

# Integration of Agriculture into the National Strategy for the Development of Statistics (NSDS) in Lao PDR

Jairo Castaño

FAO Regional Office for Asia and the Pacific

Senior Statistician

39 Phra Athit Road

Bangkok 10200, Thailand

Jairo.Castano@fao.org

## ABSTRACT

A recent study conducted by PARIS21 found that few countries had adequately integrated agricultural statistical development into their national strategies for the development of statistics (NSDSs). FAO and PARIS21 therefore decided to launch a pilot project to assist three countries in developing the agricultural statistics component in their NSDS, namely Lao PDR, Mozambique, and Peru. Lao PDR was chosen as pilot country in Asia because it had recently approved its NSDS, and agriculture is one of the country's key economic sectors. The present paper discusses the results of the first mission conducted in the framework of the joint FAO-PARIS21 project and makes some relevant recommendations for follow-up actions.

**Keywords:** Global Strategy, NSDS, integration of agriculture, Laos PDR

## 1. Introduction

A 2009 study conducted by PARIS21 found that, of a total of 78 International Development Association (IDA) countries, only 4 to 10 countries (around 10% of all IDA countries in the world) had included agriculture more or less appropriately in the national strategies for the development of statistics (NSDS). Some of the factors explaining this fact are very well known: the first generations of NSDS were NSO-centric; lack of coordination between NSOs and Ministries of Agriculture and deficient intra-sector coordination; agricultural activities are often part of the informal economy and, therefore, usually not well covered by statistics reporting systems; low technical capacity within Ministries of Agriculture, including lack of adequate technical tools, statistical methodology and survey framework to support data production efforts; insufficient funding allocated for agricultural statistics; and countries' statistical legislation does not cover the whole statistical system or the application of laws is neglected.

As of May 2010, of the 27 IDA countries in Asia and the Pacific, 20 (74%) were either implementing an NSDS or had designed one awaiting government adoption. Among the 16 lower middle-income countries in the region, 12 (75%) were either implementing or designing a NSDS. In this context, the United Nations Statistical Commission (UNSC) and a partnership of international agencies, developed and developing countries developed the *Global Strategy to Improve Agricultural and Rural Statistics*. The key components of the Global Strategy are: (a) defining a minimum core of national data items; (b) integrating agriculture into national statistical systems; and (c) using integrated databases (data warehouse) for easy data access. FAO and PARIS21, in turn, developed a draft *guide to integrating agriculture statistics into National Strategies for the Development of Statistics (NSDS)*. To test the guidelines, the two organizations launched a pilot project to assist three countries in developing the agricultural statistics component in their NSDS: Lao PDR (NSDS just approved), Mozambique (NSDS under implementation) and Peru (NSDS not yet implemented). Integration methods would depend on the development level of the countries'

NSDS. The overall objective of the project is to better mainstream and integrate the agricultural statistical system into the NDSS. Outputs will include: (1) a specific agricultural sector strategy for the development of statistics (ASSDS) and costed action plans which are adequately funded<sup>1</sup>; (2) advocacy documents on promoting the importance of agricultural statistics; and (3) co-ordination of partners on specific issues linked to financing of agricultural statistics, in liaison with the existing group of donors for the overall NSDS.

The activities foreseen under this project include meetings with stakeholders, support in advocacy (including national workshops), and support to submitting an application to the World Bank's Trust Fund for Statistical Capacity Building (TFSCB).

At the invitation of the Lao government, in May 2010 FAO and PARIS21 conducted a joint mission to Lao PDR within the framework of the joint project<sup>2</sup>. The mission met the Department of Statistics (DoS) and Ministry of Agriculture and Forestry (MAF) to initiate discussions on developing a strategy to integrate the agricultural statistics component in the NSDS. The mission also participated in a donors' consultation workshop to present the joint FAO-PARIS21 project and solicit donors' support for the implementation of the NSDS.

## **2. Lao PDR's National Statistical System**

LAO PDR is located in Southeast Asia and had a population of about 6.2 million in 2008. Around two-thirds of this population live in the rural areas with the majority of them depending on agriculture (mostly subsistence). Agriculture is one of the country's key sectors: 75% of the labour force works in the sector, which in turn accounts for 35% of the country's GDP.

The key development policies of the government are spelt out in the 6th National Socio-Economic Development Plan, 2006-2010 (NSEDP). This plan has development objectives for 2010 (eradicating mass poverty) and 2020 (exiting the group of least developed countries or LDCs). Under specific provisions in the 6th NSEDP, the Department of Statistics (DoS) of the Ministry of Planning and Investment (MPI) is tasked to coordinate, compile and disseminate statistical information to help monitor and assess the socio-economic progress of the nation.

