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REFERENCE DOCUMENT

DDR/4

April 2010

ORIGINAL: SPANISH

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ECLAC

Economic Commission for Latin America and the Caribbean

Ninth meeting of the Executive Committee of the  
Statistical Conference of the Americas of the  
Economic Commission for Latin America and the Caribbean

Santiago, 20-22 April 2010

**REPORT OF THE PRESIDENCY OF THE ANDEAN STATISTICAL COMMITTEE**

## **REPORT OF SUB REGION ANDEAN COMMUNITY COOPERATION ACTIVITIES**

### **A. BACKGROUND**

Since its inception one of the main objectives of the Cartagena Agreement aimed at promoting the balanced and harmonious development of its Member Countries and organizing means to regularly assess the outcome of this process. For this purpose the following factors have been taken into account, to mention a few: the effects on each country's economy due to rising global exports; the performance of the Sub Region's balance of trade; the performance of each country's gross internal product; the generation of new jobs and, the formation of capital.

Basic statistical data is needed in order to assess the Implementation Progress Report and to conduct the relevant studies. Bearing this in mind, Decision 115 calls for the establishment of a Sub Regional Statistical Data System to compile data from Member Countries according to a uniform scheme and calendar based on common definitions, the standardization and simplification of documents and other regular means of compiling data as inputs to compare and analyze results; and, to provide users with available special and regular statistical data, thus creating a Sub Regional Centre to Compile and Disseminate Basic Statistical Data.

Consequently, the Andean Community devised a work plan to make harmonized, relevant, timely, reliable and comparable statistical data readily available and transparent with the aim of strengthening the integration of the Member Countries and fostering their progress. From the moment the European Union was first conceived and to date its official bureau of statistics, EUROSTAT, has accrued a broad range of experience in providing statistical information that meets the needs of the integrated system. Since 2000 EUROSTAT has undertaken a process of accompaniment and intense cooperation on statistics-related subjects. EUROSTAT has offered the Andean countries a guide explaining how to promote the harmonized statistics process. Thereafter, and in order to effectively transfer the European experience and share best practices, the EU-CAN Cooperation Project conceived, formulated and approved the EU-CAN Cooperation Project on ANDESTAD Statistics, which has been funded by the European Union and with balancing funds from Member Countries.

On June 13, 2005 the Project started and continued for five more years with the purpose of improving the quality of statistics and harmonizing statistical data, by matching data collection methodologies and procedures in order to produce data governed by one same conceptual and operational framework.

### **B. The ANDESTAD Project**

The general objective of ANDESTAD, a European Union and Andean Community Cooperation Project, is to contribute to the Sub-Region's integration process and strengthen regional institutions and its specific objective is to transfer the European experience on integrating statistical data to the Andean Community, a key element for its integration.

The Project: i) contributed to improving the quality of statistics as inputs to adequately formulate, follow-up and evaluate public and community policies at a national level, establishing as priorities those which are indispensable for the process of Harmonizing Economic Policies and developing the Andean Social Agenda (Integrated Social Development Plan – PIDS in Spanish ). ii) fostered the harmonization of official statistics, by using the same conceptual base and methodological definitions in order to be able to compare the national data of different countries and, iii) set up the mechanisms required in order to be able to widely disseminate the data.

The Project was implemented on a joint basis involving several member institutions of the CAN National Statistics Systems governed by the National Institute of Statistics in each country (NIS), and made great progress thanks to the assistance of European and international consultants. The Project

received funds for the amount of 8 million Euros, of which 5 million Euros came from European countries and 3 million Euros came from Member Countries. The Project was managed by an Executing Entity, headed by an Andean Director with the support of the Head of European Technical Assistance and an Administrative Assistant.

## **ANDESTAD PROJECT ACHIEVEMENTS PER AREA OF INTERVENTION**

### **I. INSTITUTIONAL SUPPORT**

The Institutional Support Area worked to set up the structural basis to produce community statistics and took into consideration three main aspects: i) Improving public statistics formation and training ii) encouraging a broad-based, orderly and adequate dissemination of statistical data by the National Services and the Community Service and iii) contributing to improving the image and building the institutional capacity of the entities that produce official statistics in the sub-region.

