# Costing, Budgeting and Financing Guidelines for National Strategies for the Development of Statistics (NSDS)

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PARIS 21

# Costing, budgeting and financing guidelines for the National Strategies for the Development of Statistics (NSDS)

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## Glossary

This glossary defines key terms as they should be understood in the context of costing, budgeting, and financing your National Strategy for the Development of Statistics.

| | |
|---|---|
| **Budget cycle** | The key events or stages of the budgetary decision-making process. Specifically, this includes three principal stages: formulation, approval, and execution. |
| **Budgeting** | Calculating the overall costs of a project by estimating and totaling the individual activity costs. This process of subtotaling costs by category or activity is also called cost aggregation. |
| **Costing** | The process of assigning monetary values to inputs, which are required to deliver a particular output (here, activities of the National Strategy for the Development of Statistics (NSDS)). |
| **Financing** | The identification of sources of funds and mobilization of resources to implement the NSDS. Financing should result in the production of a Financing Strategy. |
| **Inputs** | The resources you will need to conduct the activities planned for developing and implementing your NSDS, including labor, goods, services, and capital items. This can cover all relevant resources, from pens and paper, to coffee breaks, accommodation and travel, and equipment. |
| **NSDS activities** | The activities specifically implemented under the NSDS (not all activities covered by the National Statistical Office at large). |
| **Outputs** | Products, services, sub-activities, projects, or programs resulting from the NSDS activities, e.g. meetings, surveys, training. |
| **Outcomes** | Here, outcomes refer to the intended results of NSDS development and implementation, such as “improved institutional coordination and communication mechanisms within NSS” or “strengthened capacity of National Statistical Strategy Coordination”. |
| **Resources** | In these Guidelines, “resource” is used synonymously with inputs. |

# How to use these Guidelines

## Background

Since the development of the first National Strategy for the Development of Statistics (NSDS) Guidelines by PARIS21 in 2004, NSDSs have been implemented in nearly 100 countries - with 2 to 3 rounds of NSDS in some countries. The NSDS have helped raise awareness about the key role of official statistics in development and ensure early involvement of users in the operations of the NSS, becoming a strategic tool to better mobilize national funding for statistics and the support of development partners. Yet, in many countries, progress is still insufficient. While the development of NSDS is largely successful, when it comes to their implementation, the results are often disappointing. In fact, the NSDS implementation rate is currently between 40 and 60 percent. Various factors affect the implementation of NSDSs around the world. These include obstacles to coordinate among NSS institutions, changing priorities or socio-political environment, and inadequate resource mobilization. Many NSDS do not have an adequate costing, budgeting, and financing methodology, leading to unrealistic estimations of the budget needed to implement NSDS activities (over- or under-budgeting), which is in turn linked to ineffective resources mobilization. Against this backdrop, PARIS21 has developed NSDS Costing, Budgeting and Financing Guidelines to support countries in outlining realistic budgets for NSDS implementation that can ease fundraising for statistical activities at the national and international level.

## Objectives

In order to support countries in reducing obstacles to NSDS implementation and mobilizing funds for statistical activities, PARIS21 has developed Guidelines to cost, budget, and finance NSDSs. The aim of these Guidelines is to help national actors involved in the NSDS implementation to adequately cost NSDS activities, identify funding streams to ensure their implementation, and provide a framework for their financing and for mobilizing national and external resources for statistics.

## Target Audience

These Guidelines are intended to help staff members of National Statistical Offices (NSOs) as well as Ministries, Departments, and Agencies (MDAs) responsible for the costing, budgeting, and financing of action plans/roadmaps for the NSDS. Ideally, the Guidelines should be implemented through a collaboration among technical, planning, and financing staff of these institutions.

## Expected outputs

By following these Guidelines, practitioners should be equipped to produce the following outputs:

- Detailed costing of NSDS activities, including costs to develop and implement an NSDS
- Well budgeted NSDS action plans and/or roadmaps to develop an NSDS
- Financing strategy for resource mobilization to implement NSDS activities

**NOTES:**

→ The costing, budgeting, and financing of NSDS activities must be strategically planned in terms of timing so that they can be integrated into the government and development partners budgeting processes/cycles. This will help to avoid a lack of adequate funding for NSDS activities.

→ The costing, budgeting, and financing of NSDS activities constitute a very detailed and rigorous process. To make the process efficient and robust, it is essential that this work is carried out by a multidisciplinary team of staff members who are familiar with NSDS activities, government budget planning cycles, and the financing of participating institutions.

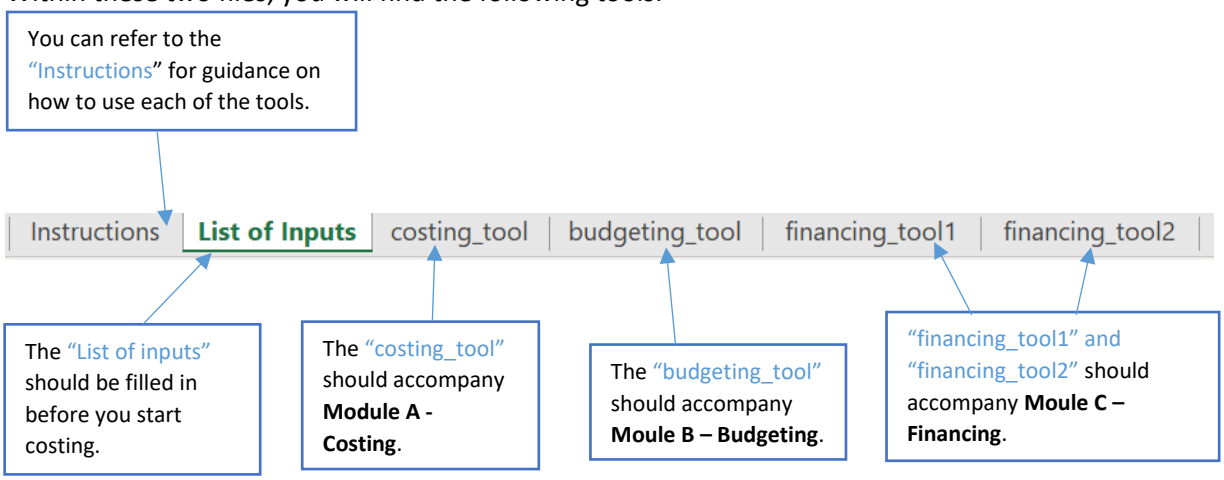
→ When using these Guidelines, it is important to make the distinction between "roadmap" and "action plan". The Guidelines can be used to support the development of both of these.

- A **roadmap** refers to the plan for the **design of the NSDS**
- An **action plan** refers to the plan for the **implementation of the NSDS**

## Instructions for using these Guidelines

These Guidelines have been designed as a step-by-step guide to costing, budgeting, and financing for NSDS. Following an introductory module, the Guidelines will walk you through each of these stages through Module A - Costing, Module B - Budgeting, and Module C - Financing. The Guidelines are accompanied by two Excel files, which will be referenced throughout. The Excel files and specific sheets are referenced in blue. The first of these, labelled "EXAMPLE", is filled with sample data and will serve as an example. Extracts from the "EXAMPLE" file are included throughout the Guidelines. The second file, labelled "TEMPLATE", is for users of the Guidelines to enter their own data when costing, budgeting, and financing NSDSs.

Within these two files, you will find the following tools:



## What should I expect within these tools?

### "List of inputs"

The first sheet for you to fill in is named "List of inputs" (see figure 1 below). It comprises a pre-filled table containing suggested inputs that may be needed to develop or implement the NSDS activities and that are therefore essential for the cost estimation. All will need modify these inputs according to your specific context. You will later refer to these inputs and their costs during the costing stage.

**Figure 1. Extract from "List of Inputs".**

| A | B | C | D |
|---|---|---|---|
| **Categories of inputs** | **Types of Inputs** | **Unit of Measurement** | **Local costs per unit** |
| | **Material** | | |
| Material | Tablets | per item | |
| Material | Phone | per item | |
| Material | Computers | per item | |
| Material | Printers | per item | |
| Material | Other1 | per item | |
| Material | Other2 | per item | |
| Material | Other3 | per item | |
| | **Personnel** | | |
| Personnel | Project manager | per day | |
| Personnel | Coordinator | per day | |
| Personnel | Cartography technician | | |
| Personnel | Survey supervisor | per day | |
| Personnel | Data processing supervisor | per day | |
| Personnel | Administrative | per day | |
| Personnel | Other staff compensation | per day | |
| Personnel | Survey interviewer wage | per day | |
| Personnel | Survey team leader wage | per day | |

... | List of Inputs | costing_tool | budgeting_tool | financing_tool1 | financing_tool2 | Partner mapping matrix

### "Costing_tool"

The second sheet "costing_tool" (see fig. 2 below) is a cost calculation tool for all outputs under the NSDS activities. In the "EXAMPLE" sheet, we have included 3 examples of outputs for the activity "Set up and operationalise NSS coordination committees and strengthen their capacity".

Once you have filled in columns A to F, the total cost (column G) will be calculated and filled automatically.

**Figure 2. Extract from "costing_tool", example of a 15-day training with 10 participants.**

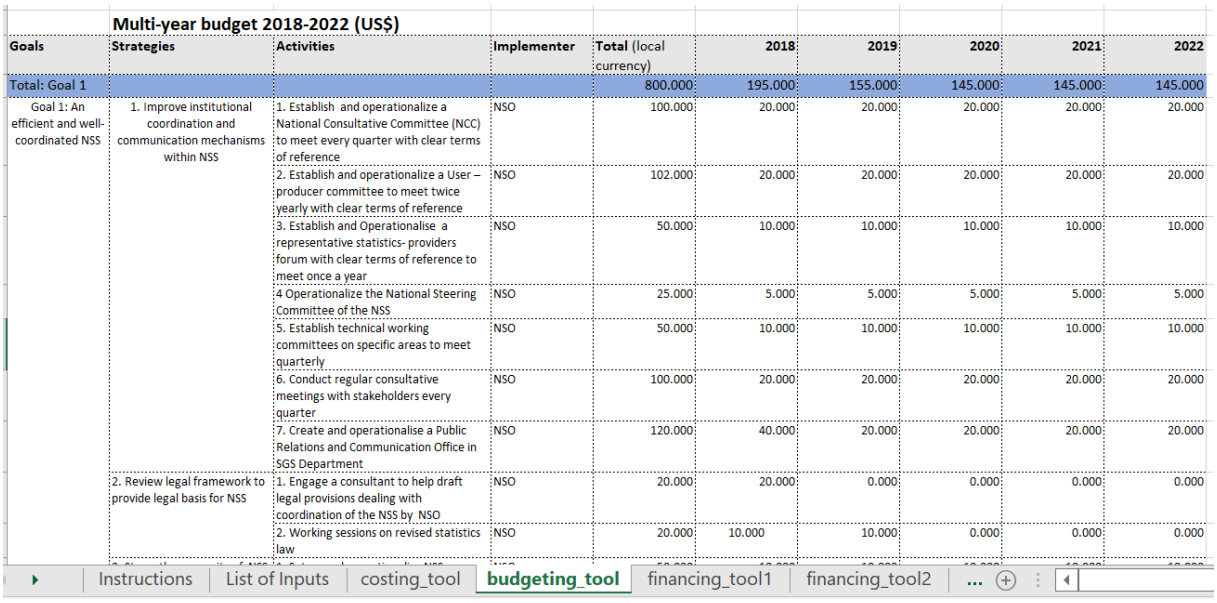
| A | B | C | D | E | F | G |
|---|---|---|---|---|---|---|
| **Activities** | **Inputs** | **Unit of Measurement** | **Number of units** | **Quantity** | **Unit Cost** | **Total Cost** |
| **Activity 1: Set up and operationalise NSS coordination committees and strengthen their capacity** | | | | | | |
| *Outputs* | | | | | | |
| **15-day training with 10 participants** | | | | | | |
| *Categories of inputs* | | | | | | |
| Personnel | | | | | | |
| | Project Manager | per day | 15 | 1 | 100.00 | 1,500.00 |
| | | | | | | |
| | National Consultant | per day | 15 | 1 | 150.00 | 2,250.00 |
| Allowances | | | | | | |
| | Accomodation | per night | 14 | 1 | 70 | 980 |
| | Visa fee | per item | 1 | 1 | 80 | 80 |
| International travel | | | | | | |
| | Zone 1 Air travel | per item/per flight | 1 | 1 | 800 | 800 |
| Transportation | | | | | | |
| | Cost of a taxi fare | per item/per trip | 2 | 15 | 5 | 150 |
| Communication | | | | | | |
| | SIM card | per item | 1 | 1 | 10 | 10 |
| | Phone refills | per item | 2 | 1 | 20 | 40 |
| Utilities | | | | | | |

... | List of Inputs | costing_tool | budgeting_tool | financing_tool1 | financing_tool2 | Partner mappir ...

## "Budgeting_tool"

The third sheet "budgeting_tool" (see fig. 3 below) summarizes the budget projection for each year of the NSDS. It should be filled in with the sum of the estimated costs for implementing each NSDS activity, as per the "costing_tool".

