

## 2020 Asia-Pacific Statistics Week

A decade of action for the 2030 Agenda: Statistics that leaves no one and nowhere behind

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### Reviewing the National Statistical System of Nepal in New Federal Structure

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#### **Abstract:**

Nepal has recently entered into the federal system of governance from the prolonged unitary form of governance. Accordingly, the statistical authority of the federal, provincial and local governments has been clearly listed out in the new constitution of Nepal. The role of Central Bureau of Statistics as the custodian of national statistical system to carry out official statistical activities has been even more challenging within the changing context. The efficiency of national statistical system needs to be strengthened to address the expanding statistical roles of these three layers of government. It has been challenging but obligatory to establish a statistical system at all levels of federal structure to manage the process of data production as well as supply. It is equally essential to improve the capacity of statistical system to cope with national needs as well as country's international commitments. One of the major roles and responsibilities of national statistical system is to assist the government to localize the Sustainable Development Goals (SDGs), develop indicators in line with these goals and provide timely and reliable data to monitor the progress achieved so far. For this, it requires strong national statistical system with apex body with competitive human resources.

Nepal can not fulfill national and international commitments of meeting the development goals without reviewing and realizing its existing statistical system amid the new era of federal structure; and consequently adopting strategic plans, policies and programs to improve the situation. The main objective of the paper is to provide the real picture of national statistical system of Nepal and suggest for the initiations to be taken to strengthen it. The paper has been prepared reviewing various study reports, journal articles, documents of various government and non-government organizations on statistical issues, constitutional and legal provisions, policies and programs of government, experts' opinions, and from author's own empirical learning . A descriptive argumentation has been followed while preparing the paper. The paper is useful for the government, national and international organizations, private sectors, civil society, researchers, academia and general users.

**Keywords:** capacity, commitments, localize, monitor, empirical

#### **1. Introduction:**

The Statistics System of Nepal considered to be formally commenced after the first epoch-making history of Census taking in the year 1911. Department of Number was established after the enactment of the Census Act 1951 which paved the way for the operation of the fifth Population Census 1951/53 first carried out under the recommendation of the United Nations. The first Statistics Act still in practice was issued in 1958 to regulate and legitimize nation's various statistical activities. Established under the Act, the Central Bureau of Statistics (CBS) has been regarded as the core of data ecosystem and the sole custodian of official statistics for the government of Nepal in the National Statistical System (NSS), and an operational arm of the National Planning Commission (NPC). The CBS conducted the first Agriculture Census in 1961 and then Census of Manufacturing Establishments in 1965. Likewise, activities for preparing National Accounts and the estimate of related indicators begun from 1961. Activities on the estimates of Gross Domestic Product (GDP), consumption and investment have been continuing since 1964. As per the demand of changed political context, the CBS started to carry out some benchmark surveys after the restoration of democracy in 1990. Accordingly, some periodic surveys like Nepal Living Standard Survey, Nepal Labor Force Survey, and Nepal Multiple Indicator Survey have been conducted at certain interval. Central Bank of Nepal has been conducting Household Budget Survey since 1973. It has also been regularly producing price statistics and balance of payments since 1972. Similarly, Ministry of Health and Population has been conducting Nepal Demographic and Health Survey since 1976 as well. Various ministries and their respective agencies are also involved in collection and compilation of social, economic and

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environmental data as per their situational need and demand guided by the prevailing acts and regulations. Dissemination of current agricultural statistics capturing the estimates of area, production and yield rate of various crops by Ministry of Agriculture Development can be an instance in this regard.

Though the national statistics system of Nepal has been gradually developing, it has been facing numerous challenges as a result of growing data demands of three tiers of government emerged as per the new constitution provisioned with federal structure transforming Nepal from unitary state to federal republic. The system has been shrunk with the inadequate human resources having statistical knowledge and skills along with limited physical, institutional and statistical infrastructure. Lack of sectoral statistics, duplication in statistical activities performed by different ministries, departments and agencies; and inconsistencies in data produced by various agencies are some of the hurdles faced by the national statistical system of Nepal.

The Consolidated National Statistical Plan (CNSP) was formulated in 2000 as the first systematic plan for the reorientation and the restructuring of the national statistical system. It aimed to develop decentralized and vibrant statistical system in Nepal to address the growing data demand of the government. It was formed focusing on the four fundamental issues: improved coordination to minimize data gaps, reduced duplication and inconsistencies in data produced by various agencies, efficient allocation of responsibilities among data producing agencies; and timely dissemination of quality statistics. The amendment of Statistics Act 1958, restructuring and strengthening of the CBS and other supporting agencies; and enabling coordination among the NSS remained incomplete as recommended by the CNSP. However, it becomes successful in supporting the incremental reform in the NSS of Nepal.