Until recently, Decree 140 of 2002 governed the organization and activities of the Lao National Statistical System (LNSS). The system comprised the National Statistical Centre (later DoS) and the systems of statistical organizations in the line ministries, ministry-equivalent agencies, provinces, special zone, districts and village authorities, production and service units. Agricultural statistics were mainly produced by the Centre of Statistics and Information (CSI) of the Department of Planning (DoP), Ministry of Agriculture and Forestry (MAF).

Lao PDR's NSDS, known as the Strategy for the Development of the National Statistical System (SDNSS), was approved in May 2010 by the Prime Minister while a new Statistical Law was approved a month later. As a result, DoS changed its name to the Lao Statistics Bureau (LSB) and its level has been raised to that of a semi-autonomous sub-ministry within the MPI. The law is also expected to provide for the following: the creation of a National Statistical Council-type of organization (whose role will be to supervise rather than administrate), a clearer definition of the delimitations of the national statistical system (NSS), increased centralisation of the NSS and

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<sup>1</sup> The strategy should spell out the coordination of the data sources and among stakeholders and agencies. NSO and other producers of agricultural statistics should complement each other and fit into the NSDS.

<sup>2</sup> The mission was composed of Mr. Eric Bensele, Project Officer, PARIS21, Mr. Tomas Africa, PARIS21 consultant and the author. Their contributions to the mission report are duly acknowledged.

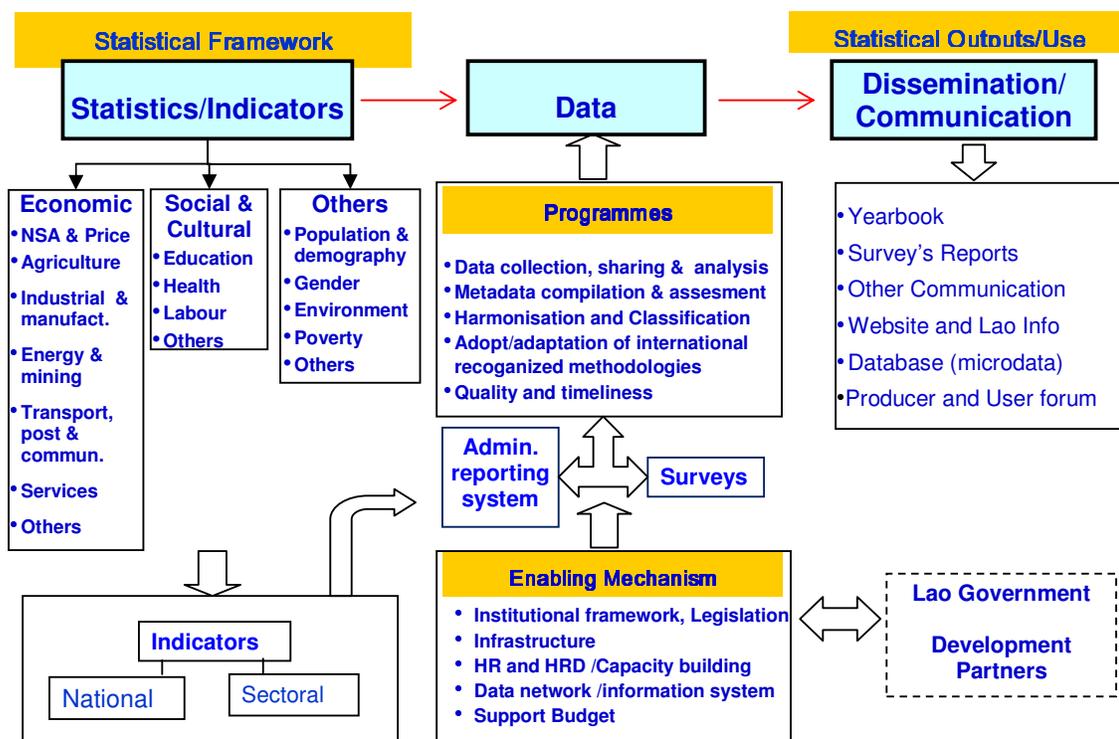
authority within the LSB and the establishment of statistical units within line ministries where these do not yet exist.

