of change, explore the barriers to increasing the availability and the use of economic statistics and how these can be overcome.
9. Use this information to refine the theory of change of the project.
10. Triangulate findings in order to assess and present the impact, effectiveness, efficiency, sustainability and equity of the projects; the lessons learned; and make recommendations for future programmes.

⁷ For RPES there will be a total of 9 project countries. ESCAP will use a phased approach to country implementation, so far implementation has begun in the Maldives and Cambodia; other potential project countries approached are Bangladesh, Lao PDR and Sri Lanka.

⁸ See Annex 2 for countries participating in EDDI2.

Suppliers may want to travel to some case study countries to observe EDDI2 and RPES missions or other project meetings such as meetings of the Steering Group for RPES. Whilst it might be useful for a fragile or conflict state (FCAS) to be included as a case study country, we would not expect the supplier to have to travel to a FCAS e.g. EDDI2 activities in FCAS are conducted in third countries such as Turkey.

6. DATA

The evaluation will be based on an assessment of the available documentation, interviews with key informants and survey feedback from key stakeholders.

The main data sources for the **EDDI2 mid-term review** will be:

- Project documents: DFID programme documents e.g. business case, annual reviews, logframe etc; project progress reports; mission reports, participant feedback forms from workshops; IMF's Results Based Management System and other project monitoring data.
- Interviews with IMF staff
- Feedback data drawn from phone interviews and/or online surveys from project stakeholders such as staff in national stats offices, central banks, finance ministries.

The main data sources for the **RPES evaluation** will be:

- Reviewing project documents including: DFID programme documents e.g. the business case, annual reviews, logframe etc; project progress reports; mission reports; RPES capacity screening; RPES per review reports; and other project monitoring data;
- Reviewing the available evidence from other sources such as research, evaluations or other literature.
- Key Informant interviews with project stakeholders including: DFID staff; implementing partners; national statistics offices; the Steering Group for RPES and policy makers and users of economic statistics in project countries.
- Feedback surveys for project stakeholders.
- Case study visits to countries.
- Observation of missions or project meetings.

The main data sources for the **EDDI2 evaluation** will be:

- Reviewing project documents including: DFID programme documents e.g. the business case, annual reviews, logframe etc; project progress reports; mission reports; participant feedback forms from workshops; the IMF's Results Based Management System; and other project monitoring data;
- Reviewing the available evidence from other sources such as research, evaluations or other literature.
- Key Informant interviews with project stakeholders including: DFID staff; implementing partners; national statistics offices; central banks and ministries of finance in project countries; and policy makers and users of economic statistics in project countries.
- Feedback surveys for project stakeholders.
- Case study visits to countries.
- Observation of missions or workshops.

7. OUTPUTS

There will be separate outputs for EDDI2 and RPES but there will be a common inception report and progress report.

Outputs covering both projects:

Inception report by June 2017. This should be a short report and include the following:

- a) Evaluation approach, detailed methodology and analytical methods, including confirming the evaluation framework and sampling strategy; recommendations for any indicators required for the evaluation that should be added to the logframe.
- b) Work plan and timescales
- c) Revised theories of change for EDDI2 and RPES.
- d) Confirmation of evaluation governance, quality assurance and how risks to the evaluation will be managed
- e) communications and dissemination plan (to include a presentation by the suppliers to DFID and implementing partners).

Progress report by August 2018. This should be a short report and include the following:

- a) Progress that has been made in terms of preparing for the final evaluations of EDDI2 and RPES including sampling approach, accessing documents, setting up case study visits, interviews etc.
- b) A mapping of the main users of economic statistics that the projects are targeting.
- c) Refined theories of change for EDDI2 and RPES, as required.
- d) Literature review of recent further evidence underpinning the theory of change including an assessment of its strengths/weaknesses and whether the evidence suggests any changes to the evaluation design or questions.

Outputs for UNESCAP RPES:

Evaluation report of RPES by August 2019, including:

- a) An assessment of the outcomes of the project and how sustainable they are.
- b) An assessment of the effectiveness of the implementation of the project.
- c) Lessons learned.
- d) Recommendations for the next phase of RPES.
- e) A refined theory of change for RPES.

Outputs for EDDI2:

Midterm review of EDDI2 by January 2018 This should be a short report including the following:

- a) An assessment of project implementation, cost effectiveness and what has or has not worked well.
- b) Recommendations for changes to implementation during the remaining years of the project.

