TOWARD SOCIAL AND HUMAN CONDITION "FLASH REPORTS":

Broadening The Macro And Sectoral Policy Input Base

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Dar es Salaam, Falmer
October/November 1987

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Executive Summary

"Flash Reporting" (Paras 1-6)

1. "Flash reporting is a technique used to provide roughly accurate data promptly enough to allow monitoring progress toward and deviations from targets in time to allow corrective action within the ongoing fiscal year and as part of the next year's budgetary/planning process. In Tanzania it is used - for historic reasons - almost uniquely by the Treasury in respect of fiscal and macroeconomic management.

2. The failure to use "flash reporting" in respect to human and social condition changes and performance is not unique to Tanzania. It is not - at least in Tanzania - based on lack of priority to these conditions but on an at least partially inaccurate perception that adequate, timeous data for such "flash reporting" could not be secured, analysed and acted upon.

"Social and Human Condition Data for "Flash Reporting" (Paras 7-21)

3. Data on social and human conditions (broadly defined) are collected and/or could be developed largely from data already collected. They are not now compiled or analysed rapidly enough for ongoing progress (or regress) monitoring nor for policy adjustment in the fiscal year or built into next year's annual budgeting/planning process. The failure to do so is costly both at ministerial/programme and national levels. It can and should be corrected and that correction should be of priority concern to PM's and Planning/Stats as well as to data generating and using Ministries.

4. There are practical problems in selecting data relating to the conditions to be measured, in compiling them (or samples from them) timeously and in providing prompt analysis and policy proposals. However, these are soluble - as, indeed, the Treasury experience with "flash reporting"

demonstrates. Key questions are what to monitor, at which levels and how to generate more user interest in and demand for such data.

5. Not all issues are usefully dealt with by "flash reporting". If changes are long run (e.g. concentration of land holding) and/or policy adjustment within a year is impracticable, other reporting and analysis systems are more appropriate. Furthermore, "flash reporting" needs to be backed up by more in-depth analysis and proposals for more structural policy changes than are possible on an in-year basis. That is, of course, true of its current fiscal and macroeconomic uses as of any other and is recognised as such by the Treasury.

"Who Should/Can Do What?" (Paras 22-33)

6. A reporting system for use as an overall progress and policy tool needs to be operated primarily by the government and to be coordinated by one body fed with statistics from the bodies whose operations generate them. The optimal coordinating point is probably Planning albeit a case can be made for PM's and a weaker one for Treasury.

7. Because Ministry (and especially Ministry statistical and planning unit) support in providing data timeously is vital, they need to be convinced that the "flash reporting" process will be useful to them for 'in-house' purposes and for making policy proposals inter-ministerially and via the ECC (including the annual budgeting/planning process). Certainly a powerful case for this contention exists but either most Ministries overlook it or do not know how to act to achieve it.

"What Targets/Policies and Series?" (Paras 34-49)

8. Topics include:

a. Nutrition (especially child nutrition);
b. food supply;
c. basic consumer goods supply;
d. availability/quality of health services;
e. availability/quality of education;
f. effective access to pure water;
g. real incomes of low income groups;
h. constant price (real) government expenditure;
i. condition of transport infrastructure;
j. levels of traffic;
k. manufacturing output.

Clearly each of these has clear social and human condition consequences and in each case swift changes requiring prompt policy adjustment can and do occur. Present data flow and analysis timing do not usually allow prompt, informed responses.

9. With two exceptions (f, i) the basic data to construct "flash reports" on these topics are collected. In a majority of cases they are compiled and analysed - usually up to 36 months late and often in a form not ideal for progress evaluation or policy reformulation.

10. A workable preliminary list of series, compilers and uses can be articulated and is presented in the main paper. For two cases (f, i) it requires new baseline surveys and/or data series which appear both highly desirable and practicable but will require time to set up (possibly 24 months from a decision to act).

"Toward An Operating System" (Paras 50-56)

11. Six steps can be identified from now to a functioning social and human condition "flash reporting" system:

    a. exploring issues of coverage and data series;

    b. identifying areas best served by reporting/analysis techniques other than "flash reporting";

    c. review of feasible buildup of system and time frame for accomplishing it;

    d. political level decision to proceed;

    e. preparing detailed operational procedures and convincing users of the value of their serious involvement;

    f. "getting the show on the road".

"Inputs and Costs" (Paras 57-61)

12. A series of financial, material and personnel costs can be identified. They would need to be detailed in the process set out in the previous para. Their total is likely to be modest and external assistance is almost certain to be mobilisable for some of them.

"Conclusion"

13. "flash reporting" can be a powerful tool for monitoring progress and adjusting policy. In Tanzania this has been proven in the fiscal/macroeconomic area. It is time to extend the coverage of the approach to key social and human condition areas.

TOWARD SOCIAL AND HUMAN CONDITION "FLASH REPORTS":
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"Flash Reporting": Limitations, Strengths, Uses

1. "Flash reporting" is a technique, not a goal. It is an approximate estimation process not an accounting. What it can tell is limited in coverage and depth.

2. But it is the Tanzania Treasury's strongest short term macroeconomic monitoring tool and data input into short term policy adjustment and control. For those purposes what are needed are timely figures (say less than 30 days after the event) of the right order of magnitude and direction of change. They are needed for crucial variables whose changes matter in themselves and are likely to parallel and to influence changes in less readily (or rapidly) checked and more subtle or complex variables.

3. The "flash" of "flash report" may now suggest a computer print-out or a processor screen but originally was more related to a flash bulb camera shot banishing the dark or to a radio or telegraphic news flash. In Tanzania its earlier variants date to the 1960s and its present formulation (and revival) to the mid-1970s (early 1980s). Its constructor and user has been the Ministry of Finance (Treasury) and, as a result, the basic series used have been fiscal with supplementary monetary and trade data and the levels of aggregation used have been macro (national), sectoral (e.g. crop marketing), sub-sectoral (e.g. NMC), ministerial and key product category (e.g. coffee or petroleum and products).