**Figure 3. "budgeting_tool".**



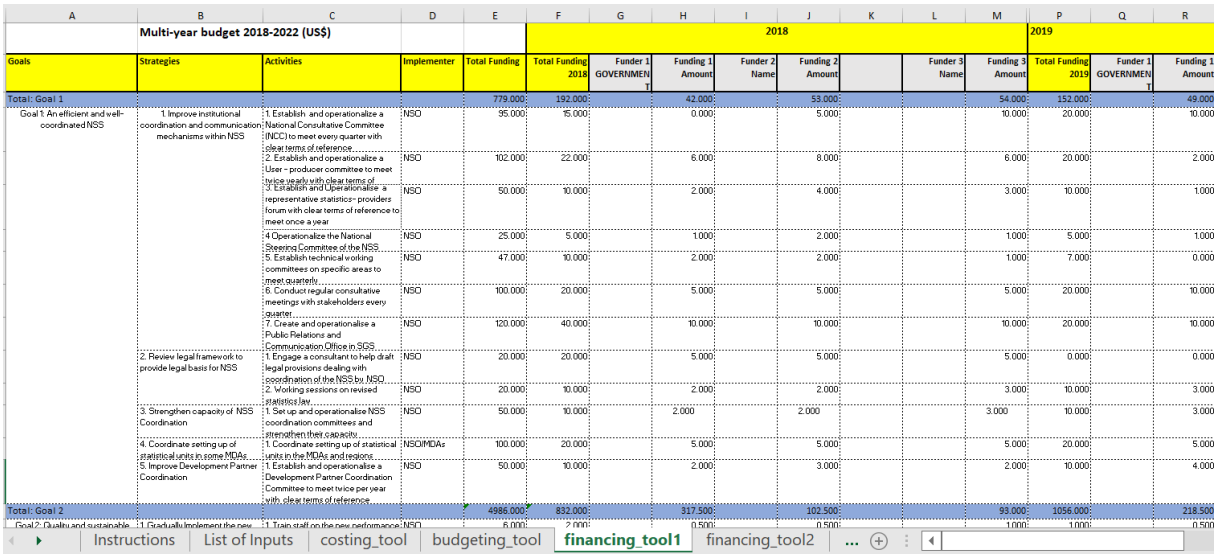
| | Multi-year budget 2018-2022 (US$) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Goals** | **Strategies** | **Activities** | **Implementer** | **Total** (local currency) | **2018** | **2019** | **2020** | **2021** | **2022** |
| Total: Goal 1 | | | | 800.000 | 195.000 | 155.000 | 145.000 | 145.000 | 145.000 |
| Goal 1: An efficient and well-coordinated NSS | 1. Improve institutional coordination and communication mechanisms within NSS | 1. Establish and operationalize a National Consultative Committee (NCC) to meet every quarter with clear terms of reference | NSO | 100.000 | 20.000 | 20.000 | 20.000 | 20.000 | 20.000 |
| | | 2. Establish and operationalize a User – producer committee to meet twice yearly with clear terms of reference | NSO | 102.000 | 20.000 | 20.000 | 20.000 | 20.000 | 20.000 |
| | | 3. Establish and Operationalise a representative statistics- providers forum with clear terms of reference to meet once a year | NSO | 50.000 | 10.000 | 10.000 | 10.000 | 10.000 | 10.000 |
| | | 4 Operationalize the National Steering Committee of the NSS | NSO | 25.000 | 5.000 | 5.000 | 5.000 | 5.000 | 5.000 |
| | | 5. Establish technical working committees on specific areas to meet quarterly | NSO | 50.000 | 10.000 | 10.000 | 10.000 | 10.000 | 10.000 |
| | | 6. Conduct regular consultative meetings with stakeholders every quarter | NSO | 100.000 | 20.000 | 20.000 | 20.000 | 20.000 | 20.000 |
| | | 7. Create and operationalise a Public Relations and Communication Office in SGS Department | NSO | 120.000 | 40.000 | 20.000 | 20.000 | 20.000 | 20.000 |
| | 2. Review legal framework to provide legal basis for NSS | 1. Engage a consultant to help draft legal provisions dealing with coordination of the NSS by NSO | NSO | 20.000 | 20.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| | | 2. Working sessions on revised statistics law | NSO | 20.000 | 10.000 | 10.000 | 0.000 | 0.000 | 0.000 |

Instructions | List of Inputs | costing_tool | **budgeting_tool** | financing_tool1 | financing_tool2 | ...

## "Financing_tool1"

The fourth sheet, "financing_tool1" will help you to outline who is financing what. Data from this sheet will automatically be used to fill in the "Budget Funded" columns of the next sheet "financing_tool2". It is important that the amounts listed in the financing tool reflect the final confirmed amounts for each activity.

**Figure 4. Extract from "financing_tool1".**



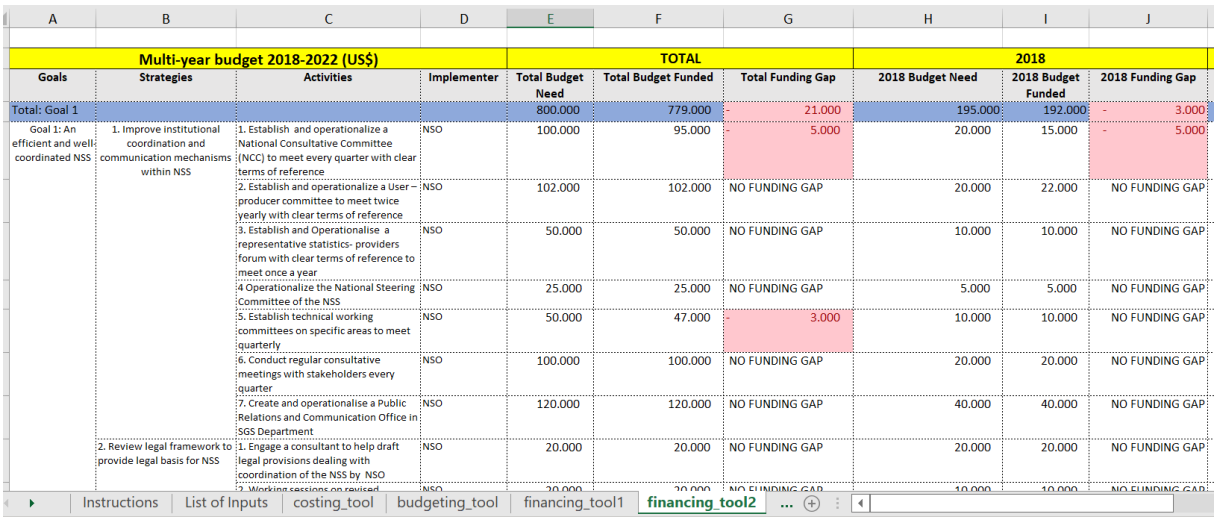
| | | Multi-year budget 2018-2022 (US$) | | | 2018 | | | | | | | | 2019 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Goals** | **Strategies** | **Activities** | **Implementer** | **Total Funding** | **Total Funding 2018** | **Funder 1 GOVERNMENT** | **Funding 1 Amount** | **Funder 2 Name** | **Funding 2 Amount** | | **Funder 3 Name** | **Funding 3 Amount** | **Total Funding 2019** | **Funder 1 GOVERNMENT** | **Funding 1 Amount** |
| Total: Goal 1 | | | | 779.000 | 192.000 | | 42.000 | | 53.000 | | | 54.000 | 152.000 | | 49.000 |
| Goal 1: An efficient and well-coordinated NSS | 1. Improve institutional coordination and communication mechanisms within NSS | 1. Establish and operationalize a National Consultative Committee (NCC) to meet every quarter with clear terms of reference | NSO | 95.000 | 15.000 | | 0.000 | | 5.000 | | | 10.000 | 20.000 | | 10.000 |
| | | 2. Establish and operationalize a User – producer committee to meet twice yearly with clear terms of | NSO | 102.000 | 22.000 | | 6.000 | | 8.000 | | | 6.000 | 20.000 | | 2.000 |
| | | 3. Establish and Operationalise a representative statistics- providers forum with clear terms of reference to meet once a year | NSO | 50.000 | 10.000 | | 2.000 | | 4.000 | | | 3.000 | 10.000 | | 1.000 |
| | | 4 Operationalize the National Steering Committee of the NSS | NSO | 25.000 | 5.000 | | 1.000 | | 2.000 | | | 1.000 | 5.000 | | 1.000 |
| | | 5. Establish technical working committees on specific areas to meet quarterly | NSO | 47.000 | 10.000 | | 2.000 | | 2.000 | | | 1.000 | 7.000 | | 0.000 |
| | | 6. Conduct regular consultative meetings with stakeholders every quarter | NSO | 100.000 | 20.000 | | 5.000 | | 5.000 | | | 5.000 | 20.000 | | 10.000 |
| | | 7. Create and operationalise a Public Relations and Communication Office in SGS | NSO | 120.000 | 40.000 | | 10.000 | | 10.000 | | | 10.000 | 20.000 | | 10.000 |
| | 2. Review legal framework to provide legal basis for NSS | 1. Engage a consultant to help draft legal provisions dealing with coordination of the NSS by NSO | NSO | 20.000 | 20.000 | | 5.000 | | 5.000 | | | 5.000 | 0.000 | | 0.000 |
| | | 2. Working sessions on revised statistics law | NSO | 20.000 | 10.000 | | 2.000 | | 2.000 | | | 3.000 | 10.000 | | 3.000 |
| | 3. Strengthen capacity of NSS Coordination | 1. Set up and operationalize NSS coordination committees and strengthen their capacity | NSO | 50.000 | 10.000 | | 2.000 | | 2.000 | | | 3.000 | 10.000 | | 3.000 |
| | 4. Coordinate setting up of statistical units in some MDAs | 1. Coordinate setting up of statistical units in the MDAs and regions | NSO/MDAs | 100.000 | 20.000 | | 5.000 | | 5.000 | | | 5.000 | 20.000 | | 5.000 |
| | 5. Improve Development Partner Coordination | 1. Establish and operationalize a Development Partner Coordination Committee to meet twice per year with clear terms of reference | NSO | 50.000 | 10.000 | | 2.000 | | 3.000 | | | 2.000 | 10.000 | | 4.000 |
| Total: Goal 2 | | | | 4986.000 | 832.000 | | 317.500 | | 102.500 | | | 93.000 | 1056.000 | | 218.500 |
| Goal 2: Quality and sustainable | 1 Gradually implement the new | 1 Train staff on the new performance | NSO | 6.000 | 2.000 | | 0.500 | | 0.500 | | | 1.000 | 1.000 | | 0.500 |

Instructions | List of Inputs | costing_tool | budgeting_tool | **financing_tool1** | financing_tool2 | ...

## "Financing_tool2"

The fifth sheet " financing_tool2" enables you to identify the funding gaps for each year and activity. If any funding gap exists, these will appear in red text in a pink cell, as seen in figure 5 below.

**Figure 5. Extract from "financing_tool2".**



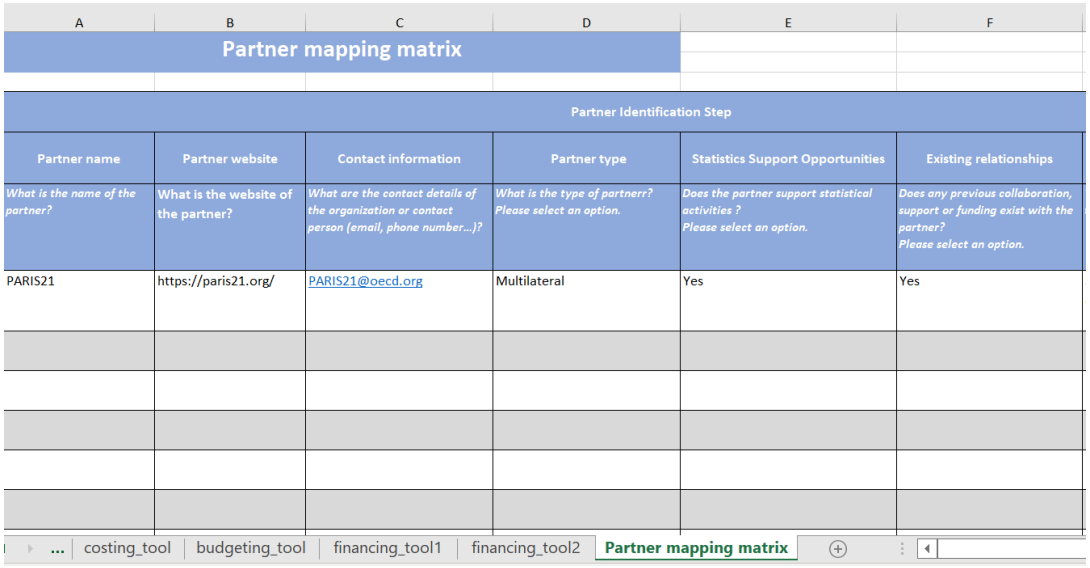
| Multi-year budget 2018-2022 (US$) | | | | TOTAL | | | 2018 | | |
|---|---|---|---|---|---|---|---|---|---|
| Goals | Strategies | Activities | Implementer | Total Budget Need | Total Budget Funded | Total Funding Gap | 2018 Budget Need | 2018 Budget Funded | 2018 Funding Gap |
| Total: Goal 1 | | | | 800.000 | 779.000 | - 21.000 | 195.000 | 192.000 | - 3.000 |
| Goal 1: An efficient and well-coordinated NSS | 1. Improve institutional coordination and communication mechanisms within NSS | 1. Establish and operationalize a National Consultative Committee (NCC) to meet every quarter with clear terms of reference | NSO | 100.000 | 95.000 | - 5.000 | 20.000 | 15.000 | - 5.000 |
| | | 2. Establish and operationalize a User – producer committee to meet twice yearly with clear terms of reference | NSO | 102.000 | 102.000 | NO FUNDING GAP | 20.000 | 22.000 | NO FUNDING GAP |
| | | 3. Establish and Operationalise a representative statistics- providers forum with clear terms of reference to meet once a year | NSO | 50.000 | 50.000 | NO FUNDING GAP | 10.000 | 10.000 | NO FUNDING GAP |
| | | 4 Operationalize the National Steering Committee of the NSS | NSO | 25.000 | 25.000 | NO FUNDING GAP | 5.000 | 5.000 | NO FUNDING GAP |
| | | 5. Establish technical working committees on specific areas to meet quarterly | NSO | 50.000 | 47.000 | - 3.000 | 10.000 | 10.000 | NO FUNDING GAP |
| | | 6. Conduct regular consultative meetings with stakeholders every quarter | NSO | 100.000 | 100.000 | NO FUNDING GAP | 20.000 | 20.000 | NO FUNDING GAP |
| | | 7. Create and operationalise a Public Relations and Communication Office in SGS Department | NSO | 120.000 | 120.000 | NO FUNDING GAP | 40.000 | 40.000 | NO FUNDING GAP |
| | 2. Review legal framework to provide legal basis for NSS | 1. Engage a consultant to help draft legal provisions dealing with coordination of the NSS by NSO | NSO | 20.000 | 20.000 | NO FUNDING GAP | 20.000 | 20.000 | NO FUNDING GAP |
| | | 2. Working sessions on revised | NSO | 20.000 | 20.000 | NO FUNDING GAP | 10.000 | 10.000 | NO FUNDING GAP |

Instructions | List of Inputs | costing_tool | budgeting_tool | financing_tool1 | financing_tool2 | ...