Final evaluation of EDDI2 by December 2020:

- a) An assessment of the impact of EDDI2 including the extent to which economic statistics have been used in policy making.
- b) Assessment of the effectiveness of the project in meeting its objectives including the pilot on source data.
- c) Assessment of the sustainability of the capacity built.
- d) Lessons learned.
- e) A refined theory of change for the project
- f) Recommendations for any future programmes.
- g) An assessment of the role of economic statistics in facilitating better on policies, decisions or interventions which promote poverty reduction or economic growth.
- h) A compilation of the overall impact, outcomes, lessons learned from the project and recommendations

DFID will have unlimited access to the material produced by the supplier, as expressed in DFID's

general conditions of contract.

8. BUDGET AND TIMELINE

The evaluation budget is between £250,000 and £300,000. This includes all travel and related costs. The budget excludes VAT. An output based contract is preferred.

The inception report should provide detailed breakdowns of the proposed budget. The budget should include travel to DFID's office in East Kilbride for at least an inception meeting, a mid-point meeting and a final meeting.

We recommend travel to Washington (IMF HQ) and Bangkok (UNESCAP HQ) to meet with implementing partners, as well as travel to a sample of case study countries (travel to fragile states is not necessary). To achieve the best value for money from the budget, we would also encourage the use of video conferencing to engage with project implementers and the engagement of southern researchers in case study countries. It is expected that the majority of the budget will be consumed for the two evaluation reports.

The contract will start in February 2017 and will last for a total of 4 years until December 2020. The supplier should set out in their inception report a timeline which they think is realistic. This will be a three stage evaluation: the first stage will include an inception report; the second stage will include a midterm review of EDDI2 and a progress report; the final stage will include final evaluation reports of EDDI2 and RPES. There should be regular communication between the supplier and the Project Officer,

Provisional key dates for outputs are set out below but these may be changed.

February 2017	Contract will start
June 2017	Inception report
January 2018	Midterm evaluation report of EDDI2
August 2018	Progress report – covering both EDDI2 and RPES
December 2020	Final evaluation report of RPES
December 2020	Final evaluation report & final evaluation of EDDI2.

9. RISK MANAGEMENT

Bids should demonstrate an active approach to managing risks to the evaluation. They should set out what they think are the main risks to the evaluation and how they will be managed, including consideration of any downstream partners.

10. QUALITY ASSURANCE

Bids should set out how they will ensure quality throughout the evaluation.

In line with DFID's Evaluation Policy, DFID will arrange (and pay for) independent quality assurance reviews of the inception report and both final evaluation reports.

11. ETHICS

The supplier will be expected to have an ethics policy and ethical clearance protocols, where appropriate, on the use of data to protect the confidentiality of individuals and project documents. Bids should outline their view of the ethical considerations for this evaluation, how they plan to address these; for example to ensure the confidential treatment of project documentation and data collected throughout the evaluation. In particular, the IMF mission reports are confidential and the supplier will be

required to sign appropriate legal documents to ensure confidentiality.

12. RESPONSIBILITIES

The evaluation will be managed by the DFID Data for Development (D4D) Team based in DFID's office in East Kilbride. The main point of contact will be the Senior Responsible Owner (SRO) for the Economic Statistics Programme.

A Management Group will be established to support the management of the evaluation. It will be comprised of at least the following: the SRO for the programme (chair); an Evaluation Adviser; a Statistics Adviser from a DFID country office; the Deputy Programme Manager; and an external stakeholder who is not involved in implementation of the programme.

To ensure independence, the implementing partners (IMF and UNESCAP) will not be part of the evaluation Management Group but they will be expected to provide significant input to the SRO to support management of the evaluation and will be in direct contact with the supplier conducting the evaluation. Implementing partners will be expected to be available for interview by the supplier throughout the evaluation and will be responsible for providing the supplier with the project documents, mission reports, monitoring data, contacts of other stakeholders and any other relevant information requested by the supplier. Implementing partners will be asked to provide feedback on all the outputs of the evaluation to the SRO.

The supplier will be expected to collate all necessary documents themselves from the implementing partners. The supplier will also be expected to organise all interviews and travel themselves. Implementing partners will provide contact details for stakeholders.