According to the new Lao statistics law, the NSS comprises (1) vertical and (2) horizontal organizational systems. The former system consists of the LSB and provincial and municipality statistics centres, district statistics centres and statistics units at the village. The LSB is the coordinating body of production and dissemination of official statistics and information within the national statistical system. It is responsible for planning and designing strategies aimed at producing high quality official statistics to meet government needs in designing social and economic development policies and plans. The LSB produces statistics by conducting censuses and surveys as well as collecting data from line ministries and provinces via an administrative reporting system. The Bureau then disseminates these data to the Planning Department at MPI, Ministry of Finance, Bank of Lao PDR, other ministries, civil society and international organizations. The horizontal organizational system consists of statistics centres in line ministries, ministry-equivalent agencies and their statistics subdivisions at provincial, municipal, special zone, district levels and production and service units. These statistical organizations consist of statistics divisions or sections or statistics units in the sectors entrusted with the task to collect information to meet the data needs of each level. The reform has prepared the ground for mainstreaming sector statistical systems into the NSS.

The agricultural statistics produced by the DoP, MAF heavily rely on the reporting system done in the village level, field observations, administrative records and other non-systematic collection of information. The information that flows to the MAF starts from the District of Agriculture and Forestry Office (DAFO) that submits to the Provincial Agriculture and Forestry Office (PAFO), where the district data are being consolidated. There is no systematic and standard ways of collecting agricultural information in the district. Hence, the information being gathered at the village level may either be under-estimated or over-estimated depending upon the purpose of the respondents in supplying such information.

### **3. The Status of SDNSS in Lao PDR**

Lao PDR's Strategy for the Development of the National Statistical System 2010-2020 (SDNSS) involves seven goals, nine strategic objectives and 12 work programs. Figure 1 describes the framework of the Lao SDNSS.



**Figure 1: Lao SDNSS Development Framework**

The SDNSS will be implemented in two phases: 2010-15 and 2016-20. LSB estimated a budget of US\$28.3 million to implement the 2010-2020 SDNSS, of which US\$15.2 would be during the first phase. The 2020 end date is timed to coincide with the Lao government's objective of graduating out of least-developed country (LDC) status. The SDNSS is therefore strongly linked and synchronised with the national development policy. LSB expected development partners to fund 52% of the total budget mainly for surveys (e.g. Lao Expenditure and Consumption Survey-LECS) and censuses (e.g. population, agriculture<sup>3</sup> and economic censuses). LSB is planning to roll out the implementation of SDNSS during the launch of the first Lao Statistics Week in mid October 2010.

Earlier this year, LSB conducted an inventory of the 800 plus indicators required in the NSEDP and other development policies such as the MDGs. During consultations with other components of the NSS, LSB then prioritised these indicators and identified statistical activities to provide the relevant data. With regards to agricultural indicators, LSB and MAF agreed on seven national, 42 sectoral and 38 provincial indicators. The LSB would circulate the agreed list of indicators listed in the SDNSS to get proposals from MAF on how to operationalise the collection of the associated data/information.

#### 4. SDNSS and Development Partners

From the early 1990s, SIDA was the main donor for statistical activities in Lao PDR, including the 2009 Census of Agriculture. After SIDA's withdrawal in 2008, DoS and DoP (MAF) eagerly approached other donors for assistance. Development partners met by the FAO-PARIS21 mission were keen to see a country-donor co-ordination group established centred on implementing

<sup>3</sup> DoP, MAF, has been delegated the responsibility to conduct (and seek funds for) the Lao census of agriculture (LCA). The country is currently preparing to conduct the LCA 2010.

the SDNSS. Several highlighted the need for co-ordination not only at the managerial, but also at the technical and provincial levels. Donor funds will very likely become available to the NSS, provided that the country (i) takes the lead in creating the co-ordination mechanism, (ii) provides greater detail on the content of the SDNSS, and (iii) allocates more government funds to statistical development.