## "Partner mapping matrix"

The sixth and final sheet, the "Partner mapping matrix" is designed to guide your search for (new) partners to close your funding gaps and offer support to the development and implementation of the NSDS. When a new contribution is approved, you will need to return to the "financing_tool1" sheet to close the funding gap.

**Figure 6. Extract from "Partner mapping matrix"**



**Partner mapping matrix**

| Partner Identification Step | | | | | |
|---|---|---|---|---|---|
| Partner name | Partner website | Contact information | Partner type | Statistics Support Opportunities | Existing relationships |
| *What is the name of the partner?* | What is the website of the partner? | *What are the contact details of the organization or contact person (email, phone number...)?* | *What is the type of partnerr? Please select an option.* | *Does the partner support statistical activities ? Please select an option.* | *Does any previous collaboration, support or funding exist with the partner? Please select an option.* |
| PARIS21 | https://paris21.org/ | PARIS21@oecd.org | Multilateral | Yes | Yes |

... | costing_tool | budgeting_tool | financing_tool1 | financing_tool2 | Partner mapping matrix

More precise guidance on how to use these tools is included under Modules A, B and C of these report. You can also find Instructions on the first sheet of the Excel files.

NOTES:

→ These Excel tools are just a suggestion of what your financing tool might look like. Your NSO may have, or wish to develop, their own tool according to their own needs and local context. If you do use your own tool, the example can help you to follow these guidelines and serve as a checklist of what you could include in your own tool.

→ You will need to make additions to these tools in order to include all of your planned activities.

→ We suggest that you consistently enter the figures in your **local currency** to avoid mistakes. However, to help supporting partners to interpret your data and understand the extent of funding gaps, it may be necessary to convert key figures to the currency used by that partner.

→ These tools should be viewed as living documents, meaning that they should be reviewed as budgets change. Each time the budgeting process starts, the annual costs for the NSDS should be revised and included in the annual budget.

# Introduction

This chapter presents the key definitions and concepts that the Guideline user must understand and the actions they must complete before undertaking the NSDS costing, budgeting, and financing activities.

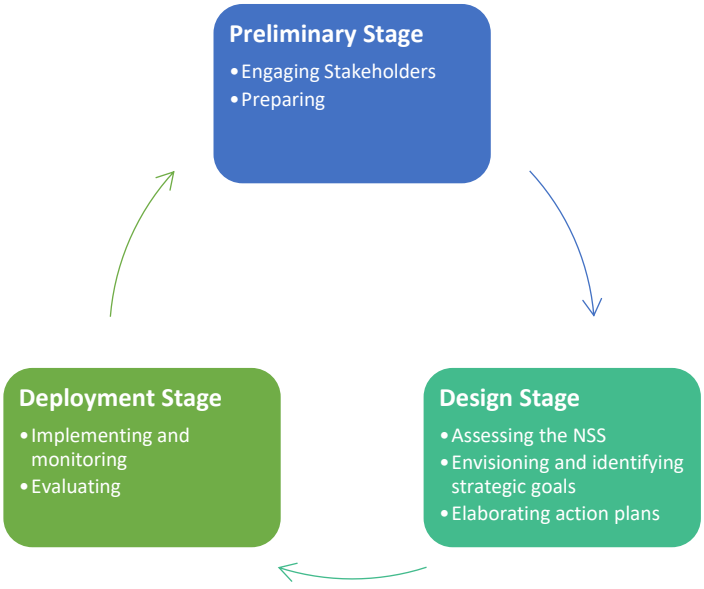
## NSDS

A National Strategy for the Development of Statistics (NSDS) is a national framework, process, and product for statistics development aimed at mainstreaming statistics into the national policy and planning process; producing information responding to the needs of the various users; mainstreaming sectors and other players into the national statistical system (NSS); coordinating the entire NSS; responding to data challenges; delivering a country-led data revolution; and building statistical capacity across the "the statistical value chain". The NSDS process is consultative and inclusive, it involves all the major actors from the NSS: producers and users of statistics, decision makers, technical and financial partners, civil society, private sector, academia, media, etc. To find out more about the NSDS, see the NSDS Guidelines here. For specific guidance on NSDSs design and implementation in fragile states, see dedicated guidelines here.

## NSDS Lifecycle

The NSDS Lifecycle is an online tool produced by PARIS21 with the support of a dedicated Reference Group that provides an overview of the NSDS formulation. It is organized according to three levels divided into stages, phases and steps. The tool already includes some information on the costing, budgeting and financing of NSDS activities[1] however, these include only limited details. The present Guidelines will provide much more in-depth explanations.

**Figure 7. Structure of the NSDS Lifecycle**



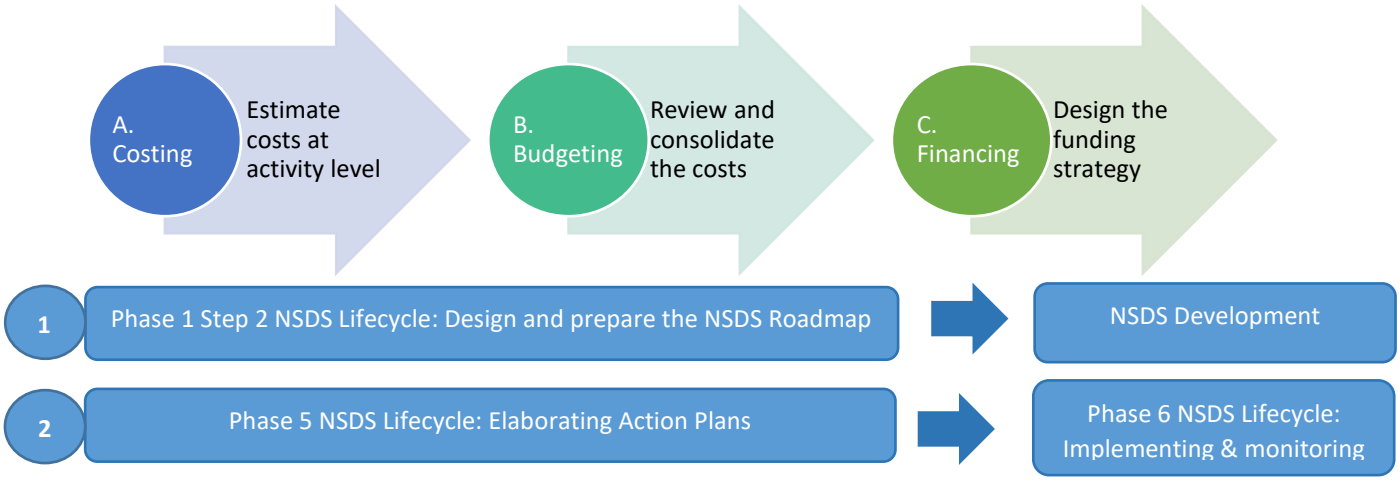

[1] https://new.nsdsguidelines.paris21.org/nsds-lifecycle/design-stage/elaborating-action-plans/prepare-nsds-implementation-plan

https://new.nsdsguidelines.paris21.org/nsds-lifecycle/design-stage/elaborating-action-plans/elaborating-financial-strategy-and-cost-action-plans

## Use of these Guidelines in the NSDS Lifecycle

These Guidelines can be used during Phase 1 of the NSDS Lifecycle "Preparing" and "Engaging Stakeholders" while preparing the Roadmap to develop the NSDS and in Phase 5 of NSDS development ("Elaborating action plans"). Additionally, the information produced on costing, budgeting, and financing through the Guidelines, will also become inputs for NSDS monitoring and evaluation once the implementation of the Strategy starts. This logic is outlined in Figure 2 below.

**Figure 8. Use of the Guidelines in the NSDS Lifecycle**




## Module 0: Preparation

This module details the preparatory work you must complete before starting to cost, budget, and finance the NSDS.

First and foremost, you will need to have at least one of the following:

1) **NSDS Roadmap.** This involves engaging with the stakeholders of statistics and preparing the institutional framework for the NSDS design and deployment. The roadmap must include **all of the well-defined activities** you plan to undertake when developing your NSDS.A detailed explanation and description of the steps can be found here.

2) **NSDS Action Plans.** A set of identifiable steps to produce an output or a group of related outputs (NSDS) that are expected to lead to strategic outcomes over a defined timeline. The action plan must include **all of the well-defined activities** you plan to undertake when implementing your NSDS.A detailed explanation can be found here.

**Notes:**

- ➔ The NSDS / action plan must be approved by the government or institution before the budget itself is approved.
- ➔ During the NSDS development phase, the different NSDS activities should be prioritised and the dependencies between them made clear. This will support budgeting prioritisation later.

Through identifying which statistical activities will be implemented through the NSDS and/or its development, this preparatory work highlights which activities need to be costed. It is particularly important to have a concrete action plan that identifies the **outputs** expected from each activity and a timeline specifying how long the activities will run as well as identifying who will be in charge of carrying out these activities. This information will facilitate a realistic estimation of the resources needed to achieve each activity, including staff costs, operational expenses, infrastructure, and technology, among others.

It is also important that you know which activities should be prioritized and thus which need funding most urgently.

## Outputs

By the end of this preparatory step you should have:

- A Roadmap or Action Plan: A structured framework of outcomes and outputs formulated in chronological order and covering all the activities needed to implement the NSDS. These activities should be divided into sub-activities when necessary and provide enough detailed information to enable costing.

Note: The NSDS Costing, budgeting, and financing should be done at the NSDS activity-level

Before conducting the costing, budgeting and financing of the NSDS, it is important to note that you will only be costing **activities specifically referenced within the NSDS development and/or action plan**. This is because the end-purpose of the costing exercise is to mobilize resources to develop or implement and NSDS.

This means that the costing of the NSDS **does not** represent the costing of all statistical activities across the NSS or every resource going into statistics in a country. The aim of the exercise is to estimate what resources are needed to implement the activities identified under the NSDS and mobilize resources from national government and development partners for them.

**TIPS FOR YOUR COSTING, BUDGETING, AND FINANCING:**

→ Use information and lessons learned from previous NSDS evaluations, if available to support realistic costing.
→ Use experience from costing National Development Plans or other similar program and planning documents to support the costing, budgeting, and financing of your NSDS.
→ Take into account existing government financial policies and guidance from Partners.

# Module A – Costing

## Definition

Costing is the process of assigning monetary values to inputs, which are required to deliver a particular output (here, an NSDS activity). Inputs can be different types of resources, such as labor, materials, services, or capital items. Outputs can be defined as products, services, activities, projects, or programs. The total cost of any object is determined by two key components – the resources needed for its implementation and the costs of these resources.

## Objectives

During this module, you will cost each NSDS activity individually. The objectives are to:

- Define realistic costing estimates for the implementation of each NSDS activity
- Ensure that all inputs needed for an activity are clearly identified.

## Outputs

By the end of this module, you should have:

- A table with all of the outputs you will need for each activity and their total estimated costs (you can use the pre-prepared Excel sheet **"costing_tool"**).

**DO NOT FORGET:**

→ **BE REALISTIC!** Largely over- or under-estimating costs will **NOT** increase funding opportunities and will compromise the effectiveness of your budgeting and financing at large.

→ If your NSO is already equipped with a costing tool, then use that one directly. If not, these guidelines provide you with a generic costing tool, the use of which will be explained throughout this section. The inputs of the generic costing tool have been pre-identified for specific categories of activities, but it must be customized and duplicated depending on the type and number of activities.

→ Each NSDS activity should be costed individually. To save time, use the costs of the NSDS activities that have been previously estimated or implemented by the NSO as a starting point, if necessary, updating the amounts to their current value or complementing with parametric cost estimation.

It will not be necessary nor possible for you to estimate the costs of some activities that are beyond your costing capabilities and previous experiences (such as construction and renovation of premises, IT infrastructure etc.). You will need to ask professionals to provide you with quotes and estimates, both by engaging a range of NSO staff (accounting, procurement, technical), as well as professionals from outside of the organisation

## Steps for Costing NSDS activities

This section outlines the series of steps you should take when costing NSDS activities. In this step, you will be estimating costs for each output, irrespective of how many times this will be repeated. For example, in your roadmap or action plan, you may foresee four 2-day meetings with 15 people, but at this stage you are just estimating the costs for one of these meetings, you can then multiply it by the number of meetings before aggregating at activity level in the budgeting stage.