4. The ability of the Treasury to have estimates on performance of and through a given month by the end of the next month (e.g. April and July-April Revenue by May 31) is important:

a. to indicate what has happened including 'trends', 'deviations', 'turning points';

b. to contrast or compare estimated actuals with the projections on which existing policies are based - in terms both of relative magnitudes and of timing (e.g. coffee exports well up on estimates but lagged by two months have a different set of implications than the same volume of exports in the months covered but with a time pattern as estimated together with lower total crop volumes and/or prices);

c. to allow adjusted (on estimated recent experience) projections for the balance of a fiscal or calendar or crop year (or for some other period as relevant, e.g. a quarter date in a Tanzania "Letter of Intent" to the IMF);

d. on the basis of "a" through "c" to have an information base on what policy changes are needed, prudent, and/or possible and their probable macroeconomic impact in terms of direction, orders of magnitude and timing.

5. The belief that "flash reporting" is inherently a Treasury (or at any rate Ministry of Finance) concern arises from its initial roots in Budgetary flow monitoring and control and its subsequent expansion to the fiscal-monetary-trade and - on occasion - production variables of greatest and most immediate concern to the Treasury's short term macroeconomic management responsibilities. This belief is, however, somewhat circular. Not surprisingly Treasury has developed what is, after all, a technique to serve first its own narrower internal and then its broader policy management responsibilities. Presumably "flash reporting" by or for the Prime Minister's Office, Planning (whether as a separate ministry or as a unit in Finance and Planning which is distinct from the Treasury) or line Ministries would concentrate on different variables the data on which were relevant to <u>their</u> concerns. The question is why no such generalisation of "flash reporting" has been carried out (or even seriously attempted if one discounts the short lived, in the event counterproductive, programme and performance budgeting experiments of the early 1970s). Are relevant data not

available? Would they - even if available - be irrelevant to monitoring? To revised projections, to policy alteration?

6. Certainly there has been an implicit assumption - not just in Tanzania - that social and human condition data cannot be secured on a timely enough basis with sufficient accuracy for "flash reporting". A linked but not identical view is that such data cannot be used to alter (fine tune?) sectoral policy in the same way as the macroeconomic data can to alter fiscal or monetary policy. Finally is is argued that without parallel series and analysis "flash report" data would cover such a restricted range as to distort policy formulation and evaluation.

Social and Human Condition Data: What Illumination Power?

7. It is sometimes asked whether social, human condition and sectoral statistics comparable to fiscal, monetary and external trade can be collected/recorded. This is somewhat surprising as rather large quantities of health, education, nutrition, cost of living, local crop price, crop forecasts and running outturn and similar data are in fact already recorded and collected. In fact - Gross Domestic Product/although macroeconomic not being a series readily "flash reported" - almost all of the work of Central Statistics and the statistical work of bodies outside the Treasury-Bank of Tanzania-NBC nexus is concerned precisely with such statistics.

8. What is true is that many sectoral Ministries do not appear to organise the collection and analysis of their own data in ways or on time scales particularly relevant to monitoring their own results, to introducing intra-fiscal year corrective measures or to projecting possible future policy adjustments. For example, the Ministry of Transport keeps - or used to keep - detailed records of kilometres of different grades of roads maintained and of target as well as actual cost per kilometre and of kilometres to be maintained per quarter. This clearly is - or could be - the basis of an internal (ministerial) "flash reporting" system and - given the implications of unrepaired roads - an input into a broader reporting system. However, it does not appear to have been used systematically in the first way nor at all in the second.

9. The question as to whether such statistics can be as "hard" as those for macroeconomic indicators also appears, or at least in part, to rest on misperceptions. Government revenue and expenditure data are indeed fairly "hard" (i.e. close approximations to reality) at "flash report" stage as are Central Bank (though not NBC) lending totals. Other macroeconomic data are far less complete, i.e. external trade data do not cover "parallel" marketing, are notoriously inexact on "no forex" licence imports, are (at least at "flash report" stage) very weak in respect to invisible (e.g. transport, communications and similar transactions) imports and exports. Educational institution enrollments, clinic attendance and morbidity breakdown and various other non-macroeconomic statistics are considerably "harder" than those for external trade albeit they tend not to be available on an interim basis within the year to which they relate. For that matter Cost of Living data are both "harder" and rapidly available than GDP estimates (which has weakened in estimation quality at least as badly as in per capita level).

10. Furthermore, quite what "hardness" means is hard to say unless what the data are supposed to indicate is specified. Monetary data, for example, are a rough indicator of changes in prices times quantities with serious difficulties in separating the two effects, in adjusting for seasonal factors (since the weather season is not so kind as to stick rigidly to the calendar) and in allowing for changes in the velocity of circulation of currency and/or of overall money supply. Thus the "hardness" of the data are partly offset by the looseness of their relationship to/indication of changes in the volume and price levels (macro or sectoral) for which they are indicators. Data on cases of measles (or measles vaccinations) based on a 10% sample of clinics (innoculation points) might be "softer" in the sense of having a wider margin of error of estimation but would bear a closer relation to what was to be measured/inferred, e.g. number of cases of a serious epidemic disease directly affecting infant and child mortality (reduction of population at serious risk of contracting measles in the case of vaccinations).

11. Even if actually recorded and hard enough to be useable, can social, human and physical sectoral date be made available fast enough for "flash reporting" use is a more serious question. Certainly, at present, they

rarely are. Epidemic disease data during epidemics seem to be almost the only exception. Nutrition, education and health data recording tends to outrun processing and analytical capacity and the substantial proportion which is processed and analysed is usually available with 6 to 36 month lags. In respect to agriculture the recording itself is open to doubt but even were it not, the delay in aggregation and the somewhat unexplained adjustments made to the basic data do raise questions as to whether timeous, "hard" data exist which must normally be answered in the negative.

12. However, the followup question remains valid - is the absence of timeous "flash" data inherent in the nature of social, human and physical sectoral data? The simple answer is no. The number of sources of persons treated and morbidity recorded data, for example, is not greater than the recording points for Ministry of Health expenditures nor are the number of entries to be totalled necessarily all that much greater than those in the overall government financial system (albeit clearly more numerous than for health alone barring quite eccentric fee application, collection and recording systems). That, unfortunately, does not demonstrate the practicability of "flash reporting" based on <u>all</u> the recorded data. If to do so would require a bookkeeping, checking and data processing capacity comparable to that in the Treasury (and other government financial accounting units) in the Ministries of Health and Education taken separately, then that (100% compilation, presentation and initial analysis) route is not practical on the grounds of cost, personnel constraints and foreseeable (much less present) data processing capacity.

