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**REPORT OF THE ECE-ESCAP-WORLD BANK INTER-REGIONAL SEMINAR/WORKSHOP
ON THE FUNDAMENTAL PRINCIPLES OF OFFICIAL STATISTICS, ULAAN BAATOR,
DECEMBER 2001**

Note prepared by the secretariat

I. Introduction

1. The ECE-ESCAP-World Bank Inter-Regional Seminar/Workshop on the Fundamental Principles of Official Statistics took place in Ulaan Baator, Mongolia, from 13 to 14 December 2001 at the invitation of the Government of Mongolia and of the National Statistical Office of Mongolia. The World Bank had very generously provided extra-budgetary funding that permitted the meeting to be held. The meeting was attended by senior officials from the national statistical offices of Cambodia, China, Lao People's Democratic Republic, Mongolia, Myanmar, Russian Federation, Tajikistan and Ukraine. Representatives of the UNDP (2), UNFPA (2), IMF, CESD-Communautaire and USAID also attended. The Mongolian delegation at the meeting was composed of 26 officials, including the Prime Minister, the Chairman of the Standing Committee on the Economy, two Members of Parliament, representatives of the State Audit and Inspection Committee, the Bank of Mongolia, the Ministry of Finance and Economy, the Ministry of Labour and Social Welfare, the Ministry of Health, the Ministry of Industry and Trade, the National Statistical Office and other agencies.

2. The seminar was convened to provide an opportunity for CIS countries and other countries in Asia to examine and discuss the Fundamental Principles and their application within their particular circumstances. The participants welcomed this opportunity, and agreed that the Fundamental Principles are very useful for developing impartial, policy-oriented and user-oriented statistics for all countries, including countries in transition. The participants considered the meeting to be a very useful one for the countries that were able to attend it, and they recommended that similar meetings of this type be organized in the future for other countries.

3. The meeting was opened by Mr. John Kelly, Officer-in-Charge of the Statistical Division of the UNECE, on behalf of the ECE, ESCAP and the World Bank.

4. An opening address was delivered to the participants by Mr. Nambar Enkhbayar, Prime Minister

of Mongolia. He warmly welcomed all the participants to both Mongolia and the meeting, and thanked the World Bank, ECE and ESCAP for organizing the meeting in Ulaan Baator in 2001 to help mark the 40th anniversary of Mongolia's joining the United Nations. Mr. Enkhbayar noted that about ten years have now passed since the UN had adopted the Fundamental Principles of Official Statistics, and he highlighted how the Principles had contributed significantly in many countries to making official statistics more reliable, and of a better quality and not subject to the influence of political forces.

5. The Prime Minister also described how Mongolia has taken initiatives aimed at implementing and following market economy practices in all areas of the economy and in the social life of the country. Drawing from the principles laid down in the Fundamental Principles of Official Statistics the Government passed a law on statistics in 1994 that created the legal environment for statistical activities that ensured that they would be implemented independently and with no outside influences. The Statistical Law was revised and further improved in 1997.

6. The Prime Minister also described how the Mongolian National Statistical Office has also taken other steps aimed at adapting the Mongolian statistical system to current international standards in the field of statistics, in areas such as national accounts and other fields. He explained that the Mongolian statistical system is being developed in line with the market economy approach. He considered this to be important because the Government needs reliable statistical information on the economic and social development profile of the country, and the Government, business entities and individuals all need reliable and accurate statistical information for planning and decision-making purposes. He also emphasized that the implementation of the Fundamental Principles in Mongolia is at the very foundation of the continuing transformation of the Mongolian statistical system. The first phase of the transformation programme was completed during the period from 1994-1997, and the current stage of the programme is expected to be completed in 2004.