#### **1.1 Statistical Formation and Training**

Formation needs vary greatly from one CAN member country to the next. The staff receives formation through a number of different programs; moreover, some staff members have a university degree or have taken majors in statistics-related subjects. However, there are no higher education public statistics programs to form future professionals. Encouraging a professional career covering the region, linked to the production of official statistics and to the promotion of a human resource policy that recognizes that training and formation is key to on-the-job advancement of statisticians will help to establish a uniform training and formation policy.

National Statistics Systems must provide ongoing and balanced Formation and Training in Statistics and this must be part of the overall human resource management policy, since it must bear in mind the organization and adaptation of labor to technological and technical innovation to keep pace with change in order to constantly guarantee an adequate distribution of resources.

#### **ACHIEVEMENTS:**

- . Formulation of an Andean Statistical Formation and Training Policy
- . Creation of an Andean Statistical Formation and Training Center, currently coordinated by CANDANE
- . Creation and/or formalization of National Statistics Formation and Training Centers, adscribed to the INE in Bolivia, Colombia and Peru. In Ecuador, the National Center for Advanced Studies is the responsible entity.
- . Involvement of National Formation Centers in developing courses promoted by the ANDESTAD Project.
- . Establishment of an instrument to plan and formalize courses, by using Teacher Action cards.
- . Preparation of the 1st Andean Three Year Formation and Training Program in Statistics, PAT 2010-2012.

- . Organization of the CAN registry of statistics teachers by using a software developed by CANDANE.
- . Exchanging experience among Member Countries concerning setting up and operating e-Learning Formation and Training Centers.

### **Output Generated**

- . Diagnosis of the “Status of Formation and Training of Andean Community National Statistics Institutes”
- . Software developed by CANDANE to register CAN trainers in statistics
- . Teacher Guide to Prepare Train the Trainer courses

### **Laws Approved**

#### Decisions

- . Decision 648: Framework to Develop the Andean Community Statistics Formation and Training Program

#### Resolutions

- . Resolution 1235: By Laws of the Andean Community Statistics Formation and Training Center
- . Resolution 1236: Andean Community Statistics Formation and Training Program
- . Resolution 1284: Three Year Andean Statistics Formation and Training Program (PAT)

## **1.2 Dissemination of Statistical Data**

Basic statistical data is one of the main instruments needed in order to assess how much ground the integration process has already covered. Moreover, in February 1977 Decision 115 was enacted which established a “Sub-Regional Statistics Information System” including the universe of activities in the Sub-Region, as described by the Uniform International Industrial Classification (CIIU in Spanish) that takes into consideration the unique characteristics of each sector.

One of the purposes of the Sub-Regional Statistics Information System is “the obligation to provide users of statistics information with special and regular data depending upon the availability, thereby creating a Sub-Regional Basic Statistics Data Accrual and Dissemination Center”.

One pending objective is timely access to updated, reliable and relevant comparative statistical data by Member Countries as well as highly effective products to design apply, follow-up and assess Andean Community policies, in order to guarantee that the statistical data is consistent and comparable.

Dissemination, an essential component in statistical operations, is understood as the transfer of information needed by society conveniently adapted for the purpose of making the data comprehensible and manageable by different means used by a number of user segments.

## **ACHIEVEMENTS**

- . Diagnosis “Status of Statistical Data in Andean Community Countries” that helped to define the Community Plan of Action to improve the level of dissemination of CAN statistics.
- . Conceptual design of the Integrated System of CAN Statistical Data.
- . Andean Policy for the Dissemination of Statistics and the corresponding draft Decision.
- . Legal Framework on Andean Statistical Dissemination Policy in order to the dissemination of statistical data towards the needs of all the user segments of Member Countries.
- . Information System on the Accrual and Dissemination of Andean Community Statistical Data.
- . Andean Statistical Data Accrual and Dissemination Center in order to institutionalize the Dissemination of Community Statistical Services.
- . National Statistics Dissemination Centers.
- . Definition of Metadata to supplement the dissemination of Community Statistics.
- . Standardizing the transmission of data towards the Statistical Data Accrual and Dissemination System using one sole data structure.
- . Design of the portal Web Andean Statistics aligned to the Statistics Data Accrual and Dissemination System, in order to provide users with different types of information: documents, laws, rules, regulations and standards, news, reports, etc. as well as the transmission of data to the Statistics Data Accrual and Dissemination System using one same data structure throughout.
- . Fostering a culture of statistics in the Andean Community.
- . Transferring experience among the countries regarding: the application of information Systems to disseminate the results of the census and to prepare statistical data marketing plans.
- . Information Marketing Plan for the CAN General Secretariat CANGS containing a proposal for a communication strategy.