13. Fortunately, that too is not a complete nor a final answer. Samples of recorded data - especially for health, education and nutrition for which it is most voluminous - could be drawn and compiled, analysed for "flash report" purposes. Rather different procedures would be needed in the case of agriculture in respect of which the immediate problem would seem to be that initial macro/regional projections, initial field level planting estimates, early warning estimate alterations, field level reviews and interim harvest (as opposed to large buyer purchase) estimates are not made/kept on comparable bases so that as sequential ongoing reporting and monitoring is practicable. Again that is a soluble

methodological mistake resulting from different units at different times initiating and compiling different series for different purposes without overall Ministerial coordination and review (nor adequate expert advice from Central Statistics).

14. In short, a wide range of price, education, health (or at any rate illness), nutrition, water access, crop production probable ranges and other data could be available 20 to 45 days after the month covered (or where quarterly data were adequate after the quarter) with a reasonable degree of probable accuracy. The methods used are unlikely in most cases to be analogous to the 100% recording and compiling methods used by the Treasury and, indeed, are likely to vary from sector to sector. If Ministerial and Central Statistics personnel gave priority attention methods could be identified and means mobilised for a select number of data series (or indicators).

15. Can such data be relevant to policy purposes is certainly a valid question. To amass a large number of series in a monthly human, social and physical indicators "flash report" is a waste of time if it is irrelevant to, or not used for, performance monitoring, policy review and adjustment, short term projection and/or short term (next fiscal or seasonal or calendar year) forward planning. However, several issues arise under this rubric:

a. What is to be monitored? In respect to reviewing what policies? (Until those questions are answered it is not possible to identify what data series need to be "flash reported".)

b. At what levels? Ministerial? Overall policy institutions (presumptively primarily PM's and Planning)? (The answers are likely to be different at these two levels - as are the uses made of government revenue and expenditure "flash reports" by the Budget, Revenue and Policy divisions.)

c. Why is there so little apparent user demand - especially but not only at Ministerial level? (Lack of knowledge of what could be made available? Suspicion of relating empirical data to policy? Disbelief in the accuracy of the data - by no means an unfounded

concern in respect to, e.g. GDP, agriculture more generally? Sheer inertia baked up by overload on key officials? Belief open "flash reporting" would reduce Ministerial autonomy from PM's, Planning and/or Treasury monitoring and coordination? The answer/answers are not self-evident, probably vary from case to case and need to be, at least, sampled before any "flash recording" generalisation exercise is begun to identify what type of education and advocacy campaign is needed.)

16. Once the goals/targets to be monitored - e.g. health (illness) levels, health treatment access and adequacy (re drug and/or personnel availability), nutrition levels, probable food supply levels, road condition bottlenecks, real income of selected groups (using Consumer Price Index, crop price/output and wage data) - are identified relevant data series (i.e. indicators) can be identified. On most - not all - cases these can be established and/or made available on a "flash report" basis.

17. Is a "flash report" system adequate is either answerable in the negative (if the question implies that nothing else is needed) or by listing its uses and limitations. "Flash reporting" is - virtually by definition - related to monitoring, projection and policy adjustment within a single fiscal, calendar or seasonal year, plus projections from that year as inputs into short term estimation/planning/targetting/policy for the subsequent year. It is not a medium or long term planning or budgeting tool nor a strategic policy formulation or choice methodology albeit it can provide a continuing set of reports on whether strategic targets are being met. Further, by itself it is usually better at indicating what is happening than at providing read-off answers as to why. However, by identifying trouble spots or trends timeously it facilitates analytical capacity to be concentrated promptly on identifying answers to "Why?"

18. Therefore, some key issues are not usefully dealt with by this method just as some data series are not appropriate to it. A good example is land (or land and complementary resource) concentration and access. There is a widespread perception that concentration is increasing and access narrowing. Precisely what is meant or what data series could measure it are rarely defined. The perception tends to be stated in

general form but with examples drawn from a limited number of regions and districts. The examples cited do not on the face of it appear to be wholly similar processes and possibly not even ones leading to similar results. Whether the concentration is a restoration of the pre-villagisation pattern (in several regions markedly more concentrated than the village land right allocations to households) or goes beyond it (actually or potentially) is equally unclear. This is an important question for policy (equity, income distribution, political participation, increasing low income rural household command over resources, co-op power structure, etc) determination. But it is not one for "flash reporting":

a. the initial need is for some type of sample census after careful definitions of concentration and access in terms which are both measurable and comparable (e.g. one hectare of land in an extensive ranching zone and one in an irrigated river basin area are not the same thing in any terms other than purely spatial);

b. such a census can hardly be repeated (even on a smaller sub-sample basis) monthly or quarterly. Nor need it be; changes in concentration do not take place on that time scale. Biannual sub-sample and decennial full sample reruns would probably be quite adequate;

c. short term macro or sectoral economic policy (let alone intra year adjustment to it) are, by the same token, unlikely to play a decisive role in directions or pace of concentration;

d. what are likely to be important are strategic policy measures, e.g. suppression of freehold and Nyarabanja tenure; villagisation; proposed limits on individual land holdings (especially in a village context); co-op and credit structures as they increase or decrease small peasant influence/access vis a vis that of co-op managers and large peasants. These are not determined within a year nor even annually - five year strategic reviews and (if perceived as necessary or prudent) policy changes would appear adequate.

19. Therefore, yes "flash reporting" can be as relevant to social, human and physical sectoral policy as to macroeconomic and sectoral financial but in neither case is it adequate by itself. It is a short term and a marginal adjustment not a long run nor a strategic shift informing instrument. The latter require different types of statistical exercises in greater depth with (as a result) longer lags for processing and analyses but also at less frequent intervals.

20. There is also, however, an overlap or adaption area. Baseline or decennial censuses are clearly not "flash report" inputs. But once a baseline census exists, it may be possible to draw a mini-sample and to do followups fairly frequently and rapidly during the intra-censual period. The Central Statistics' attempt to do this in respect of a Household Budget Survey frequent report (say quarterly) system is an example albeit a risky one given the 11 year old base HBS which was itself believed to be methodologically and operationally flawed compared to the initial 1967 one.