7. An opening address was also made by Mr. Tudven Ochirkhuu, Chairman of the Parliamentary Standing Committee on Economic Policy. He described how the field of official statistics in Mongolia has evolved since its establishment in 1924 through to its current role as an independent organ in the state government service. He also described the central role official statistics play in determining the current achievements of economic growth of the country and for elaborating policies and programs for further economic and social development in the country. He also indicated that both the national statistical office of Mongolia and the Government of Mongolia attach considerable importance to the principles that are enshrined in the Fundamental Principles, and to the importance of statistical information being transparent and equally accessible for all users in the country. This approach was deemed essential for ensuring that the country's different statistical products had the trust and confidence of the population at large.

II. Agenda and method of work

8. The meeting was sub-divided into the following sessions:

Session 1: General introduction to the Fundamental Principles

Session 2: Fundamental Principles 1, 2 and 3:

Principle 1: Official statistics provide an indispensable element in the information system of a democratic society, serving the Government, the economy and the public with data about the economic, demographic, social and environmental situation. To this end, official statistics that meet the test of practical utility are to be compiled and made available on an impartial basis by official statistical agencies to honour citizens' entitlement to public information.

Principle 2: To retain trust in official statistics, the statistical agencies need to decide according to strictly professional considerations, including scientific principles and professional ethics, on the methods and procedures for the collection, processing, storage and presentation of statistical data.

Principle 3: To facilitate a correct interpretation of the data, the statistical agencies are to present information according to scientific standards on the sources, methods and procedures of the statistics.

Session 3: Fundamental Principles 4, 5, 6 and 7

Principle 4: The statistical agencies are entitled to comment on erroneous interpretation and misuse of statistics.

Principle 5: Data for statistical purposes may be drawn from all types of sources, be they statistical surveys or administrative records. Statistical agencies are to choose the source with regard to quality, timelines, costs and the burden on respondents.

Principle 6: Individual data collected by statistical agencies for statistical compilation, whether they refer to natural or legal persons, are to be strictly confidential and used exclusively for statistical purposes.

Principle 7: The laws, regulations and measures under which the statistical systems operate are to be made public.

Session 4: Fundamental Principles 8, 9 and 10

Principle 8: Coordination among statistical agencies within countries is essential to achieve consistency and efficiency in the statistical system.

Principle 9: The use by statistical agencies in each country of international concepts, classifications and methods promotes the consistency and efficiency of statistical systems at all official levels.

Principle 10: Bilateral and multilateral cooperation in statistics contributes to the improvement of systems of official statistics in all countries.

Session 5: General conclusions

Session 6: Closing of the meeting.

9. The introductory session and each of the substantive sessions were introduced by Messrs. Tom Griffin and Jozef Olenski, two consultants who had been intimately involved in drawing up the Fundamental Principles in the early 1990s whom the ECE secretariat had engaged to serve as Resource Persons at the meeting. Their presentations in each of these sessions were followed by discussion in groups and/or in plenary session on each of the ten Fundamental Principles.

10. Participants from most of the countries in attendance also tabled and distributed at the meeting reports that they had prepared prior to the meeting summarising the situation in their countries with respect to the Fundamental Principles. These national reports served as a supplementary basis for discussion.

11. During each of the sessions the participants discussed the Fundamental Principles in both group and plenary meetings, so as to gain a better appreciation of each of the Principles. During the last session, they broke into two groups to discuss the conclusions of the seminar. Each group's conclusions were then discussed in the plenary meeting.

III. Conclusions of the seminar

12. The conclusions that were agreed in plenary during the final session of the seminar are presented below.

a) Main Conclusions:

- The Fundamental Principles of Official Statistics were a crowning achievement of the United Nations Statistical Commission. The Principles are applicable in all national statistical offices (NSO) of the world. They must be applied, so that official statistics are trustworthy and are trusted. Trustworthy statistics are essential to democracy.
- In order for the Fundamental Principles of Official Statistics to be applied in practice, it is necessary for national statistical offices to be professionally independent and for that independence to enshrined in Law. Similarly, the national statistical offices should be the co-ordinator of all official statistics, to ensure uniformly high standards.
- The Fundamental Principles of Official Statistics (FP) are essential to the transformation of official statistical systems from the former centrally planned economies to market driven economies. They also must be applied in the development of strategies for statistical systems in the transition countries, and for the practical implementation of these strategies.
- The Fundamental Principles of Official Statistics have been particularly useful for transformation of the legal basis of official statistics in transition. They have been essential for the drafting of specific laws defining the organisation of official statistical agencies, and their role within the information infrastructure of countries and within the structures of governments.
- Professional standards cannot be taken for granted. Their application must be guaranteed and monitored.
- It was agreed that the UN should continue to monitor and analyse the practices and experiences of national statistical agencies of the countries advanced in the processes of transition, as well as developed market driven economies. It was also agreed that practical guidelines and examples of best practices would be helpful in the transition of statistics.

b) Other conclusions related to specific principles

Fundamental Principle 1

- National statistical offices in the transition countries should pay special attention to the documentation of applied statistical methods, concepts and definitions and statistical indicators, for each phase of transformation of each domain of statistics.
- The documentation should contain all the necessary information for assessing the comparability of statistical data and for the "reconstruction" of time series of basic economic and social indicators using the new methodologies

Fundamental Principle 2

- Official statisticians should be trained in providing statistical information together with the

metainformation (definitions, sources and methods etc.) necessary to analyse the data and to build the trust of users of statistics.

- The main users of statistics should be trained in (a) the Fundamental Principles, (b) The functions of statistics in transition processes and in a market - driven economy, (c) New statistical concepts, methods, indicators and their specific role in the context of transition.
- National statistical offices should collaborate with the mass media in building the trust of society and businesses in official statistics.

Fundamental Principle 3

- All metadata (definitions, sources and methods etc.), relevant and necessary for proper interpretation and use of statistical data, should be made available and disseminated together with the data.
- National statistical offices should develop user-oriented metadata systems and statistical knowledge-based system.

Fundamental Principle 4

- National statistical offices should react to any seriously erroneous interpretation or misuse of statistics published in the mass media. The reaction should address the potential social or economic consequences of misuse and should be made known to the public via the mass media.
- National statistical offices should react to erroneous interpretation or misuses of statistics within governmental institutions through direct contacts with governments. Training of government officers in new statistical methods and interpretation of data in transition context helps to reduce the scale of potential misuses and errors.

Fundamental Principle 5

- In the transition period there is exceptional opportunity to adapt administrative records to statistical purposes. National statistical offices and the ministries should co-operate in the process of re-engineering the administrative information systems in the period of transition.

Fundamental Principle 6

- There is a need to adapt the definition of "statistical confidentiality" to the specific conditions of different phases of transition of the economy. This definition should be re-interpreted as progress is made in transition and as market mechanisms are developed.
- National laws should clearly define and separate statistical data and systems from administrative data and administrative information systems.
- Official statisticians should be trained in proper understanding and interpretation of the concept of statistical confidentiality.
- The public and businesses should be informed and convinced that official statistics are obeying the principle of confidentiality. This is the basis of the trust and cooperation of respondents to statistical surveys.

Fundamental Principle 7

- All laws regulating official statistics (the basic statistical law as well as any "statistical components" of other laws) should be known and available to the public.

Fundamental Principle 8

- National statistical offices (NSOs) should play the role of co-ordinator of all official statistical activities, both within the NSOs and other governmental institutions (ministries etc.).
- The co-ordinating role of NSOs should be strengthened by statistical laws and should be respected by ministries and other government authorities.

Fundamental Principle 9

- International standards and concepts should be used at all levels in order to promote consistency within statistics.
- All basic statistical data and metadata should be covered by generic standards.

Fundamental Principle 10

- The process of implementation of international statistical standards should be adjusted to the dynamics and specificity of transition of the economy, society and state.
- National statistical offices and statisticians from developed market-driven economies and international organisations are encouraged to share their experiences with statisticians in transition economies.