The Government of Nepal has recently approved the long-awaited National Statistics Development Strategy (NSDS) aiming to improve and update the practice of data collection, compilation, analysis and dissemination by the CBS and other concerned agencies within the NSS. Silwal (2017) views that the success of NSDS mostly depends on the wider ownership, extensive advocacy, co-operation of development partners, organizational and institutional transform and ultimately skilled human resources with high morale.

The new constitution declaring the nation federal democratic republic of Nepal from prolonged unitary form of government has clearly listed the rights and responsibilities of the three tiers of government: federal, provincial and local. The NSS needs to be strengthened and enhanced due to the growing demand of social, economic, environmental data and increasing trends of statistical activities in the newly structured governments. It has been urgent and mandatory to extend and develop the statistical system in the newly emerged provincial and local levels as per the federal structure enshrined in the newly promulgated constitution of Nepal. In the mean time, there is also mounting demands of quality data addressing their various interests from the academia, researchers, media and civil society as per the changed context.

Lamichhane (2017) considers fostering of sound statistical system on the robust legal infrastructure. For this, the process of amendment in the Statistics Act 1958 is under the consideration of the parliament. The importance and relevancy of statistics has been increasing over time as the forms of government have been focusing on evidence-based decision making, monitoring and evaluation; and reporting. Use of Information Technology (IT) and Management Information System (MIS) have been rapidly increasing in the statistical activities performed by the governmental and non-governmental agencies. There is growing tendency of statistical awareness among the stakeholders and the common people as well.

### **2. Methodology:**

The paper has been basically prepared reviewing the various national and international study reports and articles published in relation to the NSS of Nepal and development goals. Similarly, Existing

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statistical act and regulation, constitutional and contemporary legal provisions, current national and international issues linked to the development of statistical system and policies and programs of government have also been reviewed while preparing the paper. Moreover, the series of discussion with the experts in the field of statistics and author's empirical ideas generated over time have also contributed to prepare the report. A descriptive argumentation has been followed to explain the subject matter.

### 3. Result:

The NSS is comprised of four equally important sectors almost everywhere in the world. Bastola (2014) considers the producers, users, suppliers and research and training centers are mutually bonded to build national statistical system. Marsden (n.s.) views the prominent role of the CBS in building the trust for accurate impartial statistics for the informed decision making by all the 761 newly constituted governments. Currently, the CBS is considered to be the nucleus of the system totaling the NSS. So, establishment of well-coordinated, proactive and competent NSS should be the unanimous mission of the newly emerged federal democratic republic of Nepal. There is clearly realized absence of statistical system as per the new federal structure so as to coordinate, integrate and manage statistical system within the federal government and with provincial and local government. For this, the existing structure of National Statistical Council (NSC) as an apex governing and coordinating body for the NSS formed during the unitary form of government seems to be inadequate and incomplete within the changed context. The three tires of government need to facilitate the statistical activities conducted by the federal government. Likewise, the quality and standards of the data produced by the local and provincial governments to plan and manage their development activities require inter agency/level coordination. It needs strengthening of the statistical units and capacity building and career development of the human resources within the structure of provincial and local government.

Silwal (2017) states that Nepal's effort to adopt international standards and classification; and the Fundamental Principle of Official Statistics is inadequate. So, the advocacy and training for the uniformity in standard norms, framework, classification, concept and definition for the statistical activities adopted and practiced by the lower government proximal to the people is frequently realized. It needs the structure for networking and data sharing among the units of federal, provincial and local government. Knowledge and skill sharing of best practices among the layers of government and promoting mutual cooperation and coexistence for the statistical activities like timely production and supply of data ultimately contributes for the improved statistical system in the nation. The NSC needs to be inclusively reformed involving statistical agency of province and local level so as to coordinate and co-operate mutual statistical activities. Similarly, statistical activities within the province also need to be coordinated with an appropriate institutional set up. Development of human resources involved in statistical activities and mutual exchange of the best international statistical practices strengthen the NSS. The statistical agencies in the provinces and local levels should equally be benefited from such programs. Institutional strengthening; and career development and capacity building of the statistical human resources in the province and local level need to be coordinated from the NSS and other statistical agencies in the federal government. Considering the emerged context of state restructuring, global statistical phenomena and growing demand of timely quality data from various sectors; structure and functional nature of the CBS and other federal statistical agencies and units require reviewing. It requires skilled statistical human resources in the statistical units of federal government as well as in the provincial and local governments to produce and supply quality data for the development plans and projects. Physical as well as statistical infrastructure, financial resources and equipments play significant role for the smooth operation of statistical activities throughout the layers of government. Implementation of Survey Clearance System for the regular production and supply of quality data reducing the respondents' burden is also realized in the NSS.