21. In the last analyses the reason for limited "flash reporting" coverage seems to be a combination of 'economic intellectual imperialism' and other discipline 'passivity' quite inappropriate to Tanzanian goals or objective realities. Basic goals are rarely macroeconomic even though macroeconomic targets are likely to be critical to their attainment. Quantitative measurement is not limited to economic variables and, indeed, the relationship between certain 'non-economic' or social quantitative series and goal or target fulfillment is rather closer than is normally true for fiscal and monetary series. The overall economic management role of the Treasury's "flash reports" was not by any means planned (much less plotted); it arose out of their initial usefulness for the Treasury as an operational ministry and the importance of macroeconomic intra year management under crisis conditions on the positive side and the absence of comparably relevant and timeous data from other ministries on the negative side. The one attempt to create a broader array - the early 1970s Programme and Performance Budgeting initiative was never internalised by most ministries as useful for their own purposes; rather it was seen as a Treasury imposition. Further it turned out to be an inadequately adapted soft technology import (formal US export model p and p budgeting had a dismal South record) and was

finally killed off by the general reporting crisis in the Treasury resulting from premature and inadequately designed computerisation. What this history warns is the need for a new initiative to come from somewhere other than the Treasury and to be explained in terms resulting in its internalisation as useful to themselves by operating (sectoral) ministries and by whatever central policy ministry is the coordinating point for operating (sectoral) ministry reporting. It also counsels for greater care in being sure proposed procedures are in fact practicable and avoiding any triumphalist effort to introduce a complete panoply of indicators at one go.

Who Should/Can Do What?

22. "Flash reporting" as an overall policy monitoring and review tool needs to be coordinated and its insights deployed by a central policy making/coordinating Ministry. In practice - in Tanzania at least - this gives three choices:
    a. Treasury
    b. Planning
    c. Prime Minister's.

23. The case for the Treasury is straightforward:

    a. it has experience with one set of "flash reports" and their relatively effective use;

    b. data demanded by the Treasury by and large are produced more or less on time with some degree of accuracy because experience has taught that non-cooperation carries penalties and cooperation does have rewards in greater Treasury understanding of and willingness to respond to problems beyond a Ministry's control and/or new programme needs. (Afya, for example, has over the years paid a very high cost for perceived non-cooperation and submission of data which have proven to be either recklessly negligent or intentionally misleading whereas Elimu, Maji and Forestry have by and large enjoyed above average relations);

c. the desk officers in the Treasury's Budget Division have a fairly good (if uneven) grasp of what real (physical) indicators are relevant to assessing performance and (again unevenly) try to use some of them in the Annual Budget context.

24. The case against the Treasury is also straightforward:

a. the load already imposed on it by overall macroeconomic management plus financial sector and parastatal/ministerial financial operations management is very heavy indeed - adding more duties risks losing ability to cope (or to cope better) with those already necessarily resting on the Treasury;

b. a general case can be made against overconcentration of power and especially against concentration of short term human, social and physical policy monitoring and review in an economic/financial Ministry;

c. the Budget Division's grasp of physical indicators is uneven and has never been operational on a month to month (as opposed to annual or one-off crisis review) basis.

d. the Policy section of the Treasury (the conceptually logical place to locate the function) is not, in fact, a line unit set up to handle large volumes of routine material and is badly overloaded.

25. The case <u>for</u> <u>Planning</u> (viewed here as institutionally and functionally distinguishable from the Treasury even if they are, at this point in time, under the same ministerial umbrella) is logically compelling:

a. Planning should concern itself with goals and targets in the real world going beyond their financial representations;

b. to do this effectively it needs to go beyond the annual capital budget (which indeed is a distraction from its logical central role), the Annual Plan (especially if this is primarily a monetary financial and short term Budget document with little real variable or non-financial policy analysis or emphasis) and medium term Plans

(which are too far from each other to provide a firm base for ongoing policy and performance involvement);

c. coordinating and deploying social, human and physical "flash reports" would give Planning an ongoing role in monitoring (and presumably adjusting) target attainment and policy thereby providing continuity to the Planning process and the capacity to restore the Annual Planning exercise to a more comprehensive policy and resource budgeting role (as opposed to being a spin-off of the financial, credit and foreign exchange annual budgeting/planning exercise of the Treasury);

d. Planning is - relative to its present crucial functions - fairly well staffed; could set up a separate data collection - analysis - monitoring unit; is responsible for Central Statistics which should play an important advisory, and in some cases data collection/presentation, role.

26. The case <u>against</u> <u>Planning</u> is really a review of its historic weakness within the Tanzanian political economic planning and budgetary process:

a. Ministries do not in general take Mipango calls for reports with the same seriousness as those from Hazina except for data for Capital Budget projects because experience has taught them non-compliance or provision of palpably incomplete or unsound data attracts few or no penalties;

b. Planning has in general not involved itself in intra year monitoring, review and control - except at times in respect to the Capital Budget's projects - even when structures for so doing have existed and Treasury would have welcomed its presence;

c. the non-feasibility of firm medium term plans (as opposed to rolling forward planning rapidly - i.e. at least annually - adjusted in the context of extreme resource stringency and economic environment uncertainty) since 1978 has demoralised Planning and <u>de facto</u> shifted Planning power to Treasury; not necessarily because Treasury sought

to seize it but because someone had to exercise it and Treasury had done so during the somewhat comparable, but shorter, 1974-75 period.

This case suggests that building an ongoing monitoring - review - policy/target adjustment function into Mipango and having other government bodies take it seriously will not be easy. But it also suggests that without such an exercise Planning will remain peripheral to the planning process.

27. The case for Prime Minister's is a structural or locational one:

a. Ongoing policy coordination (including new or revised policies and resource allocations) responsibility rests with the prime Minister and his Ministry;

b. An economic coordination unit for that purpose exists which - unlike that in the Treasury - is not burdened by a massive load of financial data and policy outturns to analyse and to relate to needed action;

c. in respect to Rural Development and to Local Government PM's has some experience in coordinating (or setting) physical targets and monitoring their attainment;

d. Ministries do take PM's calls for data (like those of Treasury) seriously and tend to respond with some degree of timeliness and accuracy.