IV. Possible future work and follow-up meeting with the other CIS countries

13. When this meeting was originally planned, it had been anticipated that all 12 CIS countries would take part in it. However, when the meeting actually took place, only three of the 12 CIS countries could attend it. This situation occurred partly because of the fact that the required funding for the meeting did not become available in time to permit the meeting to take place in October, 2001, as had been originally planned, and partly because several CIS countries could not attend the meeting when it was re-scheduled to take place in December. However, subject to agreement being reached with the World Bank, the ECE hopes to organize a separate meeting in 2002 in a CIS country for the CIS countries that were not able to participate in the December 2001 meeting, using the funds in the original World Bank grant that had been earmarked for use by those countries for attending the Ulaan Baator meeting. This seems possible, particularly in view of the fact that preliminary calculations show that the Mongolian meeting resulted in a total (estimated) expenditure of roughly 40% of the total grant that was advanced by the World Bank for the meeting. Therefore, the ECE secretariat plans to approach the World Bank to seek its agreement in using the remaining unspent funds to organize a similar type of workshop for the nine CIS countries who were unable to participate in the December meeting in Ulaan Baator.

ANNEX I

WORKSHOP EVALUATION QUESTIONNAIRE

Aggregation of the 8 Questionnaires returned by participants
(one evaluation questionnaire per country)

1. How do you evaluate the quality of the Workshop in general ?

	Excellent	Good	Fairly Good	Unsatisfactory
Content	2	6	0	0
Manner of Presentation	3	5	0	0
Organisation	4	4	0	0

2. Duration of the Workshop. Was it :

Too short ...2...
Adequate ...6...
Too long ...0...

3. What is your opinion about the structure of the Workshop. Do you think that items below should have taken more or less time, or was the timing about right ?

	More Time	About Right	Less Time
General introduction to the Fundamental Principles	<u>0</u>	<u>6</u>	<u>0</u>
Session 2: Principles 1, 2 & 3			
- Introduction	<u>0</u>	<u>8</u>	<u>0</u>
- Discussion in Small Groups	<u>3</u>	<u>5</u>	<u>0</u>
- Plenary Discussion	<u>2</u>	<u>6</u>	<u>0</u>
Session 3: Principles 4, 5, 6 & 7			
- Introduction	<u>0</u>	<u>8</u>	<u>0</u>
- Discussion in Small Groups	<u>1</u>	<u>7</u>	<u>0</u>
- Plenary Discussion	<u>1</u>	<u>7</u>	<u>0</u>
Session 4: Principles 8, 9, & 10			
- Introduction	<u>0</u>	<u>8</u>	<u>0</u>
- Discussion in Small Groups	<u>1</u>	<u>7</u>	<u>0</u>
- Plenary Discussion	<u>1</u>	<u>7</u>	<u>0</u>
Session 5: Discussion in plenary on the Principles in General	<u>3</u>	<u>4</u>	<u>0</u>
Session 5 (continued): Summary Report and Recommendations	<u>2</u>	<u>5</u>	<u>0</u>

4. What do you think of the documentation presented at the Workshop?

Excellent :	0	Fairly Good :	0
Good :	8	Unsatisfactory :	0

5. How useful do you think the Workshop has been for the application of Fundamental Principles of Official Statistics?

Excellent :	4	Fairly Good :	0
Good :	4	Unsatisfactory :	0

6. What other topics do you think should have been included in the Workshop?

- Present other country experiences (two evaluations with this comment)
- Very satisfied (two evaluations with this comment)
- It is enough as presented (one evaluation)

7. Do you have other comments (criticisms, proposals) about any aspects of the Workshop that would help us organise other seminars/workshops in the future?

- Assess in the medium term the extent to which countries are applying and implementing the Fundamental Principles (one evaluation)
- Circulate reports on national experience prepared by every participating country prior to the seminar (two evaluations)
- A similar workshop was held in 1992; it would be useful to organize seminars like this at 5 year intervals (one evaluation).

ANNEX II

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