## **Laws Approved**

- . Decision 690: Program to Disseminate the Statistics of the Andean Community
- . Resolution 1270: By Laws for the Operation of the Andean Community Statistical Data Accrual and Dissemination Center

### 1.3 Institutional Image and Strengthening

In order to have timely access to updated, reliable, and relevant statistical data comparable across Member Countries and produced with maximum effectiveness, the National Statistical Systems represented by the Andean Statistics Committee– CAE - must adequately structure its data to enable the Andean Community to manage consistent and comparable statistical data.

The preparation of community statistics, based on National Statistical Systems, requires a special and close collaboration, under the Framework of the CAE, to create the technical and legal instruments required to set up a community statistics system in response to the demand of political authorities and other actors involved in the integration process, thereby enabling them to formulate, monitor and assess community policies.

The Working Group on Institutional Image and Strengthening established institutional and legal mechanisms to strengthen the National and Community Systems and has defined the steps that should be taken to develop Andean Statistics.

#### ACHIEVEMENTS

- . Stronger National Statistics Systems through the establishment of National Strategic Plans for the Development of Statistics “PENDES”, coordinated with the World Bank PENDES Project.
- . Adoption of a 2008-2013 Community Statistics Program (Decision 700).
- . Closer links between the National Statistics Systems and the Community Statistics Service.
- . Definition of the competencies framework between the national and community statistics systems.
- . Completed formation and training activities as defined in the Project’s Annual Operational Plans placing special emphasis on “training the trainers”, horizontal cooperation and the transfer of knowledge from Europe on the subject of harmonizing statistics.
- . 33 internships at the Community Statistics Service of the Andean Community General Secretariat to enable statisticians in each country to learn about the community statistics system and how the General Secretariat operates and to eventually be part of the national contribution to the development of community statistics and vice versa.
- . Study: Strategic Plan to consolidate ANDESTAD in the decade of 2010.
- . Qualitative assessment of the Project per country.
- . Improved technological infrastructure of the Andean Community General Secretariat in order to guarantee an adequate accrual and dissemination of statistical data.
- . Improved communications facilities including rooms for video conferences in the INE in order to guarantee that the experts use this modality.
- . A firm commitment adopted by each country to ensure the long term sustainability of the project’s achievements through annual cash contributions per country throughout the implementation of the Community Statistics Program.

#### Laws Approved

- . Decision 700: 2009-2013 Community Statistics Program.

- . The Group comprised by INE Directors has now become the Andean Committee of Statistics and issues recommendations on the approval of all statistics-related laws as clearance prior to being enacted through Decisions or Resolutions.
- . 9 Decisions, 19 Resolutions and 3 Draft Decisions have been approved.

## **II. FOREIGN TRADE IN GOODS AND SERVICES STATISTICS**

The purpose of intervention of the second Area of Intervention is to improve and harmonize the production of statistical data as concerns the foreign trade of goods and services and air, sea and road transport.

One of the main contributions is the growing interest to improve the quality of the information. Foreign Trade Statistics should be harmonized to transmit the data on the foreign trade of goods of Andean Countries to the CANGS prior to the enforcement of the Sole Customs Document or *Documento Único Aduanero* (DUA in Spanish).

As concerns foreign trade and physical integration it is of the essence to be duly informed of freight and passenger movement per type of transportation. This information is an essential input to follow-up on trade and integration policies.

### **2.1 Foreign Trade in Goods**

Foreign trade statistics are a very important primary source used by a broad array of public and private decision makers on subjects such as multilateral and bilateral negotiations under the framework of the Andean trade policy and are used to assess the progress of the expanded and market and integration. Moreover, foreign trade statistics are used to conduct market research studies and to define trade policies. Furthermore, this information is critically needed to calculate the balance of payments, examine national accounts and perform economic outlook studies.