28. However, a counter case can be made:

a. If PM's is to coordinate "flash reporting" as a policy input, it would be preferable if it were not also one of two main report sources (the other being Treasury);

b. the PM's economic unit is (even more than the Treasury's policy unit) not a line organisation with the capacity to handle a large flow of data and in attempting to do so could weaken its ability to analyse policy proposals and to advise in depth on strategic decisions;

c. the statistical and data handling expertise of Rural Development and Local Government have historically left a good deal to be desired. Arguably developing "flash reporting" on their own sector targets and policies is as much as can reasonably be expected of them.

Thus while on pure central authority and neat organisational chart grounds the case for PM's is very strong there are practical and decentralisation grounds for rejecting it, at least at present.

29. On balance therefore Planning - probably Nd. Mlolwa's unit - would appear to be the most satisfactory location and PM's - Nd. Rugumisa's office - the alternative.

30. However, the bulk of the actual work in data collection, recording selection, processing and presentation plus initial analysis cannot be done by the coordinating body. The Treasury experience is in this sense misleading - financial, credit and forex data are all generated primarily by itself or by institutions and officers responsible to it. This would not be the case for the broader system envisaged here - no one Ministry (and especially not Planning) would generate all or even a majority of the series needed out of its own and its parastatals' ongoing operations.

31. Therefore, Ministry policy/planning units need to be involved in and supportive of the social and human indicator "flash reporting" process if it is to work. The two arguments likely to enlist such support are:

a. "flash reporting" will enable a Ministry to monitor progress toward its real (physical) targets; to identify divergences rapidly and to seek out causes and means of improving performance within the year and not only when a crisis emerges or on review of the year's outturn. In particular such data could improve the data base for participation in annual planning and budgeting processes which now frequently depend on reviews of the previous fiscal year (i.e. are 18 months out of date at the beginning of the annual exercise in January);

b. and will focus intra year performance and policy evaluation and adjustment on a broader range of data and on variables of more direct relevance to line Ministries' targets and activities than financial data alone.

32. Ministries will in practice require assistance in identifying which series are useful 'indicators' which can be (in full or on a sample basis) processed in time for "flash report" use. In some cases they are likely to need advice on recording and on making target and performance data compatible with each other. The inputs to providing such assistance could come from:

a. the central coordinating unit (e.g. Planning);

b. Central Statistics;

c. outside agencies with relevant specialised recording and processing as well as series ('indicator') indentification skills (e.g. UNICEF);

d. academic bodies with similar skills (e.g. development research and statistical institutes at the Universities).

33. The primary role of the academic bodies is likely to be in preparing baseline studies and in analysing the relationship between the data subject to rapid reporting and underlying goals and targets. Certainly they are not in any position to do primary data recording (which must in practice be done by operational units and/or Central Statistics) nor would rapid compilation and 'instant tentative analysis of data appear to be among their strengths. Annual reviews and specific in-depth studies on related issues (e.g. land concentration, women's workload/time allocation as a factor affecting frequency and adequacy of infant and young child feeding) may well be their most effective areas of contribution once the project/process is operational. Certainly intra-year policy adjustment is a very different exercise from either in-depth analysis or strategic policy formulation/re-formulation and one which historically (not just in Tanzania) has not been a particularly fruitful area for academic operational (as opposed to design, training and review) input.

What Series - Or Rather What Targets/Policies?

34. It is tempting to start an exploration of broadening "flash reporting" by listing series ('indicators') for inclusion. That, however, is to overlook that it is a means and a technique not a goal or an end in itself - an error all too common among professional generators and presenters of statistical series. The starting point is to ask what social, human and sectoral quantitative changes (relative to the past or to target levels) need to be (are desired to be) measured monthly or quarterly on a "flash report" basis to monitor performance with a view to adjusting policy to limit, correct or reverse undesired changes. When that question is answered it is then appropriate to canvas what data series (existing or readily constructable) would service as 'indicators' of such changes relative to targets. Finally the questions of accelerated processing and presentation arise.

35. A tentative list of topics includes:

a. nutrition (especially child nutrition);
b. food supply;
c. basic consumer goods supply;
d. availability/quality of health services;
e. availability/quality of education;
f. effective access to pure water;
g. real incomes of low income groups;
h. constant price (real) government expenditure for selected sectors;
i. condition of transport infrastructure;
j. levels of traffic by rail (rail and road desirable but probably not estimatable at present);
k. manufacturing output.

Additional topics can be added if up to date measurement of changes to allow policy/performance monitoring and policy review within the fiscal year is seen as important. However, ten to twelve targets/performance levels to be handled on a "flash report" basis is probably the largest practicable number to set up over an 18 to 36 month period so that additions should probably be balanced by deletions.

36. Nutrition - the basic data now available are from clinic data on children. A sample could be drawn and processed rapidly to provide a rapid indicator of levels and direction of change. The logical compiling Ministry would appear to be Health.

- if the Nutrition Center could (in collaboration with Central Statistics) devise a small sample, approach quarterly surveys could be conducted and processed on a flash report basis. However, to do this would probably require a new baseline national nutritional survey.

37. Food Supply - the basic data are not currently collected in aggregated or easily aggregatable form. A combination of estimated (past crop year) and projected (current crop year) output of major grains and rootcrops (converted to a uniform pro-forma tonnage on a calorific basis) with parallel series on purchases (at co-op union level), sales, imports, and stocks of the same crops monthly and for the year to date set against target (projection) levels and the previous year's monthly, parallel cumulative and final outturn results could probably be compiled on a 30 day lag basis and would reasonably adequate indicators of staple food supply levels. If possible regional and major city sub-totals should be compiled both for internal food sector management and, in the event of impending food shortage, to indicate their geographic distribution. The logical source is Kilimo assisted by NMC and Co-op Unions.

- early warning system data (largely weather) and local market grain and root crop price data can be used to complement the main indicators. However, in the case of Tanzania late but good rains (April/May) in the regions North of Morogoro can make the difference between a serious shortage and an average food supply year so that the timing and discriminatory power of the ews cannot be fully adequate and separating crop level signals from other impacts on grain price levels is difficult except in years of very good or very poor harvests (either nationally or regionally).