13. DUTY OF CARE

The Supplier is responsible for the safety and well-being of their Personnel (as defined in Section 2 of the Contract) and Third Parties affected by their activities under this contract, including appropriate security arrangements. They will also be responsible for the provision of suitable security arrangements for their domestic and business property.

The Supplier is responsible for ensuring appropriate safety and security briefings for all of their Personnel working under this contract and ensuring that their Personnel register and receive briefing as outlined above. Travel advice is also available on the FCO website and the Supplier must ensure they (and their Personnel) are up to date with the latest position.

The case study countries are not yet determined. The supplier should be aware that some project countries may be located in a seismically active zone and are considered at high risk of earthquakes. Earthquakes are impossible to predict and can result in major devastation and loss of life. There are several websites focusing on earthquakes, including <http://geology.about.com/library/bl/maps/blworldindex.htm>. The Supplier should be comfortable and capable of working in the selected case study countries in order to deliver the Contract.

It is not expected that the supplier will need to operate in conflict affected areas. Fragile states could still be selected as case study countries but travel to these countries is not necessary for example EDDI2 engagement with authorities from Afghanistan is conducted in third countries such as Turkey or UAE. The Supplier should be aware of the risk assessments outlined in the duty of care matrix below. The Supplier should be comfortable and capable of working in the selected case study countries in order to deliver the Contract.

The Supplier is responsible for ensuring that appropriate arrangements, processes and procedures are in place for their personnel, taking into account the environment they will be working in and the level of risk involved in delivery of the Contract (such as working in seismically active, dangerous, fragile and

conflict-affected environments). The Supplier should ensure their personnel receive the required level of training and, if appropriate, complete a UK government approved hostile environment training course

(SAFE) safety in the field training prior to deployment.

As the countries/areas of work involved in this intervention are currently undetermined, DFID is not in a position to be able to provide a Duty of Care assessment at this point. On this basis, DFID assumes that this programme will be rated as 'Medium/High' risk. Therefore, as part of their PQQ response, bidders were asked to submit a 'generic' response to provide assurance to DFID that they can manage DoC responsibilities in even the most challenging of environments

During the evaluation, it is DFID's expectation that any contracted supplier will provide a full Duty of Care assessment for each potential country/area of work where in-country ground work is expected to be necessary.

If the evaluation activities take place in medium or high risk locations, DFID will share available information with the Supplier on security status and developments in-country where appropriate.

Suppliers submitted their Tenders and PQQ Response and ITT response (if invited to Tender) on the basis of being fully responsible for Duty of Care in line with the details provided above and should confirm that:

- They fully accept responsibility for Security and Duty of Care.
- They understand the potential risks and have the knowledge and experience to develop an effective risk plan.
- They have the capability to manage their Duty of Care responsibilities throughout the life of the contract.

If bidders are unwilling or unable to accept responsibility for Security and Duty of Care as detailed above, or if DFID deems the arrangements proposed by bidders to be materially insufficient, the PQQ will be viewed as non-compliant and excluded from further evaluation.

Duty of Care risk Matrix

1 Very Low Risk	2 Low Risk	3 Medium Risk	4 High Risk	5 Very High Risk
Low		Medium	High Risk	

Country	City	Overall Security	Violent Crime	Civil Disorder	Terrorism	Espionage
Afghanistan	Kabul (Capital)	5	4	4	5	-
Bangladesh	Dhaka (Capital)	3	3	3	4	-
Botswana	Gaborone (Capital)	3	3	3	2	-
Burkina Faso	Ouagadougou (Capital)	4	4	4	4	-
Burundi	Bujumbura (Capital)	4	4	4	4	-
Cambodia	Phnom Penh (Capital)	2	2	2	2	-
Cameroon	Yaoundé (Capital)	3	3	3	3	-
Central African Republic	Bangui (Capital)	4	5	5	3	-
Chad	N'Djamena (Capital)	4	4	4	4	-
Democratic Republic of the Congo	Kinshasa (Capital)	4	5	5	2	-
Cote d' Ivoire	Abidjan (Capital)	3	3	3	2	-
Djibouti	Djibouti City (Capital)	3	2	2	3	-
Equatorial Guinea	Malabo (Capital)	2	2	2	1	-
Eritrea	Asmara (Capital)	2	1	1	2	-
Ethiopia	Addis Ababa (Capital)	3	2	2	3	-
Gabon	Libreville (Capital)	2	2	2	1	-
Gambia	Banjul (Capital)	2	2	2	2	-
Ghana	Accra (Capital)	3	3	3	2	-