The Asian Development Bank (ADB), UNDP, and the World Bank (WB) have engaged in trilateral discussions to determine how best to co-ordinate their support. All three have expressed their eagerness to help develop statistics in the country and have programmes in the pipeline. ADB stressed the need to focus on developing an exit strategy for the LSB to stand on its own, without donor support, by 2020. The UNDP agreed a bridge fund to provide resources to the NSS covering the period until the end of 2010, after which a five-year support programme (at least US\$300,000 per year) would come into effect. Although WB expressed reservations about the LSB's capacity to absorb the significant funds needed to develop statistics in the country, it is nevertheless on the verge of agreeing to a funding proposal to support the Lao NSS over five years totalling approximately US\$5 million. This programme would support the following programmes or activities: (i) Economic Statistics, (ii) Poverty Statistics, (iii) Information and Communications Technologies, and (iv) Policy Framework. WB encouraged the LSB to develop annual implementation plans and proposed to help with this task. The funding of agricultural statistical activities by ADB, UNDP and WB was unclear at the time of the mission. The Lao Census of Agriculture (LCA) 2010, the largest agricultural statistical activity, remained unfunded until early this year. Following FAO facilitation, the LCA 2010 was recently funded by putting together pledges from the Swiss Development Cooperation (SDC) and AusAID, the re-allocation of some funds from several ongoing MAF projects (funded by other donors) and MAF funds.

The UNDP called on PARIS21 — in light of its neutral role — to take the lead in facilitating the partnership of donors in Lao PDR. The UNDP requested that PARIS21 play an active role in bringing donors around the table. The UNDP intends to call one or two informal donor discussions before a 20 October roundtable<sup>4</sup> then hold a formal seminar at which PARIS21 would attend and facilitate. They are preparing a matrix that demonstrates all the SDNSS programmes and activities, which indicators they will measure, and for which development policy priorities. It will be multidimensional and include costing information. This matrix would be presented at the donor meeting to demonstrate its components sector-by-sector in facilitated sessions, closed by a donor consultation session to identify who can fund what. PARIS21's Partner Report on Support to Statistics (PRESS) and the country's own foreign aid report (produced by the MPI) could be useful inputs to these meetings.

## **5. Conclusions and Recommendations**

The PARIS21-FAO mission made some recommendations on how to take forward the process of integrating the development of agricultural statistics into the SDNSS, including:

*Establish a reflection group* charged with formulating an ASSDS anchored to the SDNSS. This group should quickly initiate deliberations and be inter-ministerial in nature, including LSB, MAF, the central bank, ministry decision-makers and partners. MAF participation should include representatives from all departments and be co-ordinated by the Centre for Statistics and Information (CSI). The recently established Committee on the Agricultural Census could be a starting point for the reflection group. The group should examine the arguments and

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<sup>4</sup> The 20 October roundtable is a donor roundtable on the next NSEDP 2011-2015.

recommendations developed in the Global Strategy, assessing their relevance to Lao context and decide on the main features of desirable adaptations to the Strategy's three pillars:

1. agreement on a minimum set of core data of national interest that the country will eventually be able to supply and are required under the Global Strategy;
2. better integration of agriculture into the Lao NSS, via a common sampling frame, a survey and census programme to meet information requirements and a widely accessible system of managing data, microdata and metadata;
3. the establishment of perennial statistics through better governance of the statistical system and capacity building in terms of human and financial resources, tools and skills.

*The reflection group should develop an ASDSS that is aligned to the NSDS to be partially integrated in the mid-term review of the SDNSS by 2015 and fully integrated in the next SDNSS.*

*The reflection group should base discussions on strategic and policy documents such as the MAF's strategy for agricultural development, SDNSS and NSEDP. It will be important to build on what already exists in agreed government policy documents and to ensure that the ASSDS responds to user needs for agricultural data.*

*The reflection group should form a country–donor co-ordination group at a very early stage to facilitate a constructive dialogue and consultation among donors and the NSS as part of the implementation of the SDNSS. The co-ordination group, with LBS in the driving seat and facilitated by UNDP, would review all the active reciprocal commitments made by institutions and partners, using the ASDSS/SDNSS as the framework of coordination. The PRESS, which lists each partner's statistical programmes in Lao PDR, is a useful resource.*

*Prepare an advocacy leaflet titled "Why Lao PDR Needs Good Statistics" and a booklet on the SDNSS (with a section on agricultural statistics) in advance of the next NSEDP's donor consultation meeting to be held on 20 October 2010. The leaflet (produced with assistance of PARIS21) is nearly completed while the booklet will follow.*

*Submit an application to the World Bank's Trust Fund for Statistical Capacity Building (TFSCB) to fund the consultations and strategy design activities mentioned above, under the TFSCB's NSDS window. A consultant could be engaged to facilitate the reflection group's discussions for the identification of a strategy to integrate agricultural statistics into the SDNSS.*

FAO and PARIS21 stand ready to provide technical advice to Lao PDR on the strategy to integrate agriculture into the SDNSS and intend to conduct a second joint mission by the end of the year to follow-up on progress.

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