38. Basic consumer goods supply would need to be based on a selected number of commodities, e.g. sugar, cooking oil, textiles, mabati, cement, kerosine, jembes, fertiliser, soap, beer and cigarettes. (Objectively the last two worsen the human condition, at least physically, but in fact

they are widely consumed products whose absence clearly leads to discontent.) Monthly and year to date production plus imports minus exports set against annual targets and previous year monthly, to date and full year outturn data could be secured with a one month lag by the Ministry of Industries. In the case of soap and vegetable oil the 4 to 6 largest plants could be used as the base to avert lags or varying completeness from late or missing small plant returns.

39. Availability, quality of health services requires selection, sample drawing and rapid processing - the amount of underlying, eventually processed data is immense (vide UNICEF Tanzania situation reports). Candidates are:

a. urban and rural attendance segregated by level of facility (treating hospital outpatients as urban clinic) and listing ante natal, child monitoring and vaccination/innoculation data separately from curative treatment;

b. rough indicators of adequacy of basic drug supply, equipment and staffing on a three category (adequate/partially adequate/inadequate) scale.

The data should be monthly (or at least quarterly) with year to date totals and also full year estimates or targets for "a" entries as well as previous year comparative data.

- major disease morbidity data (especially for epidemic diseases) could also be useful albeit possibly more for Afya than coordinated use.

- similarly Afya (and Hazina) would benefit from systematic quarterly unit costings by type of service (e.g. out-patient, in-patient, vaccination) facility level and facility with special attention to room and board costs for in-patient units. The differences within each class of units has often been up to 10 to 1 which suggests both the possibility of and ability to target units for better value for resources attention.

40. Availability and quality of education data also require selection, sampling and rapid compilation from a data universe which is very large.

Like Afya, Elimu's data recording capacity outruns that for processing and there is a serious (though decreasing) lag in the latter process. Possible indicators are:

a. primary school enrollment and attendance %;

b. adult education enrollment (divided by main types of programme) and attendance %;

c. secondary education enrollment for i.) Elimu, ii.) public and non-profit private secondary schools (e.g. IFM, Mzumbe, College of Accountancy, Catholic journalism school); iii.) private general secondary education. At present no data seem to be collected on "ii" which is probably of the same order of magnitude as or larger than "i" and "iii"!

d. rough quality indicators for "a" as to textbooks, basic furniture, non-dilapidated school structure on adequate, partially adequate, inadequate scale.

These data should initially be on a regional or district basis but for coordinated use national aggregates would also be useful. Quarterly reporting would on the face of it appear to be adequate with a series showing all quarters of the previous academic year and the current academic year to date together with pre-opening estimates of/targets for enrollment for the current academic year.

41. Access to pure water is likely to require a baseline survey. There do not appear to be up to date, regularly revised estimates either of population actually nominally served or of % of facilities and potential users cut off by breakdowns or fuel shortages. Rural nominal coverage data appear to rely on population at time of installation without any clear indication of whether it was all served nor upward adjustment for population growth. Urban data - at least for standpipe/tap users - appear to suffer from the same conceptual/empirical problems. A possible set of series would be:

a. numbers nominally served (by region and by type of facility) based on

on initial census of users and adjusted quarterly for new facilities and estimated user population growth (say ½% a quarter rural and 1% urban as a conservative estimation process between decennial user censuses);

b. numbers of facilities "out" and nominal users denied effective access monthly (with all months of the year to date and parallel data for the previous year) in absolute terms and as a % of nominal supply (again divided by type of facility and by region).

The latter would need to be based on a sample unless monthly full reporting by each District Water Officer within 10 days of the close of a month is practicable. The baseline survey and the two series should be of great value to Maji for internal management and resource allocation purposes. A related set of data of use to Hazina as well as Afya would be capital and recurrent costs per consumer served by type of facility.

42. Real incomes of low income groups would need to be compiled by Central Statistics or by Planning. The basic data would be:

a. Cost of Living for low income urban plus a rough index for low income rural;

b. Minimum and average wage;

c. Sample household budget survey urban and rural low income group incomes once Central Statistics has this operating.

The data on "a" (urban) are available monthly with a relatively brief lag. "b" is only available annually but could be roughly adjusted - at least at minimum wage level - when major changes occur. "c" would probably be available quarterly. This suggests quarterly rather than monthly "flash reporting".

Basically "b" divided by "a" gives a real wage index and "c" (including household produced and consumed goods - so-called subsistence - converted to cash on a price basis corresponding to the COL index used) divided by "a" gives real household income.

This is an area in which initial results are likely to be fairly rough and ready and subsequent improvement of data needed once the system is up and running.

43. Constant price government expenditure on selected sectors is a spin-off from existing Treasury "flash reporting series" and should be compiled by them. The basic conceptual problems are selecting sectors and identifying appropriate price deflators (not the consumer price index).

An initial sectoral list might include:

a. education (total, primary, adult);
b. health (total, primary);
c. water (urban, rural);
d. road transport (or road maintenance);
e. economic services (agriculture including livestock, fishing and forestry, industry, commerce, energy, mining, tourism).

The data should be reported monthly for recurrent and quarterly for capital (so-called "development") expenditure as intra year data on the latter are both less accurate and less relevant to evaluating short term human condition changes and potential intra fiscal year policy adjustments.

In each case an appropriate deflator would probably be: "a" (Government Wage/Salary Index) + "b" (COL index).

This takes into account that average pay does not necessarily move parallel to COL and is a high enough proportion of recurrent expenditure to make a straight COL deflation misleading. "a" and "b" are the proportions of wage/salary and all other expenditure for that sector (data which the Treasury does compile).

An operational problem relates to coverage. It should be central plus regional plus district/urban council spending. The first and - with exceptions - the second can be presented monthly for the previous month.

In practice the last cannot. While that is itself a problem which should be solved, institution of a real (constant price) expenditure "flash report" should not wait on improving local government accounting. Initially reports should be based on the central and regional government data only with local filled in as and when available. The series should show "actual" for the month and the year to date, actual for the previous year for the comparable month, year through that month and final outturn plus budget target (estimate for the current year). The latter is not now computed but could be as the government macroeconomic policy base does include average government pay and COL projections.

The Treasury is interested in real levels of services provided so should find these series useful internally as well as for gauging real macro and sectoral economic performance. In addition they would simplify rolling three year Recurrent Budgeting's restoration. The two future years could initially be estimated at the current year's prices/wages and targetted real increases and then adjusted each January (at the start of the subsequent budgetary process) to take into account actual past and projected wage and price increases.