Iraq	Baghdad (Capital)	5	5	4	5	-
Jordan	Amman (Capital)	4	2	2	4	-
Kenya	Nairobi (Capital)	4	5	5	4	-
Kyrgyzstan	Bishkek (Capital)	2	2	2	2	-
Laos	Vientiane (Capital)	2	2	2	2	-
Lebanon	Beirut (Capital)	4	3	3	4	-
Lesotho	Maseru (Capital)	4	4	4	1	-
Liberia	Monrovia (Capital)	3	3	3	1	-
Libya	Tripoli (Capital)	4	3	3	4	-
Madagascar	Antananarivo (Capital)	3	3	3	2	-
Maldives	Malé (Capital)	2	2	2	1	-
Mauritius	Port Louis (Capital)	2	1	1	2	-
Mozambique	Maputo (Capital)	3	3	3	2	-
Namibia	Windhoek (Capital)	3	3	3	1	-
Nigeria	Abuja (Capital)	4	4	4	4	-
Pakistan	Islamabad (Capital)	5	4	3	5	Specific security concern
Rwanda	Kigali (Capital)	2	2	2	2	-
Senegal	Dakar (Capital)	3	2	2	3	-
Seychelles	Victoria (Capital)	3	3	3	2	-
Sierra Leone	Freetown (Capital)	3	3	3	2	-
South Africa	Cape Town (Capital)	4	4	4	2	-
South Sudan	Juba (Capital)	4	5	5	3	-
Sri Lanka	Colombo (Capital)	3	3	2	3	-
Sudan	Khartoum (Capital)	4	3	3	4	-
Swaziland	Lobamba (Capital)	2	2	2	1	-
Tajikistan	Dushanbe (Capital)	3	2	2	3	Specific security concern

Tanzania	Dar es Salaam (Capital)	4	4	4	3	-
Thailand	Bangkok (Capital)	3	3	3	3	-
Togo	Lomé (Capital)	4	4	4	1	-
Turkey	Ankara (Capital)	4	2	2	4	-
United Arab Emirates	Dubai (Capital)	3	1	1	3	-
Uganda	Kampala (Capital)	3	3	3	3	-
United States of America	Washington DC (Capital)	2	2	2	2	-
West Bank and Gaza	Jerusalem	4	3	3	4	Specific security concern
	Gaza City (Capital)	4	3	4	4	-
Yemen	Sana'a (Capital)	5	3	3	5	-
Zambia	Lusaka (Capital)	3	3	3	1	-
Zimbabwe	Harare (Capital)	3	3	3	1	-

14. FURTHER INFORMATION

- [DFID Business Case](#) for the Economic Statistics Programme
- [DFID Logical Framework for the Economic Statistics Programme](#)
(as at April 2016, a revision to the EDDI2 logframe is planned for July 2016)
- [ESCAP 5th Meeting of the Steering Group for the Regional Programme on Economic Statistics](#)
- [ESCAP Proposed Regional Programme for Economic Statistics:](#)
- [IMF 9th Review of data standards](#)
- [IMF midterm review of EDDI1](#)
- [IMF review of the General Data Dissemination System \(GDDS\)](#)
- [DFID's Evaluation Policy:](#)
- [DFID Ethical principles](#) for research and evaluation:
- [DFID's Evaluation Strategy](#)

Annex 1: Theory of Change

The Theory of change presented below argues that by funding IMF and UNESCAP to deliver technical assistance, assessments, peer reviews, small grants and training materials, the capacity of national statistical systems to produce and disseminate high quality economic statistics will be improved. The increased availability of reliable and timely economic statistics will subsequently be used by policy makers, the private sector and civil society to support economic development and poverty reduction.

Assumptions

The underlying assumption is that adequate data that meets policy demands will form the foundation of improved decision-making that encourages sustainable growth and poverty reduction. There are also several key assumptions at different levels:

- **Input to Output:** IMF and UNESCAP have the capacity to deliver the outputs; that security in fragile states does not affect delivery; that the project objectives are aligned with national priorities.
- **Output to Outcome:** domestic funding is secured for new source data; collaboration between parts of the National Statistical System (NSS) to collect and share data; there is the political will to improve practices; the revamped GDDS incentivises dissemination; NSS have the capacity to absorb TA.
- **Outcome to Impact:** Users have the capacity, incentives and systems in place to actually use the statistics to inform policies or decision making; users know how to access the data and do so; statistics produced are of good quality and meet users' needs; data is disseminated even if politically contentious.