As concerns the harmonization of statistics, through Decision 511 the Andean Community gives each country the methodological guidelines it needs in order to produce foreign trade statistics and, Resolution 738 specifically determines that such data be delivered to the CANGS. This is why the intervention of the ANDESTAD Project is so important since it helps to solve technical aspects of problems which include specific trade flow characteristics and internal domestic structures in order to enforce the current legislation.

The GT4 Working Group has two working sub-groups: GT4.1 "Enforcement of Decision 511 and Resolution 738" GT4.2 "The Quality of Information". The first sub-group is in charge of estimating the harmonized statistics on foreign trade in goods from Andean Community Members, in compliance with the previously mentioned legislation. The second sub-group is in charge of upgrading the quality of statistical data which includes methods, installing and/or improving national statistics validation systems and applying these in the Andean Community's harmonized statistics.

In order to meet these objectives diagnostic studies have been carried out on the status of the Validation and Consistency System, Price Index, Volume and Value and screening and correlation of the CANGS Foreign Trade Data Base in each Andean country at the beginning of the Project. A conciliation of accounts was made (mirror statistics) in order to detect the current distortions in the foreign trade of goods statistics per country and among them and the European Union and to identify their root causes.

## **ACHIEVEMENTS**

- . Enhanced enforcement of Andean Community Decision 511 and Resolution 738 on the production of harmonized statistics on the foreign trade of goods and data transmission
- . Maximization of the quality of statistical information on the foreign trade of goods, both at the level of the method of the Price Index, Volume and Value, as well as the improved validation system, the Mirror Statistics Study, screening the historic data and its adjustment and correlation in the NANDINA version.
- . Definition of the harmonized indicators on the foreign trade of goods. Training a considerable number of national technicians in Foreign Trade of Goods Statistics, through a Train the Trainer Course and its corresponding replication.
- . Building the technical capacity of the national institutions in charge of calculating the foreign trade of goods indexes at a national and community level
- . Agreement of a methodology to compile intra and extra community trade statistics.

### **Output Generated**

- . Methodological manual to compile statistics of intra and extra community trade in goods – draft version.
- . Mirror Study
- . Foreign trade in goods indexes
- . Validation and Consistency Systems
- . Foreign Trade in Goods Statistics System Web version: SICEXT-2.0
- . Screening the Foreign Trade Data Base

### **Legislation**

- . Draft Resolution to define the moment of registration of the foreign trade statistics
- . Draft Resolution of technical provisions to transmit the results of intra and extra community trade in goods.
- . Draft Resolution of the methodological handbook to compile intra and extra community trade in goods statistics.
- . Draft Resolution of technical provisions to transmit the board of directors of enterprises that import or export goods intra and extra the Andean Community.

## **2.2 Transport**

A community policy on transport to foster the expansion of a larger Andean sub-region market in goods and services needs the pertinent statistical data on transport that reveals which activities should be developed in order to maximize the benefits of trade and the free movement of people among the Member Countries.

Community Decision 115 created the Statistics Information System of the Integration System in order to: i) compile data according to a uniform scheme and calendar based on common definitions and methods, ii) standardize and simplify documents and other regular means of compiling data as inputs to compare and analyze results, and iii) provide users with available, special and regular statistical data. Consequently the foreign trade sub-system has been created which includes the means of transport used for the goods.



Decision 297 enacted the first community laws on air transport in the region specifying the principle of harmonization and even the functions of registration and dissemination of statistics on the movement of people and goods.

Decision 544 stipulating “that Member Countries shall prepare community statistics on sea and landlocked water bodies transport of goods and passengers, by merchant ships that dock in ports in their territory for which purpose they must compile data on: goods and merchant ships”.

Through the project’s intervention, the statistical production on air, sea and road transport was harmonized and new forms of data registration of the intra sub-regional sector have been developed and these have proven to be helpful to adopt measures to facilitate trans-boundary traffic, amongst other aspects.

The work area of the Group covered three transport modalities: Air, Sea and Road Transport. Each modality had a Sub Working Group, GT5.1 “Air Transport”, GT5.2 “Sea Transport” and GT5.3 “Road Transport”. The main objectives of the sub-groups were: to identify the key information required to have an overview of transport in the Andean region, to check the comparability of the specific data of the four countries and to identify the gaps in the data and information.