To prepare for the costing, it is important that you have **verified the roadmap/action plan** that you defined during the preparatory phase. The roadmap/action plan to be costed should be clear, meaning you must:

- ✓ List all the specific activities
- ✓ Identify the expected outcomes of the activities
- ✓ Identify the expected outputs/products of the activities

Once you have these elements, you have **identified all the activities that will need to be costed**.

## Estimate costs for the rest of activities

It is likely that some of the activities, outputs, and inputs foreseen for the NSDS development and implementation have been conducted and/or costed by the NSO in the past. This might include meetings, transport, or accommodation, for example. To save time in the costing process, use these costs as initial estimates, adjusting to account for changes in cost over time, if necessary.

After checking for takeaways from similar activities in the past, it is time to start estimating costs. Costing involves two distinct activities:

- Measuring types and quantities of resources (inputs) needed for the delivery of a particular activity/output, expressed in units of measurement.
- Evaluating these resources in monetary terms.

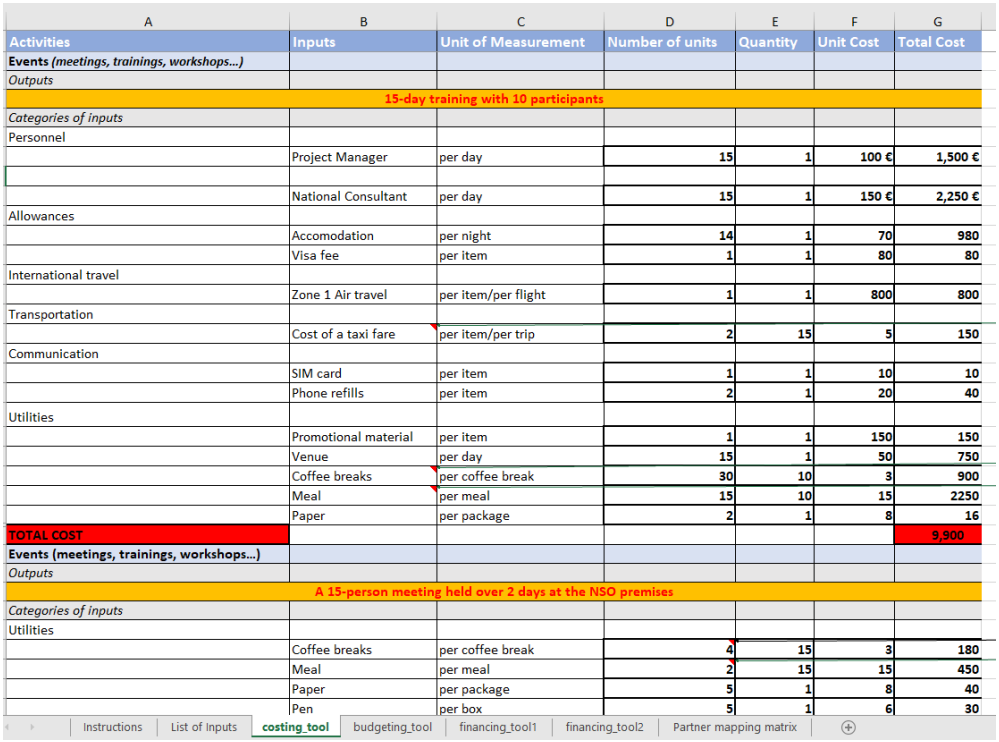
To help you list the input costs, you can use the pre-prepared Excel file **"List of inputs"**

To obtain the total cost of an activity, you must:

| | |
|---|---|
| 1 | Identify the specific outputs expected from this activity, and for each output; |
| 2 | Identify the physical resources (inputs) needed for its achievement |
| 3 | Determine the units of measurement of each input |
| 4 | Determine the number of units and/or quantities of input |
| 5 | Determine the unit costs of inputs |
| 6 | Calculate the total costs by activity |

The section below offers a step-by-step guide to for each of these activities. These steps will refer to the "costing_tool" shown below so we suggest you have the Excel file open on this sheet so that you can follow more easily.

**Figure 9. "Costing_tool", example of a 15-day training with 10 participants.**



| | A | B | C | D | E | F | G |
|---|---|---|---|---|---|---|---|
| | **Activities** | **Inputs** | **Unit of Measurement** | **Number of units** | **Quantity** | **Unit Cost** | **Total Cost** |
| | **Events** ***(meetings, trainings, workshops…)*** | | | | | | |
| | *Outputs* | | | | | | |
| | **15-day training with 10 participants** | | | | | | |
| | *Categories of inputs* | | | | | | |
| | Personnel | | | | | | |
| | | Project Manager | per day | 15 | 1 | 100 € | 1,500 € |
| | | | | | | | |
| | | National Consultant | per day | 15 | 1 | 150 € | 2,250 € |
| | Allowances | | | | | | |
| | | Accomodation | per night | 14 | 1 | 70 | 980 |
| | | Visa fee | per item | 1 | 1 | 80 | 80 |
| | International travel | | | | | | |
| | | Zone 1 Air travel | per item/per flight | 1 | 1 | 800 | 800 |
| | Transportation | | | | | | |
| | | Cost of a taxi fare | per item/per trip | 2 | 15 | 5 | 150 |
| | Communication | | | | | | |
| | | SIM card | per item | 1 | 1 | 10 | 10 |
| | | Phone refills | per item | 2 | 1 | 20 | 40 |
| | Utilities | | | | | | |
| | | Promotional material | per item | 1 | 1 | 150 | 150 |
| | | Venue | per day | 15 | 1 | 50 | 750 |
| | | Coffee breaks | per coffee break | 30 | 10 | 3 | 900 |
| | | Meal | per meal | 15 | 10 | 15 | 2250 |
| | | Paper | per package | 2 | 1 | 8 | 16 |
| | **TOTAL COST** | | | | | | 9,900 |
| | **Events (meetings, trainings, workshops…)** | | | | | | |
| | *Outputs* | | | | | | |
| | **A 15-person meeting held over 2 days at the NSO premises** | | | | | | |
| | *Categories of inputs* | | | | | | |
| | Utilities | | | | | | |
| | | Coffee breaks | per coffee break | 4 | 15 | 3 | 180 |
| | | Meal | per meal | 2 | 15 | 15 | 450 |
| | | Paper | per package | 5 | 1 | 8 | 40 |
| | | Pen | per box | 5 | 1 | 6 | 30 |

Instructions | List of Inputs | costing_tool | budgeting_tool | financing_tool1 | financing_tool2 | Partner mapping matrix

## 1. Identify the specific outputs expected from an activity

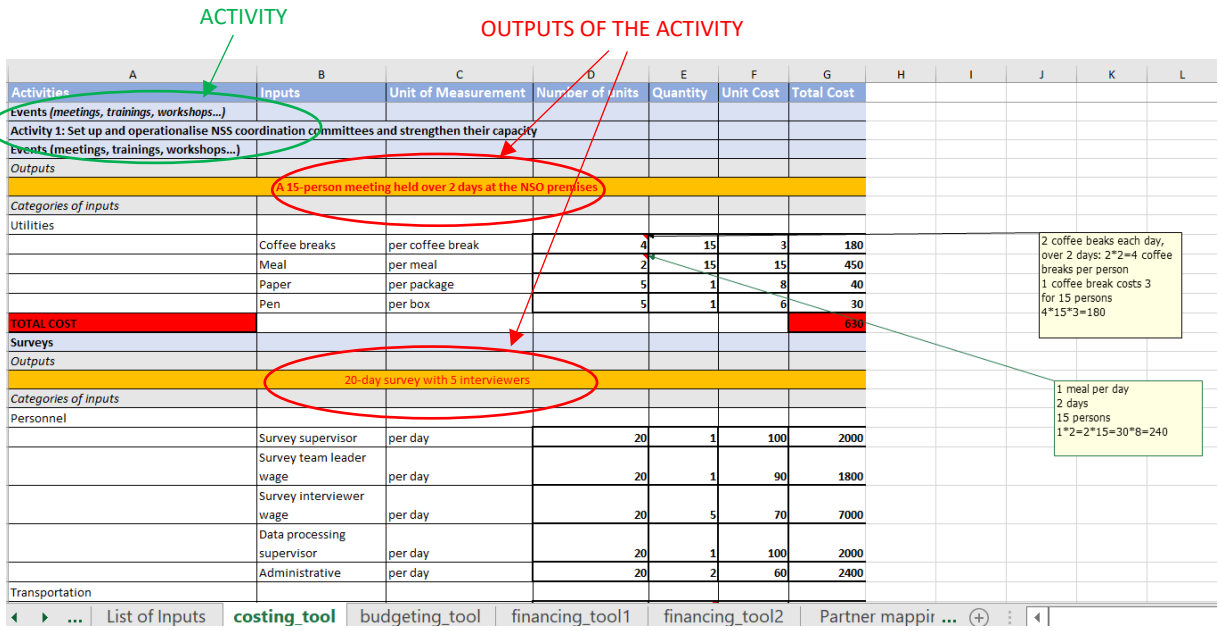
This step consists in identifying the expected outputs for each activity. You should refer to your action plan or roadmap.

For example, for the activity, "*Establish and operationalize a National Consultative Committee (NCC) to meet every quarter with clear terms of reference*", you will likely have several outputs, such "*a meeting of 15 people organized over 2 days within the NSO premises*" and "*terms of reference for NCC members*".

When defining the outputs for each activity, you should be specific and detail:

- → the number of participants
- → the number of people trained
- → the place and duration of the event etc.
- → activities and outputs that do not have a cost to ensure uniformity and completeness in all programming documents

**Figure 10. The outputs listed in the "costing_tool1".**




| Activities | Inputs | Unit of Measurement | Number of units | Quantity | Unit Cost | Total Cost |
|---|---|---|---|---|---|---|
| Events (meetings, trainings, workshops...) | | | | | | |
| Activity 1: Set up and operationalise NSS coordination committees and strengthen their capacity | | | | | | |
| Events (meetings, trainings, workshops...) | | | | | | |
| *Outputs* | | | | | | |
| A 15-person meeting held over 2 days at the NSO premises | | | | | | |
| *Categories of inputs* | | | | | | |
| Utilities | | | | | | |
| | Coffee breaks | per coffee break | 4 | 15 | 3 | 180 |
| | Meal | per meal | 2 | 15 | 15 | 450 |
| | Paper | per package | 5 | 1 | 8 | 40 |
| | Pen | per box | 5 | 1 | 6 | 30 |
| TOTAL COST | | | | | | 630 |
| Surveys | | | | | | |
| *Outputs* | | | | | | |
| 20-day survey with 5 interviewers | | | | | | |
| *Categories of inputs* | | | | | | |
| Personnel | | | | | | |
| | Survey supervisor | per day | 20 | 1 | 100 | 2000 |
| | Survey team leader wage | per day | 20 | 1 | 90 | 1800 |
| | Survey interviewer wage | per day | 20 | 5 | 70 | 7000 |
| | Data processing supervisor | per day | 20 | 1 | 100 | 2000 |
| | Administrative | per day | 20 | 2 | 60 | 2400 |
| Transportation | | | | | | |

## 2. Identify resources (inputs) – needed for delivery of each output/activity

This section aims to identify the types of resources (inputs) that will be required to implement each activity or sub-activity.

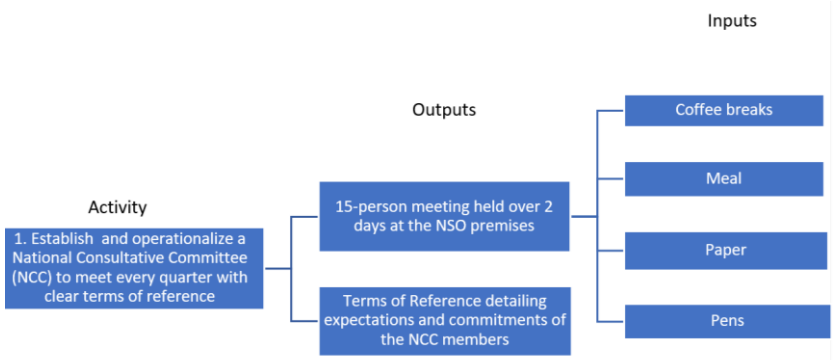
Resources or inputs include, but are not limited to:

- Labor or personnel (salaries/wages, fringe benefits, taxes and other expenses related to human labor)
- Materials and services (office supplies, venues, communication, fuel, accommodation, utilities, transportation, maintenance, rent, other services, and any other recurrent input)
- Capital items (land, building, equipment, vehicle, software)

As presented in the generic costing tool that we propose, it is strongly recommended to first draw up a list including the most common inputs that might be encountered for each activity (see Excel sheet **"List of Inputs"**). These inputs can then be compiled into categories or classes, such as "material", "personnel", or "communication". This list will serve as a reference for identifying the inputs needed to implement each activity. It only needs to be drawn up once and can be completed over time.

If we take, as an example, the activity "*Establish and operationalize a National Consultative Committee (NCC) to meet every quarter with clear terms of reference.*", we have **identified the expected output** "*a 15-person meeting held over 2 days at the NSO premises*" (see figure 10). Then to **identify the inputs** you need to ask yourself: **"What will we need to organize this meeting?"** The logic of moving from activities to inputs is pictured below.