Evidence supporting the Theory of Change

There is good evidence that statistics can inform policy making but less evidence on the specific use of economic statistics.

- Whilst there has not been investment in rigorous evaluation of the role of statistics in facilitating better economic growth policies there is some relevant evidence and examples. There is evidence of high demand for more timely and better quality economic data from policy makers^{9,10}.
- There is a good evidence base showing the economic benefits of better quality economic statistics such as positive effects on international borrowing markets and indicators of confidence in the economy, such as foreign direct investment¹¹ or borrowing costs¹². Increased credibility of data has led to discounts for sovereign issuers participating in the IMF's General Data Dissemination System (GDDS), which amount to 8 percent and in the Special Data Dissemination Standard (SDDS) amounting to 20 percent¹³.
- The IMF's GDDS and SDDS are viewed as an integral part of the international financial architecture and have improved the functioning of international financial markets contributing to global financial stability¹⁴.
- There is good evidence that statistics can inform policy making but less evidence on the specific use of economic statistics. The IAEG Data Revolution report argued that "Data are the lifeblood of decision-making". There is evidence that improved statistics have been used to inform policies, plans and programmes in other sectors¹⁵ and the PARIS Declaration on Aid Effectiveness (2005) recognises the need for better statistics for more effective aid management. There is evidence that the major barriers to the use of evidence are the low capacity of policy makers and the absence of incentives to drive research usage but that

⁹ IMF (2012) Midterm review of EDDI <http://www.imf.org/external/np/pp/eng/2013/032013.pdf>

¹⁰ Centre for Global Development <http://www.cgdev.org/blog/better-data-rwanda>

¹¹ Gordon, et al. (2012). [The impact of IFRS adoption on foreign direct investment](#). *Journal of Accounting and Public Policy*,

¹² Cady, J. (2004) [Does SDDS Subscription Reduce Borrowing Costs for Emerging Market Economies?](#), IMF Working Paper

¹³ Cady, J and Gonzales-Garcia, J (2007) [The IMF's Reserves Template and Nominal Exchange Rate Volatility](#), IMF

¹⁴ Alexander, W et al (2007) [The IMF's Data Dissemination Initiative After Ten Years](#), IMF.

¹⁵ PARIS21/OECD, "Counting Down Poverty – The role of statistics in world development"