Suwal (2017) claims that the goal of statistical organizations is to produce relevant, objective and accurate statistics to keep users well informed and assist good policy and decision-making. Production and supply of reliable and quality data supporting the evidence-based decision making and managing

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and regulating the development plans and policies along with addressing the users' needs should be the strategic objective of the NSS. Shrestha (2017) views that the NSS needs to be strengthened with statistical infrastructure coupled with institutional and organizational capacities so as supply data and indicators globally. For this, the NSS has a big challenge to be somewhere visible in regional and global statistical forum. There is also lack of integrated and updated data profile based on information technology to disseminate the data produced by different government agencies. It helps to develop a common platform to supply and use the data from census, survey, administrative records, and Management Information System (MIS). The NSS needs to implement statistical activities on the recommendation of Fundamental Principles of Official Statistics by the Statistics Division of the United Nations so as to follow international standard and norms, framework, classification, concept, definition for the regular, reliable, comparable, timely and efficient data production and supply. National, provincial and local level indicators for the SDGs as designed by the NPC need to be developed with appropriate methods like census, survey, administrative record and vital registration.

Similarly, there is urgency of strengthening institutional infrastructure for the management and regulation of statistical activities with legal and procedural reformation. The new Constitution of Nepal 2015 granted authorities to all three tires of government to produce analyze and disseminate data in their respective jurisdiction. Edmunds (2005) views updating of the Statistical Acts for some countries to cope with the increasing trend towards agency status and decentralization. In this context, the new Statistics Act is expected to coordinate and regulate the statistical activities of all the tires of government.

### **4. Discussion and Conclusion:**

Capturing stakeholders' views, a study report has questioned the visibility and effectiveness of the NSC and claims its negligible contribution to the NSS (A Study into Development Data in Nepal, 2018, p. 23). The NSC should be restructured representing the newly emerged province and local levels so that the statistical activities within the federal agencies/units and with lower governments can be coordinated. Existing Central Bureau of Statistics should be transformed as the National Statistics Office (NSO). Trained and skilled statistical human resources should be deployed in the NSO and other statistical agencies and units of federal government. Expertise service should be exchanged between the government's statistical agencies/units and the universities, research institutions, non-governmental organizations to share knowledge, skills and the best practices. Survey Clearance System should be implemented to manage the production of timely and quality data and to lessen the respondents' burden.

A report stresses on the need of the National Data Profile (NDP) as a clear realization of the federal government's growing recognition of the data needs necessitated by the federal transition (Nepal Development Update, 2018, p.48). Information Technology based NDP should be designed integrating the quality data and indicators. The National Accounts System should be strengthened with its institutional capacity of estimating quarterly as well as sub-national level GDP. The national level census and surveys like National Population Census, National Agriculture Census, Nepal Living Standard Survey, and Nepal Household Budget Survey should be carried out at the specified time interval. Administrative records and Civil Registration and Vital Statistics, historical pictorial information and invaluable research reports should be integrated with MIS. Big Data should gradually be integrated to statistical system. Publication, dissemination and transmission of data should be through traditional as well as improved digital medium providing Meta Data and making use of comprehensive diagrams, maps, analytical reports and so on.

Statistical rules and regulations should be amended as per the replacing new Statistics Act. Other acts and regulations related to statistical activities should be amended as per the changing need and context. Designated Statistical System should be implemented to eliminate the duplication in statistical activities and make maximum use of scarce resources. Statistical Calendar and Advance Release Calendar should be prepared and then implemented for the timely operation of census and surveys and result dissemination. Coordinating with the national and international stakeholders; the

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NSO should produce appropriate data to monitor the progress achieved for national development goals and SDGs. National Statistics Training and Research Centre should be established to train the statistical human resources, users and private sectors regarding the statistical issues.

In conclusion, Nepal needs to have robust and reliable data at local and state level to track the progress with development in the new federal system. It is not possible to bring decision making on public services and economic development closer to the people without the establishment of well-coordinated, functional and strong statistical system. So, the National Statistical System should immediately be reviewed and institutionally strengthened through legal and procedural improvements for the overall management of statistical functions.

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