**Figure 11. identifying outputs and inputs for each activity**




Once we have established which inputs are needed for each outputs, you will need to transfer the information **form the "List of Inputs" to the "costing_tool",** adjusting to the specific activity as necessary. This is demonstrated in figures 12 and 13 below.

**Figure 12. Extract from "List of Inputs".**

| Categories of inputs | Types of Inputs | Unit of Measurement | Local costs |
|---|---|---|---|
| Allowances (paid for) | Transfers | per item | |
| Allowances (paid for) | Other allowances paid for | per item | |
| | **Utilities** | | |
| Utilities | Venue | per day | |
| Utilities | Coffee breaks | per coffee break | |
| Utilities | Meal | per meal | |
| Utilities | Promotional material | per item | |
| Utilities | Printing ink | per item | |
| Utilities | Other | per item | |
| | **International Travel** | | |
| International Travel | Zone 1 Air travel | per item | |
| International Travel | Zone 2 Air travel | per item | |
| International Travel | Zone 3 Air travel | per item | |
| International Travel | Zone 0 Other | per item | |
| | **Transportation** | | |
| Transportation | Cost of a taxi fare | per item | |
| Transportation | Cost of a ferry transfer (water) | per item | |
| Transportation | Cost of a motorcycle fare | per item | |
| Transportation | Vehicle rental | per day | |
| Transportation | Cost of fuel | per litre | |

... | List of Inputs | List of activtities | costing_tool | budgeting_tool | financing_t

**Figure 13. Extract from "Costing_tool" .**

| 1 | Activities | Inputs | Unit of Measurement | Number of units | Quantity | Unit Cost | Total Cost |
|---|---|---|---|---|---|---|---|
| 28 | **Events (meetings, trainings, workshops...)** | | | | | | |
| 29 | *Outputs* | | | | | | |
| 30 | A 15-person meeting held over 2 days at the NSO premises | | | | | | |
| 31 | *Categories of inputs* | | | | | | |
| 32 | Utilities | | | | | | |
| 33 | | Coffee breaks | per coffee break | 4 | 15 | 3 | 180 |
| 34 | | Meal | per meal | 2 | 15 | 15 | 450 |
| 35 | | Paper | per package | 5 | 1 | 8 | 40 |
| 36 | | Pen | per box | 5 | 1 | 6 | 30 |
| 37 | **TOTAL COST** | | | | | | 630 |
| 38 | **Surveys** | | | | | | |

Tip for your thinking approach:

"Since the meeting is taking place in our premises, there is no venue to rent and we already have the necessary material (projector, computer for projection...). We can therefore deduce that what is left to pay for are the *coffee breaks* and the *meals* for 15 persons over 2 days. We can also provide participants with paper and pen to take notes or participate in ice break activities." **Do not forget to refer back to activities that have been implemented or estimated in the past as a starting point for your estimations.**

## 3. Determine the units of measurement for each input

Since it is not possible to estimate the cost of an input without assigning it a unit of measurement, after having identified our outputs and inputs (column B) in the "costing_tool", we will now determine their appropriate units of measurement (column C).

**Figure 14. Extract from "Costing_tool".**

| | A | B | C | D | E | F | G |
|---|---|---|---|---|---|---|---|
| 1 | Activities | Inputs | Unit of Measurement | Number of units | Quantity | Unit Cost | Total Cost |
| 2 | Events *(meetings, trainings, workshops...)* | | | | | | |
| 3 | *Outputs* | | | | | | |
| 4 | 15-day training with 10 participants | | | | | | |
| 5 | *Categories of inputs* | | | | | | |
| 6 | Personnel | | | | | | |
| 7 | | Project Manager | per day | 15 | 1 | 100 € | 1,500 € |
| 8 | | | | | | | |
| 9 | | National Consultant | per day | 15 | 1 | 150 € | 2,250 € |
| 10 | Allowances | | | | | | |
| 11 | | Accomodation | per night | 14 | 1 | 70 | 980 |
| 12 | | Visa fee | per item | 1 | 1 | 80 | 80 |
| 13 | International travel | | | | | | |
| 14 | | Zone 1 Air travel | per item/per flight | 1 | 1 | 800 | 800 |

*Examples of units of measurement (non-exhaustive table)*

| ***Inputs/Physical resources*** | ***Commonly used units*** |
|---|---|
| Labor/Personnel | Per day, per week, per month, per year |
| Travel - fuel | Per kilometer, per trip, per litre |
| Travel – accommodation | Per night, per day |
| Office supplies | Per item, per staff |
| External expert support – Technical Assistance | Per day |
| Communication | Per item, per staff |

## 4. Determine number of units and/or quantities of inputs

Once the nature of the input (column 2 of "costing_tool") and its unit of measurement (column 3) have been determined, one must estimate the *number* of units and/or *quantity* of each input.

In most cases, the number of units and the quantity are equivalent (let's call it a *simple estimation*), but sometimes it is necessary to make a distinction between the two, especially when you have to calculate costs that include multiple items (let's call it a *complex estimation*).

Let's refer again to our "EXAMPLE" file, to the output "*A 15-person meeting held over two days at the NSO premises.*"

**Figure 15. Extract from the "costing_tool"**

| Activities | Inputs | Unit of Measurement | Number of units | Quantity | Unit Cost | Total Cost |
|---|---|---|---|---|---|---|
| **Events (meetings, trainings, workshops...)** | | | | | | |
| *Outputs* | | | | | | |
| A 15-person meeting held over 2 days at the NSO premises | | | | | | |
| *Categories of inputs* | | | | | | |
| Utilities | | | | | | |
| | Coffee breaks | per coffee break | 4 | 15 | 3 | 180 |
| | Meal | per meal | 2 | 15 | 15 | 450 |
| | Paper | per package | 5 | 1 | 8 | 40 |
| | Pen | per box | 5 | 1 | 6 | 30 |
| TOTAL COST | | | | | | 630 |
| Surveys | | | | | | |

1 meal per day
2 days
15 persons
1*2=2*15=30*8=240

2 coffee beaks each day, over 2 days: 2*2=4 coffee breaks per person
1 coffee break costs 3 for 15 persons
4*15*3=180

In this example we have two simple and two complex estimates:

***Simple estimates***:

→ 5 packages of paper. Here, since the number of packages of paper will not be altered by the number of participants or the number of days, the quantity and the number of units are equivalent – I can enter "5" in either cell. However, to allow the tool to do the calculation without redundancy I must put the value "1" in either of the cells. This number will be multiplied in the next step to the unit cost to obtain the total cost.

→ 5 boxes of pens. Same as in the previous example, here the quantity and the number of units are equivalent, however to allow the tool to do the calculation without redundancy I will put the value "1" in either of the cells. This number will be multiplied in the next step to the unit cost to obtain the total cost.

***Complex estimates***:

→ For coffee breaks I first need to calculate the number of coffee breaks and then multiply that number by the number of participants. Thus, I would have two coffee breaks each day for two days, totaling 4 coffee breaks (2*2=4). I multiply this number by the number of participants (15). 4*15=60 coffee breaks for the whole event. This number will be multiplied in the next step by the unit cost to obtain the total cost.

→ For the meals. Same as in the previous example. I have 1 meal break per day. Over 2 days this corresponds to 1*2=2 meal breaks. I multiply this figure by the number of participants (15) and I get 2*15=30 meals for the whole event. This figure will be multiplied in the next step by the unit cost to obtain the total cost.

## 5. Determine unit costs of inputs

After identifying the number of units and/or quantities of input, it is now time to determine their unit costs. The unit cost, also known as cost per unit, is the amount of money required to obtain a single unit of a product or item.

*Example*: an expert's *daily* fee; rent cost of premises *per training day*, cost of training materials *per participant*, meal price *per participant*…

Unit costs must be harmonized across the NSS. This means you should not, for example, refer to a consultant's *daily* fee in some calculations and *hourly* fee in others.

**Where to find the prices/costs?**

→ Use a price reference table (*example*: Consumer Price Index, NSO's price reference table)
→ Refer to the prices of similar activities that have been previously implemented and adjust these prices to their current value
→ Obtain quotations from service or product providers
→ Use the internet to search for prices

**Important: It is not always wise to choose the *cheapest* price as it may reflect a very poor quality of goods or services. Rather, you should look for the best quality/price ratio to obtain better and more sustainable goods or services.**

A useful tip is to draw up a table with three categories "*entry price*", "*medium price* ", "*premium price*» and then make a choice always taking the **quality** as a reference.

In our example, unit costs were determined based on the known average prices for the items.

→ A coffee break costs about 3 USD per person.
→ A full meal costs about 15 USD per person.
→ A package of paper costs between 5 and 10 USD.
→ A box of pens costs between 4 and 10 USD.

**Figure 16. Extract from the "costing_tool".**

| Activities | Inputs | Unit of Measurement | Number of units | Quantity | Unit Cost | Total Cost |
|---|---|---|---|---|---|---|
| **Events (meetings, trainings, workshops…)** | | | | | | |
| *Outputs* | | | | | | |
| A 15-person meeting held over 2 days at the NSO premises | | | | | | |
| *Categories of inputs* | | | | | | |
| Utilities | | | | | | |
| | Coffee breaks | per coffee break | 4 | 15 | 3 | 180 |
| | Meal | per meal | 2 | 15 | 15 | 450 |
| | Paper | per package | 5 | 1 | 8 | 40 |
| | Pen | per box | 5 | 1 | 6 | 30 |
| TOTAL COST | | | | | | 630 |
| Surveys | | | | | | |

1 meal per day
2 days
15 persons
1*2=2*15=30*8=240

2 coffee beaks each day, over 2 days: 2*2=4 coffee breaks per person
1 coffee break costs 3 for 15 persons
4*15*3=180

## 6. Calculate total costs by activity

After determining each activity's outputs (e.g. "A 15 person meeting held over 2 days at the NSO premises"), the input (column 2), the unit of measurement (column 3), the quantity (column 5) and the unit cost (section 6) of the inputs needed for its implementation, you can obtain the total cost of the output by multiplying unit costs of each input with matching quantities. This calculation is done automatically under "total cost" in the "**costing_tool**" excel sheet, once you have filled in the cells in columns D, E, and F (*number of units, quantity, unity cost*).

**Figure 17. Extract from the "costing_tool" .**

| Activities | Inputs | Unit of Measurement | Number of units | Quantity | Unit Cost | Total Cost |
|---|---|---|---|---|---|---|
| **Events (meetings, trainings, workshops…)** | | | | | | |
| *Outputs* | | | | | | |
| A 15-person meeting held over 2 days at the NSO premises | | | | | | |
| *Categories of inputs* | | | | | | |
| Utilities | | | | | | |
| | Coffee breaks | per coffee break | 4 | 15 | 3 | 180 |
| | Meal | per meal | 2 | 15 | 15 | 450 |
| | Paper | per package | 5 | 1 | 8 | 40 |
| | Pen | per box | 5 | 1 | 6 | 30 |
| TOTAL COST | | | | | | 630 |
| Surveys | | | | | | |

1 meal per day
2 days
15 persons
1*2=2*15=30*8=240

2 coffee beaks each day, over 2 days: 2*2=4 coffee breaks per person
1 coffee break costs 3 for 15 persons
4*15*3=180

## Checklist

By the end of Module A – Costing, you should be able to confirm that:

- ☑ All activities are divided into sub-activities (if necessary)
- ☑ Outputs are identified
- ☑ Inputs are identified
- ☑ Units of Measurement for the inputs are identified
- ☑ Number of units and quantities are determined
- ☑ Unit costs for each input are estimated
- ☑ All NSDS activities and sub-activities are costed

# Module B – Budgeting

## Definition

Budgeting means calculating the overall costs of a project by estimating and totaling the individual activity costs. This process of subtotaling costs by category or activity is also called cost aggregation.

## Objectives

In this module you will multiply the costs of individual activity costs by the times that the activity will be implemented. The objectives of budgeting are to:

- Provide an overall estimate of all resources needed for NSDS implementation
- Define what level of resources are needed at each point in time during NSDS implementation

## Outputs

By the end of this module you should have:

- A holistic NSDS budget plan that indicates the total cost of the NSDS implementation, obtained by aggregating the individual costs of activities by the times they are implemented in the NSDS cycle, and a consolidated cost of activities by goal and/or sector.

**IMPORTANT NOTES ON THE BUDGET CYCLES OF GOVERNMENTS AND DEVELOPMENT PARTNERS**

*GOVERNMENTS CALENDAR YEAR AND BUDGET CYCLES*

It is very important that NSDS budget developers have a good understanding of the calendar year of the government and how its budget is planned, prepared, and executed in order to improve public investment in statistics.

Engaging in the budget process is an effective way to ensure that inadequate, inefficient, or inequitable spending on statistics is meaningfully and institutionally addressed. It provides an opportunity to secure better funding for statistical system development by improving the allocation and subsequent disbursement of public funds, not only in terms of quantity but also regarding the quality. You should also keep in mind that engagement in the budget process is a medium-term commitment and therefore cannot be rushed or delayed. If the NSDS budget is developed after the adoption of the public budget, then there may not be enough funds to finance NSDS activities, or the amounts may leave large shortfalls, meaning the NSO will have to wait until the following year to obtain appropriate funds.

In order to influence the government budget process, there are several things that NSOs need to know[2]:

- What is the budget framework?
- Who is responsible for planning and preparing the budget?
- How can changes in budget plans be programmed?