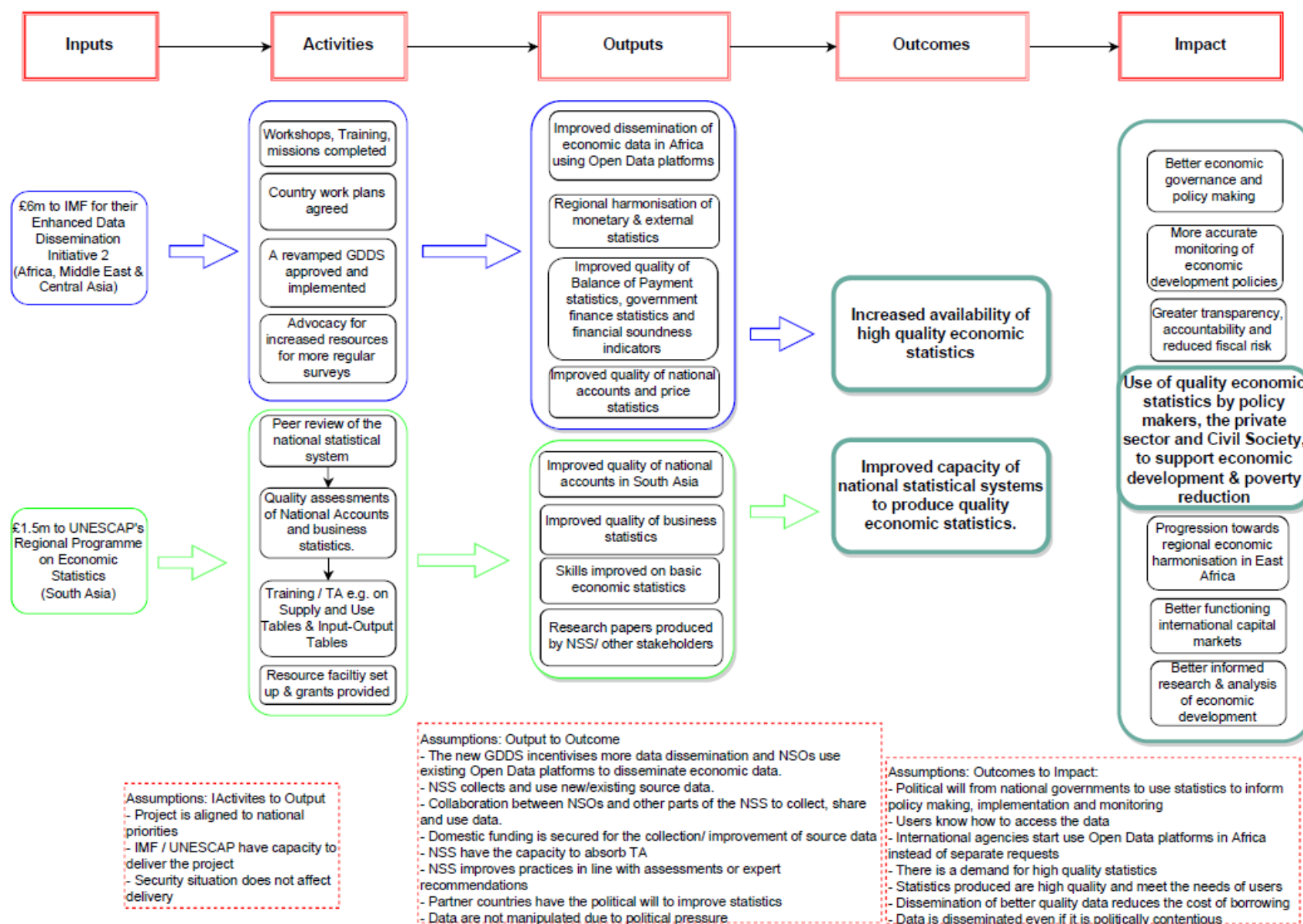
interventions which succeed in increasing the use of evidence by policy makers and practitioners may lead to important impacts¹⁶.

- There is evidence that longer term TA that is aligned with national priorities, such as that provided by IMF, is more effective¹⁷.
- The mid-term review¹⁸ of EDDI1 highlighted that the project has led to an increase in the capacity of institutions.

¹⁶ DFID Literature Review “[What is the evidence on the impact of research on international development?](#)” (2013)

¹⁷ Strode et al (2009) [Thematic Study of Support to Statistical Capacity Building; Evaluation of the Paris Declaration](#).

¹⁸ IMF (2012) Midterm review of EDDI <http://www.imf.org/external/np/pp/eng/2013/032013.pdf>



Annex 2: Country coverage of EDDI 2

Table 1. Core EDDI2 Modules and Countries

Country	R1	R2	M1	M2	M3	BP1	BP2	G	DD
Botswana			X					X	X
Burundi				X		X	X		X
Eritrea					X				X
Ethiopia					X	X			X
Gambia	X	X	X						X
Ghana		X	X		X				X
Kenya				X			X		X
Lesotho			X					X	X
Liberia	X	X	X		X	X		X	X
Madagascar					X			X	X
Malawi			X		X				X
Mauritius									X
Mozambique					X			X	X
Namibia	X		X					X	X
Nigeria	X	X	X						X
Rwanda				X		X	X		X
Seychelles									X
Sierra Leone	X	X	X		X	X			X
South Africa									X
Sudan			X		X				X
South Sudan			X		X				X
Swaziland			X			X		X	X
Tanzania				X			X		X
Uganda				X			X		X
Zambia			X			X		X	X
Zimbabwe	X		X		X	X		X	X

- Real sector modules are: R1 national accounts; R2 price statistics;
- Monetary statistics modules: M1 monetary statistics, M2 regional harmonization of monetary statistics, and M3 Financial Soundness Indicators.
- Balance of Payments modules: BP1 balance of payments statistics; BP2 regional harmonization of BOP statistics;
- Other modules are G government finance statistics and DD data dissemination module.