44. Condition of transport infrastructure may require a baseline survey or data may exist either in compiled or disaggregated form. What is needed are totals (by kilometre) for highways and roads (by the operational categories from tarmac highways through district roads) and for railways characterised as:

a. in good condition;
b. requiring standard maintenance;
c. requiring standard and catchup on deferred maintenance;
d. requiring reconstruction but still passable;
e. "out".

The monthly (quarterly reports would show kilometres of normal maintenance, normal plus deferred maintenance and reconstruction carried out (with standard annual target and previous year comparison data). These should exist now - at least in disaggregated form - for ministerial management purposes but they may no longer be kept and/or compiled promptly and it is not clear whether detailed annual targets are set (as

they certainly should be). An additional quarterly report should update the opening condition reports to take account of maintenance/new condition reports/disasters.

45. Transport traffic "flash reporting" would be highly valuable in identifying bottlenecks and their buildup in time to minimise them. Unfortunately no useable base data (or flow data for that matter) exist on lorry fleet numbers, capacity and condition nor on total road haulage by route and commodity (or overall) on an annual and season tonne kilometre and tonne basis. Central Statistics and Transport should be instructed to set up a data base including first steps toward such series but definition, formulation of ways and means, institution and running-in is likely to take at least 2 years from the initial decision to build up the data base (or the arrival of a technical cooperation person if - as is possible - Transport's Planning Unit and Central Statistics do not have adequate in-house capacity).

- railway traffic data exist. In principle monthly totals (by line and direction) for tonnage, tonne and cargo type could be provided on a "flash report" basis in the usual format of current month, year to date, initial target or projection for year, previous year - or years - monthly, year through month and final outturns. This should give some insight into traffic levels and improvements or worsenings because effective rail capacity if far below past useage levels so that as it increases more traffic will be hauled freeing lorries for routes not served by rail. If quarterly data on traffic refused (no space) could be provided timeously (they are compiled) this would reinforce the "indicator" value of the series.

- a comparable set of data are needed in respect to the three major ports with backup data by user country (i.e. Tanzania, Zambia, Malawi, Other SADCC, Burundi, Rwanda, Zaire, Uganda). In this case data are needed not only on uncleared cargo but days delay (or no delay) on vessels beginning discharge/loading. The policy adjustment needs most likely to require urgent action on this data are those relating to Tanzania's role as an FLS port state and Eastern Zaire's logical ocean access when routes from

it to RSA ports are closed. The concept of shifting Tanzanian cargo to Mtwara and Tanga is partly plausible but without "flash report" data when, what, where, how much are questions almost impossible to answer both accurately and promptly.

These two areas are ones for Transports's Planning Unit (using Tazara, Rail and Harbours corporation data) to report on. The value of the series to their ministerial operations should be considerable so that a positive response can be anticipated if any needed technical support is provided.

46. Crop and Crop Input Traffic and Backlog are at the core of the transport problems. The data on which to build "flash reporting" does exist but is so scattered that compilation is at present not simply slow but ad hoc and of doubtful accuracy. Further, apparently two Ministries (PM's and Agriculture) would need to be involved neither of which appears to focus on the transport bottleneck as its own concern (as opposed to a problem for it to raise) nor to be very successful in collecting data from units responsible to it (co-op societies and unions, crop marketing boards) accurately and/or promptly.

The report needed (monthly) would include by main crop:

a. primary co-op purchases, shipments, in stock

b. co-op union (including TFA, the "kulak" parallel union) collections, sales, in stock

c. marketing board/NMC purchases, sales, in stock unsold, in stock awaiting export.

To get these data PM's (Co-op Division) would need to put real pressure on primary societies, unions to report via District and Regional Officers to PM's by 15 days after the close of each month. Kilimo would need to do the same with respect to its relevant parastatals - nominally much easier, but - given the state of many board's recording systems and Kilimo's history of confusing overseeing the boards with overlooking their failings - probably no less hard in practice. Indeed it is

possible Planning (using Hazina authority) should collect the data from the Boards/NMC and coordinate it with that from PM's (Co-operative Division) by-passing the overseeing data collection and reporting shambles in MDB/Planning at Kilimo until Kilimo can set its system and processes in working order.

These data would show with great clarity where backlogs were building up (given the initial recording points regional and district sub-totals could be broken out of the national aggregates) and at what levels. This would flag needs for transport redeployment. It would also highlight the need for adequate village level storage so that crops could be moved out (and inputs in) on a year-round basis not piled up in chaotic seasonal peaks.

- a parallel exercise could be done for fertiliser on a monthly basis with estimated yearly (delivery year basis) total and monthly plus cumulative production plus imports, shipments to up-country godowns, deliveries to villages and location of produced or imported but not yet at village stocks. For the time being Industries may be in the best position to produce this series using data from TFC, Trade and Agriculture.

For these series to affect policy and practice there is need for a single Ministry to be responsible for taking the lead in bottleneck breaking and for coordinating action by other Ministries, Co-ops, Enterprises (including, if necessary knocking heads together). The main direct actors are:

a. Transport (plus TRRC, THC, Tazara)
b. Co-op Division PM's
c. Kilimo (plus Crop Boards/NMC)
d. Industry (plus TFC)
e. Nishati (<u>if</u> fuel availability is part of the problem)

If the Chairman is to be from this group it should be the PS or Commissioner for Planning of Transport. However, a case exists for PS or senior "Advisor"/"Personal Assistant" from PM's Chairing as the issues are both crucial and genuinely trans-sectoral.

47. Manufacturing output reporting could be the same basic data as basic consumer goods availability excluding imports and exports and adding up to five more products (e.g. petroleum refining, soft drinks, foundry products, aluminium and steel pipe, iron rods). The purpose would be to give an up-to-date feel for manufacturing output trends (a serious gap at present) and the providing Ministry would be Industries.

48. These eleven sets of reports would go a very long way toward providing an adequate data base for short term target/performance monitoring and policy review. They are somewhat broader than social and human condition indicators per se but do encompass the basic data needed to illiminate trends and levels in those areas.