Efforts to be in sync with the government budget cycle must be made throughout the cycle, which comprises the following stages:

1. Preparation (or formulation), when the budget plan is developed by the executive branch;
2. Approval, when the budget plan can be debated, amended and approved by the legislature;
3. Execution, when the government implements the policies of the budget; and

[2] https://www.unicef.org/sites/default/files/2019-12/Engaging_in_Budget_Cycles_and_Processes_FINAL.pdf

4. Verification and evaluation, when the actual expenditures of the budget are accounted for and their effectiveness is assessed[3]."

The first stage, the preparation stage, is the most important one for the NSDS budget team to focus on because it is during this stage that decisions are made. This requires making direct engagement with line ministries and ministries of finance and planning to ensure proper allocation for statistical activities.

*DEVELOPMENT PARTNERS CALENDAR YEAR AND FUNDING CYCLES*
Likewise, development partners also have their own calendar year and grant processes. They finance projects according to specific conditions, frameworks and funding cycles. It is therefore important to make sure that you respond to tenders for projects and/or submit your grant applications in due time so that you do not miss any opportunities.[4]

You can find a generic explanation of budget preparation under the International Monetary Fund's Guidelines for Public Expenditure Management. Below are several examples of national budgeting processes:

- Uganda
- Ethiopia
- Philippines
- Ghana
- The Republic of Maldives

## Description of Budgeting steps

### *Preparatory step*

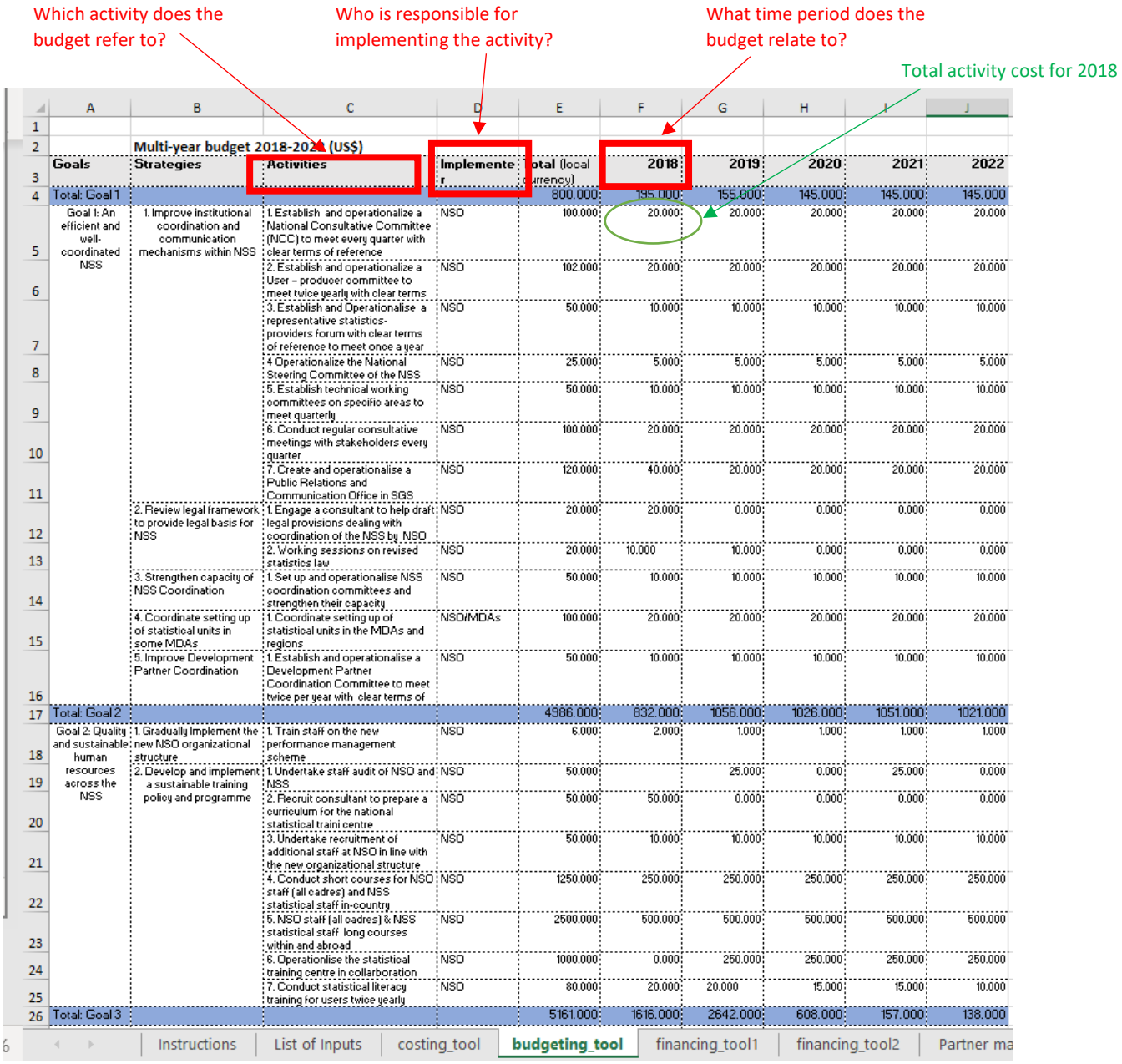
Verify that all NSDS activities and sub-activities are correctly costed.
This includes ensuring:
☑ That no activities are left uncosted
☑ That all activities costs match the expected outputs and costs previously estimated or spent for similar activities
☑ That all activities costs are realistic

### *Constructing the budget*

This step consists in adding together all the costs estimated in the costing phase to compile a comprehensive budgeting table. Budgeting details should be organized by activity, time period, and implementor (the actor(s) responsible for implementing that activity). There are various ways to present your budget, but we recommend always highlighting these elements. This breakdown can be seen in the "budgeting_tool" (see figure 18. below), which we will be following in this module.

[3] https://www.unicef.org/sites/default/files/2019-12/Engaging_in_Budget_Cycles_and_Processes_FINAL.pdf
[4] https://www.unicef.org/sites/default/files/2019-12/Engaging_in_Budget_Cycles_and_Processes_FINAL.pdf

**Figure 18 "Budgeting tool".**




When transferring costs between the "costing_tool" and the "budgeting_tool"", remember that you will have to **aggregate the costs of all outputs under each activity**. For this, you must consider **how many times each output will be repeated** in order to get the full sum of each activity. For example, for the activity 1 above ("1. Establish and operationalize a National Consultative Committee (NCC) to meet every quarter with clear terms of reference"), you will have multiple outputs, such as:

- 2-day in-person meeting for 15 participants (costed at 3000 USD) – to be held quarterly(!)
- Development of one Terms of Reference (costed at 200 USD)
- 5-day training for 15 participants (costed at 7800 USD)

The cost of the activity 1 to be entered in the "budgeting_tool" for 2018 would be:

- 4x 3000 USD (four meetings, each costed at 3000 USD)
- 1x 200 USD (development of one ToR)

- 1x 7800 USD (one five-day training)

Totalling at 20,000 USD (see total activity cost, figure 18 above).

**Important notes:**

- → **In order to save time and avoid reporting mistakes, it is strongly recommended to use Excel formulas directly during the costing phase so that the budget table can be filled in automatically and instantly.**
- → **In our generic costing tool, the data from the budget projection table ("budgeting_tool" sheet) will automatically fill the "Total Budget Need" column of the "financing_tool2" table, the use of which will be detailed in the next section (Module C – Financing).**
- → **Great care should be taken when trasnfering costs from the costing tool to the budgeting tool, ensuring that all costed activities are aggregated.**

## Checklist

By the end of Module B – Budgeting, you should be able to:

- ☑ Ensure that the NSDS budget is developed in accordance with the budget and funding cycles of the government and development partners.
- ☑ Verify that all NSDS activities and sub-activities are identified and correctly costed.
- ☑ Identify accountability roles and responsibilities (implementation) for each activity.
- ☑ **Carefully allocate all the costs calculated in the costing module into the budget table ("budgeting_tool")**

# Module C – Financing

## Definition

Financing involves identifying sources of funds and mobilizing resources to implement the NSDS and should result in the production of a Financing Strategy. When talking about resource mobilization, we refer to national budgets and external support. It is important to mobilize national resources for NSDS implementation to ensure the sustainability of resources. In principle, most of the NSDS costs/budget should be covered by government commitments. It should also be noted that a "resource" does not only refer to money, but also to human resources, goods and services. So, the financing or resource mobilization process should also include non-financial resources which can prove very valuable.

Funders can range from government, local and development partners to private sector entities that can offer financial and non-financial support.

## Objectives

During the financing module, you will identify the sources of funding to implement the NSDS and funding gaps that you need to mobilize resources in order to fill. The objectives of the financing stage are to:

- Identify current and potential sources of financing for NSDS implementation, starting with government funding
- Prepare for resource mobilization with clear funding and fundraising objectives, by identifying financing gaps promptly
- Facilitate the periodic assessment of progress in securing financing for NSDS implementation, as well as an assessment of remaining gaps

## Outputs

By the end of this module, you should have:

- A detailed table identifying sources of financing for the NSDS implementation and outstanding gaps that require attention.
- A summary providing guidance on how to mobilize financial and non-financial resources in order to close NSDS funding gaps.

## Description of steps

The financing module should be followed alongside two of the Excel tools: "financing_tool1" and "financing_tool2". They will be used in Step 1 and Step 2 respectively.

**To be noted:**

→ **Engagement with public and private funding partners should start from the beginning and continue throughout the entire financing process of NSDS activities. Ideally, these partners should have taken part in the NSDS consultations and design before as well.**

*Preparatory step*

→ To facilitate the development of the financing strategy, all relevant NSS stakeholders should prepare sectoral statistics financing plans based on the costing of all planned statistical programs, projects and activities. NSS stakeholder should also identify implementing and development partners, if any, and the sources of funds.

→ Conduct consultations with NSS stakeholders and development partners to identify potential financing sources. The consultations should include the ministry/department of finance/budget and planning of the national government.

→ It is also important that you know which activities and sub-activities should be prioritized and thus which need funding most urgently. Prioritization should be based on the level of demand for a given activity. To understand where demand lies, you should reference national development plans, other national policy and programming documents, and the Sustainable Development Goals, as this is where the demand for data and statistics will come from. When using "**financing_tool1**", we suggest that you code the activities according to whether they are high or medium priorities for funding.

**Figure 19. Traffic light system applied to "financing_tool1".**

| | Multi-year budget 2018-2022 (US$) | | | | |
|---|---|---|---|---|---|
| **Goals** | **Strategies** | **Activities** | **Implementer** | **Total Funding** | **Total Funding 2018** |
| Total: Goal 1 | | | | 779.000 | 192.000 |
| Goal 1: An efficient and well-coordinated NSS | 1. Improve institutional coordination and communication mechanisms within NSS | 1. Establish and operationalize a National Consultative Committee (NCC) to meet every quarter with clear terms of reference | NSO | 95.000 | 15.000 |
| | | 2. Establish and operationalize a User – producer committee to meet twice yearly with clear terms of reference | NSO | 102.000 | 22.000 |
| | | 3. Establish and Operationalise a representative statistics- providers forum with clear terms of reference to meet once a year | NSO | 50.000 | 10.000 |
| | | 4 Operationalize the National Steering Committee of the NSS | NSO | 25.000 | 5.000 |
| | | 5. Establish technical working committees on specific areas to meet quarterly | NSO | 47.000 | 10.000 |

*Financing and Resource mobilization*

There are three key questions that will guide your financing and resource mobilization:

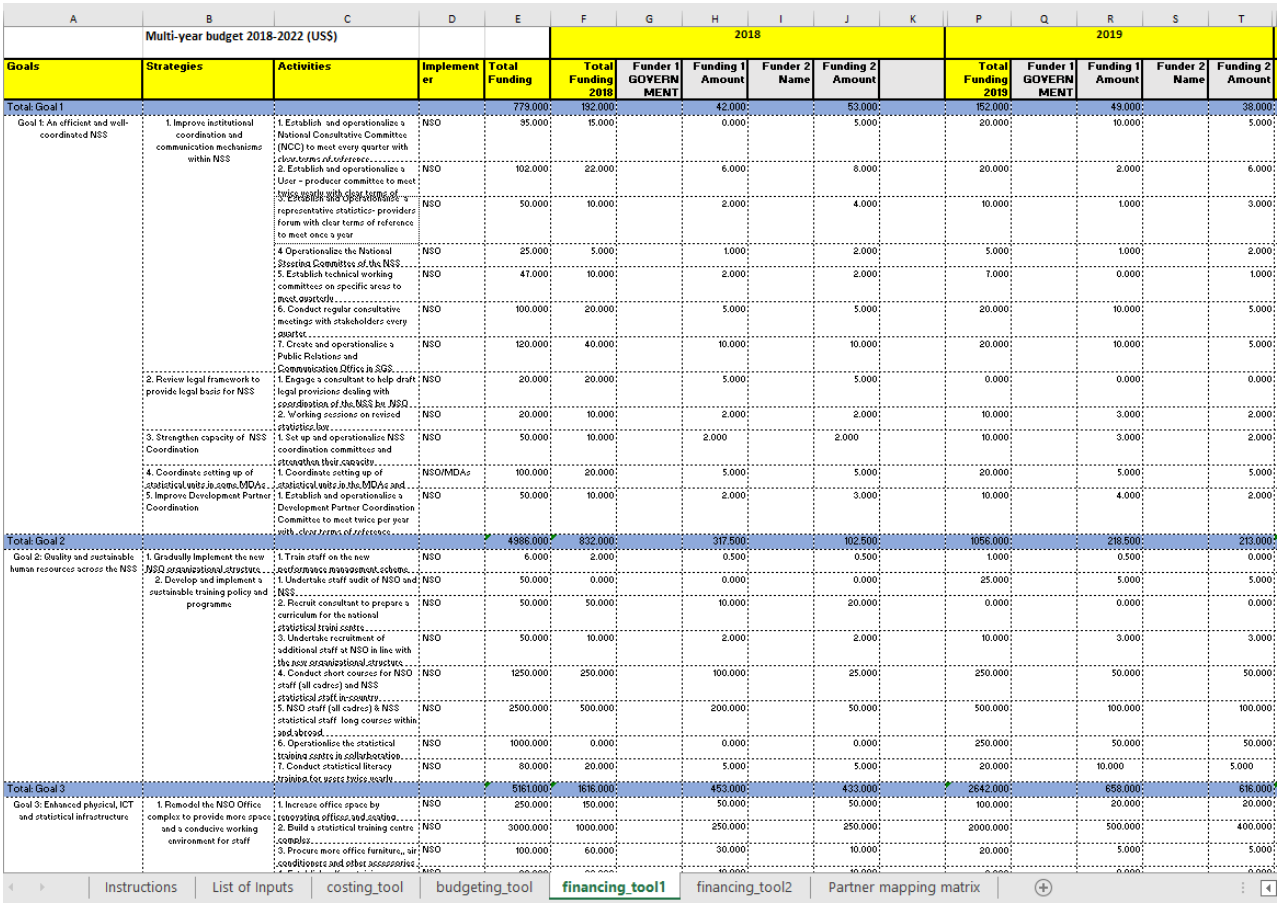
1. Where are we now?
2. What are we missing?
3. Who can help?