Table 2. Additional EDDI2 Modules and Countries

Country	R3	M1	M2	M3	DD
Burkina Faso					X
Cote d'Ivoire					X
Senegal					X
Togo					X
Cameroon			X	X	X
CAR			X	X	
Chad			X	X	
Congo, Rep of			X	X	X
Eq. Guinea			X	X	
Gabon			X	X	
Afghanistan	X	X			X
Djibouti		X		X	X
Iraq	X	X		X	X
Kyrgyz Rep.	X	X		X	
Libya		X		X	X
Pakistan	X				X
Tajikistan	X				
West Bank & Gaza	X				
Yemen	X	X		X	X

- Real sector modules are: R3 fragile states.
- Monetary statistics modules are: M2 regional harmonization of monetary statistics; and, M3 Financial Soundness Indicators.
- The remaining module that is DD data dissemination module.

Annex 3: Further background on the programme to be evaluated

Background

In many countries economic statistics are not of the quality required for evidence based policy making²³, with some research suggesting that economic growth has been overstated for most African economies¹⁹. Better quality economic statistics²⁰ are urgently needed to enable better macroeconomic governance and policy making at both the national and international levels. Economic statistics underpin private sector investment decisions. International capital markets function better when good quality economic statistics are available. Evidence has shown that capital markets respond positively when countries disseminate good quality economic data by reducing the cost of borrowing, resulting in important cost savings to sovereign borrowers and ultimately its taxpayers²¹. There are also a range of social benefits linked with the availability of more open and better economic statistics which benefit citizens and improve social justice. Strengthening the quality and availability of government financial statistics will promote transparency, accountability, reduce corruption and improve service delivery as more information on the governments underlying fiscal and debt position becomes available²². Increased availability of quality economic statistics will also have a positive impact on the quality of economic research and analysis conducted by research organisations, academics and think tanks.

Despite this range of benefits of better economic statistics, **in many countries economic statistics are based on old methods, out of date source data and are often not of the quality required for evidence based policy making**²³. In particular recent large revisions of GDP in Ghana and Nigeria have called into question the reliability of economic data in other African countries that have not yet rebased in a number of years.

The main quality issues with economic statistics, and in particular national accounts, in developing countries are:

- Source data are unreliable and often not available.
- Poor coverage of the economy
- The benchmark and base years used for constructing national accounts are not up to date in many countries.
- International guidance is not followed completely or consistently by countries.
- Data are poorly disseminated.

The underlying causes of these issues have to do with **weak capacity in national statistical systems and inadequate funding (both domestic and donor) which are often the result of underlying political economy and systemic issues**. Despite the progress made in the past decade in improving national statistical systems, capacity building is a slow, deliberate process and many still face immense challenges including: under-funding; reliance on donor support; lack of institutional autonomy; very weak administrative systems; and poor coordination of the national statistical system. The MDGs saw the focus of donor statistical support move towards household surveys focusing on health and education statistics to the detriment of other areas such as economic

¹⁹ Jerven (2014) [African Growth Miracle or Statistical Tragedy?](#) UNU WIDER

²⁰ Definitions: throughout this business case “**good quality**” is defined according to the [IMF's Data Quality Assessment Framework](#) and “**economic statistics**” are defined according to a) the [UNESCAP Core Set of Economic Statistics](#) and b) the following data categories of the [IMF's General Data Dissemination System](#): Real Sector, Fiscal Sector, Financial Sector and External Sector.

²¹ Cady, J. & Pellechio, A. (2006) [Sovereign Borrowing Cost and the IMF's Data Standards Initiatives](#):

²² Reinikka, R. and Svensson, J. (2011) [The Power of Information in Public Services: Evidence from Education in Uganda](#) McGee, R. and Gaventa, J. (2010) [Review of Impact and Effectiveness of Transparency and Accountability Initiatives](#)

²³ AfDB (2014) [In-Depth Situational Analysis of the Reliability of Economic Statistics in Africa](#); IMF (2013) [Regional Economic Outlook: Sub-Saharan Africa](#); UNESCAP (2010) [Proposed regional programme for the improvement of economic statistics in Asia and the Pacific](#)

statistics²⁴. This has

meant that the robust collection and analysis of economic statistics have stagnated, and in some cases declined, over the last 15–20 years²⁵. Overall there is a shortfall in funding for core statistical systems required to provide basic information for economic management.