#### **Achievements in Air Transport**

- . Through the support of the ANDESTAD Project the Air Transport Statistics in the SGCAN, have common rules to establish homogeneous and comparable data.
- . During the meetings the working group noted that not all countries interpret the instructions and definitions of variables in their sets of data in the same way which gave rise to explaining these concepts both at GT5.1 meetings as well as at the course on air transport statistics.
- . Supplementary actions on the subject of air transport were carried out, such as the fact that the study “2000-2008 Air Traffic in Andean Community Member Countries” was published based on the pooled efforts of the national services in charge of producing air and community statistics in each country.
- . Horizontal cooperation missions helped countries solve common problems.
- . Through the project’s intervention on the development of air transport, comparable, consistent, relevant, regular and timely statistical data was organized and placed at the disposal of the CAN institutions in compliance with the regulations of Decision 650.
- . The evaluation of test data transmission resulted in the detection of frequent mistakes and consequently new parameters for consistency and to improve the quality of the data have been included.

#### **Achievements in Sea Transport**

- . Sets of data have been defined to transmit files of merchant ships that transport freight and passengers as stipulated in Decision 544.
- . A plan of action on Sea Transport Statistics was decided and as of April 2010 it will contain a proposal of complementary indicators to Decision 544.
- . A Group of Experts organized the test data transmission of the port facilities catalogue and copied the data on to an electronic form.

- . A glossary is available to prepare statistics on sea transport, which has been reviewed and approved by the Member Countries.
- . Through the support of the ANDESTAD Project, the sea transport statistics of the region have common rules to establish homogeneous and comparable data which will result in better quality community statistics of the sector..
- . The State Owned Ports of Spain and CAN jointly published the CAN and Spanish Port Traffic Book in compliance with Resolution 1005.

#### **Achievements in Road Transport**

- . Three sets of data were approved as stipulated by the proposal of Decision 219 on Community Statistics of International Highway Transportation. Data transmission test were run on the International movement of freight and vehicle fleet.
- . A document was published on 2000-2008 traffic accidents on Andean Community highways through the pooled efforts of the national services in charge of producing statistics on road transport and community statistics.
- . A press release was launched on the 2000-2008 stock of the Vehicle fleet in the Andean Community.
- . The inclusion of Road Transport Statistics in the Accrual and Dissemination System will facilitate the production of harmonized indicators and the generation of cuadros de salida.
- . Two Member Countries have set up inter-institutional committees on the subject of road transport.
- . Through joint work of the bordering countries and upgraded research methodology, pilot tests were run on the surveys at all border passes.

### **III. NATIONAL ACCOUNTS AND OTHER MACRO ECONOMIC STATISTICS**

Since its inception one of the main objectives of the Cartagena Agreement aimed at promoting a balanced and harmonious development of its Member Countries and organizing means to regularly assess the outcome of this process. For this purpose the following factors have been taken into account, to mention a few: the effects on each country's economy due to rising global exports; the performance of the Sub Region's balance of trade; the performance of each country's gross internal product; the generation of new jobs and, the formation of capital.

Article 3 of the Agreement stipulates that in order to reach the objectives, mechanisms will be used to gradually harmonize economic and social policies and to adjust the domestic legislation on the relevant subjects.

The purpose of the third Area of Intervention is to improve and harmonize the production of macro economic statistics (also called summary) establishing as a priority the support required in the harmonization process of economic policies adopted by the Andean Community.

#### **3.1 National Accounts**

National Accounts are the adequate Framework of macro economic information to prepare and make decisions on integration policies, adopt sub-regional development strategies, coordinate national plans and evaluate the results of the integration process.

This is why Decision 514 concerning the Program to Harmonize National Accounts established as one of its objectives: to define uniform bases to prepare the National Accounts of countries; to provide information contained therein to be used in the integration process and to promote the regularization and standardization of basic statistics from which they are derived.

The ANDESTAD Project has contributed to this harmonization process and has helped statistics to be prepared using the same common bases to thereby facilitate their insertion and comparison.