*Let's turn these questions into steps!*

## Step 1: Where are we now? - Know where you stand

This step consists in listing all available resources for financing and/or implementing the NSDS activities. In this step we will be using "financing_tool1", as pictured below.

**Figure 20. "financing_tool1" .**



| | Multi-year budget 2018-2022 (US$) | | | | 2018 | | | | | | 2019 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Goals** | **Strategies** | **Activities** | **Implementer** | **Total Funding** | **Total Funding 2018** | **Funder 1 GOVERNMENT** | **Funding 1 Amount** | **Funder 2 Name** | **Funding 2 Amount** | | **Total Funding 2019** | **Funder 1 GOVERNMENT** | **Funding 1 Amount** | **Funder 2 Name** | **Funding 2 Amount** |
| Total: Goal 1 | | | | 779.000 | 192.000 | | 42.000 | | 53.000 | | 152.000 | | 49.000 | | 38.000 |
| Goal 1: An efficient and well-coordinated NSS | 1. Improve institutional coordination and communication mechanisms within NSS | 1. Establish and operationalise a National Consultative Committee (NCC) to meet every quarter with clear terms of reference | NSO | 95.000 | 15.000 | | 0.000 | | 5.000 | | 20.000 | | 10.000 | | 5.000 |
| | | 2. Establish and operationalise a User – producer committee to meet twice yearly with clear terms of | NSO | 102.000 | 22.000 | | 6.000 | | 8.000 | | 20.000 | | 2.000 | | 6.000 |
| | | 3. Establish and operationalise a representative statistics- providers forum with clear terms of reference to meet once a year | NSO | 50.000 | 10.000 | | 2.000 | | 4.000 | | 10.000 | | 1.000 | | 3.000 |
| | | 4 Operationalize the National Steering Committee of the NSS | NSO | 25.000 | 5.000 | | 1.000 | | 2.000 | | 5.000 | | 1.000 | | 2.000 |
| | | 5. Establish technical working committees on specific areas to meet quarterly | NSO | 47.000 | 10.000 | | 2.000 | | 2.000 | | 7.000 | | 0.000 | | 1.000 |
| | | 6. Conduct regular consultative meetings with stakeholders every quarter | NSO | 100.000 | 20.000 | | 5.000 | | 5.000 | | 20.000 | | 10.000 | | 5.000 |
| | | 7. Create and operationalise a Public Relations and Communication Office in SGS | NSO | 120.000 | 40.000 | | 10.000 | | 10.000 | | 20.000 | | 10.000 | | 5.000 |
| | 2. Review legal framework to provide legal basis for NSS | 1. Engage a consultant to help draft legal provisions dealing with coordination of the NSS by NSO | NSO | 20.000 | 20.000 | | 5.000 | | 5.000 | | 0.000 | | 0.000 | | 0.000 |
| | | 2. Working sessions on revised statistics law | NSO | 20.000 | 10.000 | | 2.000 | | 2.000 | | 10.000 | | 3.000 | | 2.000 |
| | 3. Strengthen capacity of NSS Coordination | 1. Set up and operationalise NSS coordination committees and strengthen their capacity | NSO | 50.000 | 10.000 | | 2.000 | | 2.000 | | 10.000 | | 3.000 | | 2.000 |
| | 4. Coordinate setting up of statistical units in some MDAs | 1. Coordinate setting up of statistical units in the MDAs and | NSO/MDAs | 100.000 | 20.000 | | 5.000 | | 5.000 | | 20.000 | | 5.000 | | 5.000 |
| | 5. Improve Development Partner Coordination | 1. Establish and operationalise a Development Partner Coordination Committee to meet twice per year with clear terms of reference | NSO | 50.000 | 10.000 | | 2.000 | | 3.000 | | 10.000 | | 4.000 | | 2.000 |
| Total: Goal 2 | | | | 4986.000 | 832.000 | | 317.500 | | 102.500 | | 1656.000 | | 218.500 | | 213.000 |
| Goal 2: Quality and sustainable human resources across the NSS | 1. Gradually implement the new NSO organizational structure | 1. Train staff on the new performance management scheme | NSO | 6.000 | 2.000 | | 0.500 | | 0.500 | | 1.000 | | 0.500 | | 0.000 |
| | 2. Develop and implement a sustainable training policy and programme | 1. Undertake staff audit of NSO and NSS | NSO | 50.000 | 0.000 | | 0.000 | | 0.000 | | 25.000 | | 5.000 | | 5.000 |
| | | 2. Recruit consultant to prepare a curriculum for the national statistical train centre | NSO | 50.000 | 50.000 | | 10.000 | | 20.000 | | 0.000 | | 0.000 | | 0.000 |
| | | 3. Undertake recruitment of additional staff at NSO in line with the new organizational structure | NSO | 50.000 | 10.000 | | 2.000 | | 2.000 | | 10.000 | | 3.000 | | 3.000 |
| | | 4. Conduct short courses for NSO staff (all cadres) and NSS statistical staff in-country | NSO | 1250.000 | 250.000 | | 100.000 | | 25.000 | | 250.000 | | 50.000 | | 50.000 |
| | | 5. NSO staff (all cadres) & NSS statistical staff long courses within and abroad | NSO | 2500.000 | 500.000 | | 200.000 | | 50.000 | | 500.000 | | 100.000 | | 100.000 |
| | | 6. Operationalize the statistical training centre in collaboration | NSO | 1000.000 | 0.000 | | 0.000 | | 0.000 | | 250.000 | | 50.000 | | 50.000 |
| | | 7. Conduct statistical literacy training for users twice yearly | NSO | 80.000 | 20.000 | | 5.000 | | 5.000 | | 20.000 | | 10.000 | | 5.000 |
| Total: Goal 3 | | | | 5161.000 | 1616.000 | | 453.000 | | 433.000 | | 2642.000 | | 658.000 | | 616.000 |
| Goal 3: Enhanced physical, ICT and statistical infrastructure | 1. Remodel the NSO Office complex to provide more space and a conducive working environment for staff | 1. Increase office space by renovating offices and casting | NSO | 250.000 | 150.000 | | 50.000 | | 50.000 | | 100.000 | | 20.000 | | 20.000 |
| | | 2. Build a statistical training centre complex | NSO | 3000.000 | 1000.000 | | 250.000 | | 250.000 | | 2000.000 | | 500.000 | | 400.000 |
| | | 3. Procure more office furniture, air conditioners and other accessories | NSO | 100.000 | 60.000 | | 30.000 | | 10.000 | | 20.000 | | 5.000 | | 5.000 |

Instructions | List of Inputs | costing_tool | budgeting_tool | **financing_tool1** | financing_tool2 | Partner mapping matrix

When filling out the "financing_tool1", remember that **available resources from within the government should always be the assessed first**, as they will cover the largest amount of costs and you will need to identify where the gaps in these are. Then, external funding sources should consistently be monitored to understand which partners are funding which activities – this may alter which activities government funds are allocated to.

The "**financing_tool1**" indicates whether each activity is funded and by whom.
The table can be completed by indicating for each activity the name(s) of the funder(s) and the estimated amount of their support.

**Figure 21. Extract from "financing_tool1" .**

| | Multi-year budget 2018-2022 (US$) | | | | 2018 | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Goals** | **Strategies** | **Activities** | **Implementer** | **Total Funding** | **Total Funding 2018** | **Funder 1 GOVERNMENT** | **Funding 1 Amount** | **Funder 2 Name** | **Funding 2 Amount** | **Funder 3 Name** | **Funding 3 Amount** | **Funder 4 Name** |
| Total: Goal 1 | | | | 779,000 | 192,000 | | 42,000 | | 53,000 | | 54,000 | |
| Goal 1: An efficient and well-coordinated NSS | 1. Improve institutional coordination and communication mechanisms within NSS | 1. Establish and operationalize a National Consultative Committee (NCC) to meet every quarter with clear terms of reference | GBoS | 95,000 | 15,000 | | 0,000 | | 5,000 | | 10,000 | |
| | | 2. Establish and operationalize a User – producer committee to meet twice yearly with clear terms of reference | GBoS | 102,000 | 22,000 | | 6,000 | | 8,000 | | 6,000 | |
| | | 3. Establish and Operationalise a | GBoS | 50,000 | 10,000 | | 2,000 | | 4,000 | | 3,000 | |

Data from this table will be automatically imported in the "Total Budget Funded" column of the "**financing_tool2**", which we will use in Step 2 below.

## Step 2: What are we missing? - Identify funding gaps

This step consists in listing all the activities for which there is a funding gap that needs to be solved.

In our generic costing tool, this step is carried out through the "**financing_tool2**" table, which is automatically filled with data from the "**budgeting_tool**" and the "**financing_tool1**".

As shown below, the "**financing_tool2**" table provides a clear overview of the financing gaps which are highlighted in red.

**Figure 22. Extract from "financing_tool2" .**

| Multi-year budget 2018-2022 (US$) | | | | TOTAL | | | 2018 | | | 2019 | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Goals | Strategies | Activities | Implementer | Total Budget Need | Total Budget Funded | Total Funding Gap | 2018 Budget Need | 2018 Budget Funded | 2018 Funding Gap | 2019 Budget Need | 2019 Budget Funded | 2019 Funding Gap |
| Total Goal 1 | | | | 800.000 | 779.000 | - 21.000 | 195.000 | 192.000 | - 3.000 | 155.000 | 152.000 | - 3.000 |
| Goal 1: An efficient and well-coordinated NSS | 1. Improve institutional coordination and communication mechanisms within NSS | 1. Establish and operationalise a National Consultative Committee (NCC) to meet every quarter with clear terms of reference | NSO | 100.000 | 95.000 | 5.000 | 20.000 | 15.000 | - 5.000 | 20.000 | 20.000 | NO FUNDING GAP |
| | | 2. Establish and operationalize a User – producer committee to meet twice yearly with clear terms of | NSO | 102.000 | 102.000 | NO FUNDING GAP | 20.000 | 22.000 | NO FUNDING GAP | 20.000 | 20.000 | NO FUNDING GAP |
| | | 3. Establish and Operationalise a representative statistics- providers forum with clear terms of reference to meet once a year | NSO | 50.000 | 50.000 | NO FUNDING GAP | 10.000 | 10.000 | NO FUNDING GAP | 10.000 | 10.000 | NO FUNDING GAP |
| | | 4 Operationalize the National Steering Committee of the NSS | NSO | 25.000 | 25.000 | NO FUNDING GAP | 5.000 | 5.000 | NO FUNDING GAP | 5.000 | 5.000 | NO FUNDING GAP |
| | | 5. Establish technical working committees on specific areas to meet quarterly | NSO | 50.000 | 47.000 | - 3.000 | 10.000 | 10.000 | NO FUNDING GAP | 10.000 | 7.000 | - 3.000 |
| | | 6. Conduct regular consultative meetings with stakeholders every quarter | NSO | 100.000 | 100.000 | NO FUNDING GAP | 20.000 | 20.000 | NO FUNDING GAP | 20.000 | 20.000 | NO FUNDING GAP |
| | | 7. Create and operationalise a Public Relations and Communication Office in SGS Department | NSO | 120.000 | 120.000 | NO FUNDING GAP | 40.000 | 40.000 | NO FUNDING GAP | 20.000 | 20.000 | NO FUNDING GAP |
| | 2. Review legal framework to provide legal basis for NSS | 1. Engage a consultant to help draft legal provisions dealing with coordination of the NSS by NSO | NSO | 20.000 | 20.000 | NO FUNDING GAP | 20.000 | 20.000 | NO FUNDING GAP | - | - | NO FUNDING GAP |
| | | 2. Working sessions on revised statistics law | NSO | 20.000 | 20.000 | NO FUNDING GAP | 10.000 | 10.000 | NO FUNDING GAP | 10.000 | 10.000 | NO FUNDING GAP |
| | 3. Strengthen capacity of NSS Coordination | 1. Set up and operationalise NSS coordination committees and strengthen their capacity | NSO | 50.000 | 50.000 | NO FUNDING GAP | 10.000 | 10.000 | NO FUNDING GAP | 10.000 | 10.000 | NO FUNDING GAP |
| | 4. Coordinate setting up of statistical units in some MDAs | 1. Coordinate setting up of statistical units in the MDAs and regions | NSO/MDAs | 100.000 | 100.000 | NO FUNDING GAP | 20.000 | 20.000 | NO FUNDING GAP | 20.000 | 20.000 | NO FUNDING GAP |
| | 5. Improve Development | 1. Establish and operationalise a | NSO | 50.000 | 50.000 | NO FUNDING GAP | 10.000 | 10.000 | NO FUNDING GAP | 10.000 | 10.000 | NO FUNDING GAP |

Let's take a closer look: total and annual funding gaps are highlighted for each activity.

| C | D | E | F | G | H | I | J |
|---|---|---|---|---|---|---|---|
| dget 2018-2022 (US$) | | TOTAL | | | 2018 | | |
| Activities | Implementer | Total Budget Need | Total Budget Funded | Total Funding Gap | 2018 Budget Need | 2018 Budget Funded | 2018 Funding Gap |
| | | 800.000 | 779.000 | - 21.000 | 195.000 | 192.000 | - 3.000 |
| 1. Establish and operationalize a National Consultative Committee (NCC) to meet every quarter with clear terms of reference | NSO | 100.000 | 95.000 | - 5.000 | 20.000 | 15.000 | - 5.000 |

## Step 3: - Who can help? - Prepare for Resource Mobilization

The next step after identifying funding needs is to find out how and, more importantly, who can help to address them. You can use the "Partner mapping matrix" to record potential and previous funders, as well as partners who can support your NSDS development and implementation in another way.