49. Introducing them will not be easy, overnight or costless. A strategic decision to do so (after consultation) would probably need the backing of an ECC or Cabinet decision to ensure compliance and would need articulated, phased steps to implementation. The scarcest resource is likely to be professional specialist personnel. Available capacity in Tanzania (including in co-operating agencies such as UNICEF and the Universities) should be assessed at an early stage. If gaps or inadequate total numbers are identified, a technical assistance project to provide the personnel plus equipment for compiling and processing the data should be drawn up with Sweden and/or CFTC the most likely target donors.

Toward An Operating System

50. Several overlapping stages/elements are involved in moving to a "flash reporting" system broader than fiscal/macro monetary:

    a. exploring what needs to be covered and what series ("indicators") would provide reasonably adequate, timely coverage;

    b. building up parallel lists of areas requiring more in-depth and less frequent studies;

c. an in-house technical review by government economic/statistical personnel on what might be feasible over what time frame;

d. political level discussions to confirm interest in results of "c" (can assume interest from stated goals and resource allocations) and to formulate action plan to be adopted by ECC/Cabinet;

e. identifying operational procedures for items from "a" and "b" and 'selling' same to intended producers/collectors, coordinators/analysers and users of data;

f. "getting the show on the road".

51. The present UNICEF convened advisory group clearly has a useful role to play in respect to "a" and "b" and potentially in the operation of "b".

52. "c" would appear to need a core group of Wd. Rugumisa, Kipokolo, Mlolwa, and a senior Central Stats officer. They might wish to consult planning/stats (not necessarily same people) personnel from most involved Ministries including Health, Education, Agriculture, Water, Transport, Industry and Treasury as well as selected non-government expertise, e.g. Nd. Leach, Nd. Van Arkadie (who seems to be loosely involved in a partially parallel "early reporting" proto project). The basic decisions on what to present to (initially) PM and MF and - subject to their concurrence and/or amendment - more broadly need to be taken by this core group.

53. "d" is the political level decision-taking process which would presumably be informed by technical consultations at "c" stage against background of Party and government human and social condition goals and targets. The more the ministry personnel see proposed "flash reporting" as useful to them in-house at their own ministries, the easier this process will be and, perhaps more crucial (PM's and Hazina could probably push it through the ECC on their own) the better the cooperation on implementation.

54. As discussed above, prompt receipt of useable data from government bodies can be achieved only if to a credible government body and under authority of an ECC/Cabinet decision. The ideal place (or most nearly ideal) is

probably Nd. Mlolwa's shop with Nd. Rugumisa as second choice. Analysis should in the long run be in the same shop to save time and link directly to policy concerns. If this is not initially possible then ERB (Drs. Van Arkadie/Tibaijuka) might be sub-contracted for an interim period. IDS (Dar) is unlikely to wish to do this "quick and nasty" type of "instant analysis" nor to do it well. It may have a comparative advantage on certain longer term variables' analysis (e.g. land and other resource access concentration). The Economics Department might be used in certain of these areas too - e.g. income distribution patterns and shifts (Dr. Wagao in association with Central Stats). UNICEF (Nd. Leach) might be able to assist with initial advisory work with and assistance to Health and Nutrition.

55. As soon as 2 or 3 series are coming in, regular monthly reports from Planning should be begun. These presumably would go to PM, MF, Health, Education, Water, Agriculture, Transport (via their Policy/Planning Units) as a matter of course. How they should lead to action (monthly discussion at PS level? action proposals to ECC? ministerial committee chaired by PM or one of his Ministers of State - or by MF or his Minister of State/Junior Minister for Planning? - as a quicker action format?) is for consideration.

56. The above comments are not meant to denigrate the UNICEF initiated consultations but to suggest:

    a. they are only part of the process;

    b. they seem to rely too heavily on academic body involvement in actual data collection/analysis in ways almost sure to be inconsistent with adequate speed and adequate government feeling of "immediacy" (i.e. own material for action).

Inputs/Costs and All That

57. In the course of "c" and "e" it will be possible to identify:

a. advisory personnel needed for design and installation;
b. permanent personnel needed for operation;
c. equipment (e.g micro-processors) needed for operation;
d. approximate recurrent costs "in house";
e. costs of academic institution supporting studies.

58. Many of "a" and "b" should already be in place (our statistical personnel have a rather low output per person level for reasons partly beyond their control including lack of defined priority data to produce). Some additions will be needed and some training:

a. Nordics and Netherlands and/or CFTC would probably supply personnel and finance for training;

b. the Institute and the Department (of Stats) at the University should be able to provide training.

59. Probably Nordics, Netherlands, perhaps (on Health, Nutrition) UNICEF would finance equipment if more is needed. The recurrent budget costs should be low enough (beyond expert personnel) to be financed within the Budget.

60. The academic institute studies could be financed on the Budget (in the long run should be) but initially perhaps SIDA/SAREC or Nordic parallels or (for some topics) UNICEF or UNESCO would provide support.

61. I am not self-evidently a priority input - except perhaps in advice to core group of "e" of Para 50. I am not a statistical procedure expert and most of what I think I know about "flash reporting" and "social and human condition" policy oriented review appears in this memo. But if I am thought useful I can probably be in Tanzania either early February or early to mid-March for a few days to a week. Probably this can be

largely fitted in to other trips so far as tickets go but if "X" (whether UNICEF or A. N. Other) would cover per diems and a fee (which IDS gets not me) this would be helpful albeit not absolutely essential.

Conclusion

62. "Flash reporting" is a means of using timely, approximate data to review intra-year performance in relation to goals and to make policy adjustments when the data indicate they are needed. In Tanzania "flash reporting" has been first an in-house Hazina and subsequently also a Hazina deployed fiscal, monetary, macroeconomic management of some power.

63. Human and social targets are prominent in Tanzania's policy goals. Reporting on progress has tended to be imprecise and late. This hinders target attainment and timely policy monitoring, review and adjustment. "Flash reporting" should and could be extended to cover these aspects of public policy and targets.

64. Procedural, locational and data selection issues are real but inherently manageable. A system is desirable (in terms of Tanzania's own goals) and if priority is given could be put into operation (at least in part for fiscal 1988/89) at manageable personnel and financial cost. The present author strongly recommends that this be done.

-RHG
Falmer
17-XI-87