### **ACHIEVEMENTS**

- . Common presentation of National Accounts among Member Countries.
- . Member Countries have started the modernization process of National Accounts with changes in the base year and the insertion of SCN2008 recommendations.
- . Using computers to calculate the accounts and to make them compatible across different sectors.
- . Two countries, Peru and Ecuador, have adopted the ERETES Module as the Central Computer System to calculate the national accounts. Colombia adopted its own and Bolivia has another system.
- . Horizontal cooperation among countries has been of the essence to proceed to change the base year.
- . International Technical Assistance offered directly to Member Countries markedly contributed to the development of national projects to change the base year of their National Accounts.

### **Legislation**

- . Draft Resolution: “Technical provision to transmit Annual National Accounts”.

## **3.2 Macro Economic Statistics**

With the purpose of ensuring a speedier, balanced and independent development through Andean integration Article 2 of the Cartagena Agreement establishes that “the balanced and harmonious development must result in an equitable distribution of benefits derived from integration among the Member Countries so as to reduce the differences prevailing amongst them”. The results of this process must be regularly assessed bearing in mind among other factors, their effects on the expansion of global exports in each country, the performance of their trade balance in the Sub-Region, the performance of their gross domestic product, the generation of new jobs and the formation of capital.

Article 3 of the Agreement stipulates that in order to reach the objectives, mechanisms will be used to gradually harmonize economic and social policies and to amend domestic legislation on relevant subjects.

Along these lines, in 1999 the Permanent Technical Group (PTG) was created and comprised by Presidents of the Central Banks, Ministers of Economy and Persons in Charge of Economic Planning involved in macro economy and Decision 543 was enacted and it established three goals of macro economic convergence (inflation, public debt and fiscal deficit) as well as the Convergence Action Program containing a list of variables and efforts required to harmonize the data to thereafter facilitate the follow up and assessment of the convergence of Member Countries' economies.

Under this context, Member Countries must have timely access to updated, reliable, relevant and comparable statistical data as well as highly effective products as inputs to design, apply, follow-up and evaluate Andean Community Policies guaranteeing that the statistical data is consistent and comparable.

### **ACHIEVEMENTS**

- . Four diagnostic Studies have been carried out, one per working group, that confirm the status of the production of macro economic statistics in the Central Banks and propose a plan of community action prior to the harmonization.
- . A group of Macro Economic Vulnerability Indicators and others that cover the most important macro economic aspects of Andean economies, such as the Balance of Payment, Direct Foreign Investment and Public Finance have been harmonized.
- . A data base has been prepared to follow up on the Macro Economic Vulnerability Indicators.
- . Training National Experts in estimating national accounts.
- . Publication of an Andean Remittance Logbook, containing harmonized data, the intra Andean flow of remittances and its importance for local economies.
- . Establishing proposals to build a common legal framework per subject to facilitate the production of harmonized macro economic statistics.
- . Harmonization of a group of indicators that cover the most important macro economic aspects of the Andean economies, such as the Balance of Payment, Direct Foreign Investment, and Public Finance.

### **Legislation**

#### Draft Decisions

- . Draft Decision on Harmonized Direct Foreign Investment Statistics
- . Draft Decision on Harmonized Balance of Payment Statistics
- . Draft Decision on Harmonized Public Finance Statistics
- . Draft Decision on Harmonized Monetary and Financial Statistics

#### Draft Resolutions

- . Draft Resolution to Transmit Data on Remittances
- . Draft Resolution to Transmit Data on Erogaciones por Funciones
- . Draft Resolution to Transmit Data on Fiscal Results
- . Draft Resolution to Transmit Data on Direct Foreign Investment

- . Draft Resolution to Transmit Data on the Outlook of the Central Bank
- . Draft Resolution to Transmit Data on Money in the Broadest Sense

#### **IV. BUSINESS AND TERRITORIAL STATISTICS**

Community statistics are needed to Guild the integration process of CAN Member Countries and therefore national information systems must be harmonized and developed jointly. Harmonizing economic and agriculture and livestock statistics involves harmonizing the Concepts and definitions, the nomenclatures and statistical units.

The purpose of the fourth Area of Intervention is to improve and harmonize the production of agriculture and livestock and manufacturing sector statistics; and, on the other hand, the development and maintenance of Administrative Registries, Business Directories and Sample Frame to be used to prepare statistics.