### WHO ARE THE DIFFERENT PARTNERS SUPPORTING NSDSs?

**Multilateral organization:** support from multilateral organisations, meaning they comprise multiple member governments, who jointly govern and fund the organisation. Examples include the World Bank Group, the United Nations and its agencies, the African Development Bank, or the Organisation for Economic Cooperation and Development.

**Bilateral supporters:** Direct support from government sources in one country to government sources in another.

**Philanthropic organizations and foundations:** Philanthropic support comes from nongovernmental, non-profit organisations, with resources provided by donors, managed by its own officials, and used for socially beneficial purposes.

**Private sector:** A range of actors from within the private sector may also contribute to supporting the NSDS, such as mobile phone companies, geospatial information/mapping companies, and private research institutions, among many others. These actors might support by providing big data, reinforcing the digitisation of NSOs' work, or offering training, for example.

### DIFFERENT TYPES OF SUPPORT

Beyond different categories of partners, there are different types of support that these partners offer. Depending on the type of support, this may have implications on your financial planning and may alter the conditions of the support offered.

#### FINANCIAL SUPPORT

Financial support includes donations, grants, and loans. This distinction is critical for your planning.

**Grants:** Grants are typically earmarked for a specific project or activity. Grants are therefore often governed by timelines and budgets, formally agreed upon by both the recipient and the grant giver.

**Donations:** Donations typically have fewer conditions tied to their use and are not earmarked for a specific activity or project. Recipients have more flexibility in how they can use the donated sum.

**Loans:** Loans fundamentally differ from grants and donations in that they must be repaid in the future.

#### NON-FINANCIAL SUPPORT

**Technical assistance:** this may include guidance and advice in the design or implementation of your NSDS, or capacity building on the specific skills needed to do so.

**Human resources:** this refers to the transfer of external specialised staff or their services.

**Equipment/software:** the provision of hard- or software, or any other tools needed for your NSDS.

**Data:** the transfer of data from outside the NSO, such as satellite imagery or telephone records.

If you already have an existing partner mapping tool, then you can continue to use it and should ensure it is kept up to date. If you don't, you can use our generic "Partner Mapping Matrix" tool which you can fill in directly. We have included some guiding questions with drop down answers, allowing you to target exactly the information you need in order to keep a detailed record of potential or existing partners.

The first section of the "Partner mapping matrix" ("Partner identification") is shown in figure 23 below. Here you should list the **name** of identified (potential) partners, how to **contact** them (website and phone/email), the **type of organization** they are, the **area of support** to statistics they offer (if at all), and whether your NSO has an **existing relationship** with them. If you are unsure about the type of organization, you can use the box above entitled "WHO ARE THE DIFFERENT PARTNERS SUPPORTING NSDSs?". It is important that all the information in this section is up to date, as reference persons within partner organizations may change

**Figure 23. "Partner Identification Step" of the "Partner mapping matrix".**

| Partner Identification Step | | | | | | |
|---|---|---|---|---|---|---|
| Partner name | Partner website | Contact information | Partner type | Statistics Support Opportunities | Existing relationships | Support areas |
| *What is the name of the partner?* | What is the website of the partner? | *What are the contact details of the organization or contact person (email, phone number…)?* | *What is the type of partnerr? Please select an option.* | *Does the partner support statistical activities ? Please select an option.* | *Does any previous collaboration, support or funding exist with the partner? Please select an option.* | *What areas of statistical activity does the partner support?* |
| PARIS21 | https://paris21.org/ | PARIS21@oecd.org | Multilateral | Yes | Yes | Strategic and managerial issues of official statistics |
| | | | | | | |
| | | | | | | |

The second section of the "Partner mapping matrix" is entitled "Alignment of NSDS activities with potential support from partners", as shown in figure 24 below. Here you can identify the specific activities listed within your NSDS that the partner could support, based on the areas and types of support that they offer. If you are unsure about the different types of financial and non-financial support, you can refer to the box above entitled "DIFFERENT TYPES OF SUPPORT".

**Figure 24. "Alignment of NSDS activities with the potential support from partners", extract from the "Partner mapping matrix".**

| Alignment of NSDS activities with potential support from partners | | |
|---|---|---|
| Potentially Fundable NSDS Activities | Potential contribution | Description |
| *What NSDS activities requiring funding can the partner support? List only NSDS activities which have funding gaps and fall under the partner's areas of support.* | *What is the nature of the potential contribution? Please select an option. e.g. financial support: public and private grants and donations, loans; non-financial support: technical assistance, human resources, equipment, data; software etc.* | *Please describe the expected potential contribution. e.g. if financial contribution, specify the amount. if non-financial contribution, give details (technical assistance, data transfer…) etc.* |
| Conduct short courses for NSO staff (all cadres) and NSS statistical staff in-country | Non-financial | Technical assistance |
| | | |

The third and final section of the "Partner mapping matrix" ("Communication with partners"), reports on the most effective way to reach out to partners and the outcome of communication with them.

**Figure 25. "Communication with partners", extract from the "Partner mapping matrix".**

| Communication with partners | | | | |
|---|---|---|---|---|
| Approach method | Comments on contact situation with donors | Contact outcome | NSDS activities to be supported | Details/Comments |
| *What method should be used to approach the Partner? Please select an option.* | *Has the potential partner been contacted? Please give details.* | *To which outcome did the contact lead to? Please select an option.* | *Detail of the NSDS activities to be supported* | *Details of support* |
| Email contact | Yes, email exchange with their Head of Data Ecosystems, one call scheduled for 15.01.23 | Pending Contribution | Technical assistance on the design of the NSDS | Co-design, support in identifying activties that need to be done. Training on communicating financing gaps. |
| | | | | |

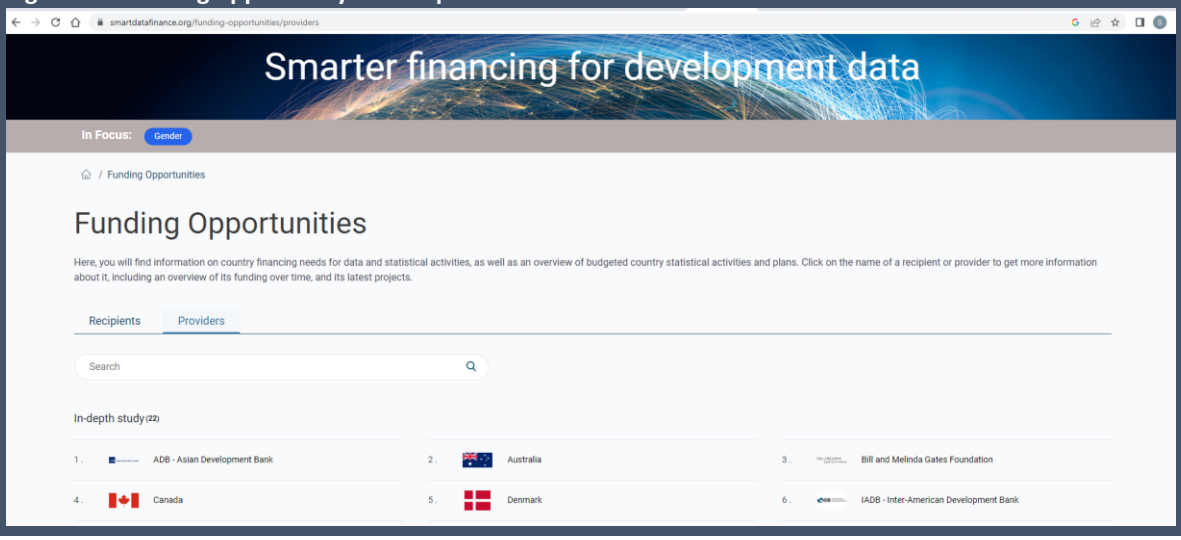
HELP IN IDENTIFYING PARTNERS

We suggest you also use the Clearinghouse for Financing Development Data platform to identify relevant funding opportunities. The platform is specifically designed to match supply and demand for the financing of statistics.

For each funding partner ("providers"), you can see what type of activities they have funded in the past and which countries ("recipients") these activities were in ("Funding Opportunities">> "Providers"). This is important information for your own NSDS financing. Government users, once they have a country profile on the platform, can use the Clearinghouse to understand how much aid they are receiving for statistics, allowing them to plan investments accordingly, assess their funding gaps to lobby for more resources from government and donors, and access best practices to improve efficiency and effectiveness of investments in data and statistics.

For more information, please contact: contact@smartdatafinance.org.

**Figure 26. Funding opportunity funder profiles.**




## Step 4: Get into action and keep reviewing and improving

Once this mapping exercise is well underway, you can start contacting potential supporting partners. But remember, financing and resource mobilization is a dynamic on-going process that requires continuous monitoring. It is therefore very important to periodically monitor the funding of activities and identify potential shortfalls in order to address them quickly.

For example, in the case of the "Partner Mapping Matrix", it is necessary to update the document to indicate the final outcomes of the different partner outreach efforts (contribution approved, rejected, or pending), as well as changes in the contact details of the partner or the type of support they offer. Similarly, when new funding is obtained to close a funding gap then the "financing_tool1" must also be revisited to reflect this.

You can also keep track of your updates by duplicating your document(s) and signing it with the dates.

**IMPORTANT NOTES:**

- → **When communicating with partners about obtaining support, it is important that you focus mainly on the first two years of NSDS implementation as these are the most "urgent". Other support opportunities may arise in subsequent years.**
- → **All the information needed to complete your financing strategy are already included in your Excel spreadsheet, so you can use it directly. You may also choose to develop a formal stand-alone financing strategy (e.g., by using the outline below).**

**Example outline of a stand-along financing strategy:**

FINANCING STRATEGY PLAN

INTRODUCTION

PART I – Current Situation

- List all the *available* resources for financing and/or implementing the NSDS activities
- List all the shortfalls (gaps) in resources for financing and/or implementing the NSDS activities

PART II – Prepare for Resource Mobilization

- Analyse the external resource landscape by conducting a rigorous search on potential donors
- Align NSDS activities with potential donor supports
- Determine the most effective way to approach and communicate with potential donors, this could include conducting a doner conference or bilateral donor meetings
- Consider options for basket funds (pooled financing arrangements)

PART III – Monitoring & Evaluation

- Regularly monitor and update tables and data

CONCLUSION

## Checklist

At the end of Module C – Financing, you should ensure that:

- ☑ Funded NSDS activities have been listed

- ☑ Government resources are prioritized over development cooperation assistance, favouring stronger ownership
- ☑ Non-funded NSDS activities have been listed
- ☑ Gaps and funding needs have been identified
- ☑ Potential partners are identified as well as how to approach and communicate with them
- ☑ The monitoring and evaluation of resources is planned
- ☑ The funding situation is updated according to the conversations with national or external partners

## Conclusion

The aim of these Guidelines is to help national actors involved in the NSDS implementation to adequately cost, budget, and finance NSDS activities. It sought to provide tools and tips on how best to plan for the financing of your NSDS, identify financing gaps promptly, and identify funding streams to help fill these.

This process of costing, budgeting, and financing your NSDS is critical in ensuring the success of its implementation. It should therefore be revisited and monitored throughout the NSDS planning- and life-cycle, as new support opportunities and funding streams emerge. If it is to be effective, and if you are to increase your chances of obtaining external support, your financing strategy must be as realistic as possible. This is essential when you cost the different inputs, as well as when you decide which activities should be included in the NSDS roadmap or action plan. Over- or under-estimating costs or including activities that do not directly relate to the NSDS, will be counterproductive in securing funds, both internally and externally.

PARIS21 hopes that the tools and tips within these guidelines will be useful for your NSDS costing, budgeting, and financing. For further information or queries, please contact: PARIS21@oecd.org.