This programme aims to address the following priorities:

- **Capacity & sustainability** – targeted technical assistance to strengthen national capacity; leveraging domestic resources.
- **Source data** – improvement in the quality and use of basic source data for economic statistics.
- **Quality & Standards** – support the implementation of a new GDDS which sets more achievable standards for lower capacity countries; support the adoption of the 2008 System of National Accounts and other relevant standards.
- **Open Data** – improving data dissemination for more accountability.
- **Alignment & coordination** - with NSDSs; within national statistics systems; with other donors.

Expected Results

The programme aims to achieve the following results:

IMPACT: Use of quality economic statistics by policy makers, the private sector and civil society, to support inclusive economic development and poverty reduction.

OUTCOME: Increased availability of high quality economic statistics and improved capacity of national statistical systems to produce quality economic statistics

OUTPUTS: IMF EDDI2

- Improved National Accounts and price statistics in Africa and fragile states in the middle east & central Asia; including the use of better source data in Africa
- Improved balance of payment statistics, government finance statistics and monetary statistics; including regional harmonisation in east and central Africa.
- Improved dissemination of economic statistics, including the use of open data platforms and SDMX in Africa

OUTPUTS: UNESCAP RPES:

- Improved knowledge among the national statistical system, users and development partners on the strengths and weaknesses of national statistical systems that affect the production of the Core Set of Economic Statistics in project countries
- Improved capacity of national statistical training institutions on the Core Set of Economic Statistics
- Improved technical knowledge and statistical infrastructure in national statistical systems for the production of quality economic statistics (defined as the Core Set of Economic Statistics)

OUTPUTS: World Bank WAVES:

- Implementation of WAVES+ objectives: 1) Expanded support for country implementation of Natural Capital Accounting (NCA); 2) Advancing NCA through regional cooperation and 3) Strengthening global momentum on NCA.

²⁴ Strode et al (2009) [Thematic Study of Support to Statistical Capacity Building; Evaluation of the Paris Declaration](#).

²⁵ Centre for Global Development (2014) [Delivering on a Data Revolution in sub-Saharan Africa](#)

The original Theory of Change for the programme is included in Annex 1. Only the IMF EDDI2 and ESCAP RPES are within scope of the evaluation.

Targeted beneficiaries and stakeholders

The direct beneficiaries of the programme are national statistical systems in the countries covered by the programme. They will benefit from technical assistance, training and guidance which will build their capacity to produce and disseminate quality economic statistics. The peer reviews and assessments generated by the RPES will also have spill over benefits to the wider national statistical system beyond just economic statistics such as informing implementation of NSDSs and coordination of the national statistical system.

In the longer term, a range of users will benefit from this intervention (including DFID, partner governments, the private sector, and the research community) which will allow for the design and monitoring of better economic development policies at the national and international level; enhancing the credibility and accountability of policies; as well as more robust analysis of economic growth in developing countries.

The global context

This programme contributes to the objectives within the [UK Aid Strategy](#). Strategic Objective 3 is *Promoting Global Prosperity*. The programme also supports delivery of DFID's Economic Development Strategic Framework which has scaled up its work in this area with £1.8 billion being targeted towards economic development by 2015/16. This relatively small investment in economic statistics is modest compared to the benefits it brings DFID in terms of being able to monitor the results of our economic development interventions. The programme also contributes to Strategic Objective 1; *Strengthening global peace, security and governance*. In particular, it supports the "Golden Thread" of development by strengthening the capacity of national statistics systems and contributing to building open economies, societies and governments. The component for WAVES contributes to Strategic Objective 2 *Strengthening resilience and response to crises*. WAVES will generate better data on the value of natural resources which are currently undervalued in policies leading to unsustainable use of natural resources and ultimately climate change.

The programme also supports delivery of DFID's Economic Development Strategic Framework which has scaled up its work in this area with £1.8 billion being targeted towards economic development by 2015/16. It is therefore important for DFID to invest in improving these data, allowing for better resource allocation and monitoring of economic development interventions.

The UK is very supportive of the UN Secretary General's call for a Data Revolution. This programme is aligned with many of the recommendations of the UN Independent Expert Advisory Group (IEAG) on a Data Revolution for Sustainable Development. The strengthening of national statistical systems, the main outcome of this programme, will be at the core of the data revolution.

The programme is being implemented in line with recommendations of the PARIS Declaration on Aid Effectiveness, which recognises the need for better statistics for more effective aid management. The programme ensure ownership and alignment with national priorities set out in National Strategies for the Development of Statistics.

CB118 (April 2002)