##### **4.1 Business Directories**

The CAN Member Countries Integration Process needs to build community statistics and must therefore harmonize the national information systems and jointly develop them. Harmonizing economic statistics unmistakably leads to harmonizing concepts and definitions, nomenclatures and statistical units. "When each National Statistics System has a Business Directory that is regularly updated and that keeps record of the economic units that operate in the country, it is internationally recognized that this is an indispensable requirement in order to successfully manage the statistics of essential production as inputs to study a country's economy".

The purpose of producing consistent and compatible economic statistics to monitor the progress of the Andean integration process would be unattainable without upgrading and harmonizing the business directories of Member Countries. The ANDESTAD Project intervention developed a program to draw up a main Business directory in all Member Countries, by applying a survey mechanism and an ongoing updating process backed by the records of economic units that public agencies keep as part of their administrative duties. Meeting this objective will give Member Countries a fundamental instrument to prepare Business statistics and in particular comparable economic statistics throughout the Andean Community.

##### **ACHIEVEMENTS**

- . A Diagnosis of the Status of Business Directories at the level of the Community, as a basis to prepare a corresponding plan of action.
- . Four specific Studies, one per country, to analyze and design the information system of the Business Directory.
- . Harmonized concepts and definitions of statistics units.
- . Training national technicians in charge of the business directories and economic statistics on information systems.
- . Raising the awareness of public and private institutions that manage administrative records, about the importance of a business directory and their usefulness.
- . Training business surveyors in the efficient use of Information and Communications Technologies in statistical data collection processes.

### **Laws Approved**

- . Decision 698: “Creation and Updating Andean Community Business Directories”
- . Resolution 1218: “Business Directory Coverage”

These two regulations lay the foundation to harmonize business directories in the Andean countries and constitute a commitment that links the dream to the reasonably attainable goal by adapting the requirements set forth in these regulations since each Member Country is not at the same stage of development of their business directories.

#### Handbooks and Guidebooks

- . Resolution 1273: Handbook of Recommendations on Business Directories for statistical purposes in the Andean Community
- . Resolution 1274: Guidebook to Prepare a Business Directory for statistical purposes in the Andean Community.

## **4.2 Agriculture and Livestock Statistics**

Decision 115 established the Sub Regional Statistics Information System that covers the universe of activities of the Sub Region as described by the Uniform International Industrial Classification (CIU in Spanish). The system has an Agriculture and Livestock Sector statistical information sub sector that compiles data according to a uniform scheme and calendar, based on the use of common definitions and methods; the standardization and simplification of documents and other means used to compile, compare data and study the results; and, to provide users of statistical information with special and regular data upon as may be available, thereby creating a Sub Regional Basic Statistics Data Accrual and Dissemination Center.

### **ACHIEVEMENTS**

- . A Diagnostic Study “Agriculture and Livestock Statistics of Andean Countries” that identified the strengths and weaknesses of national statistics per country and established a community plan of action focusing on the harmonization of statistical data.
- . Community laws, rules and regulations to produce agriculture and livestock statistics, in order to foster harmonization in compiling, processing, transmitting and analyzing the main indicators of the sector in the Andean Community.
- . An Andean Nomenclature of Agriculture and Livestock Products (NAPA in Spanish) that includes the main products that are produced and marketed in the region, forestry and fisheries, with a six digit level of breakdown.
- . Harmonization of a group of indicators.
- . Trained National Experts in the production of the sector’s statistics.
- . Transmission among the countries of the national experiences and best practices in the calculation of agriculture and livestock statistics.

## **Laws Approved**

### Decisions

- . Decision 692 : Agriculture and Livestock Statistics Information

### Resolutions

- . Resolution 1265: “Technical Provisions to Transmit Statistical Data of Agribusiness Products of Andean Community Member Countries”.
- . Resolution 1264: “Technical Provisions to Electronically Transmit Wholesale and Retail Price Statistics of the Agriculture and Livestock Sector of Andean Community Member Countries”.

### Draft Resolution

- . Technical Provisions to Electronically Transmit Statistics of the Agriculture and Livestock Sector, specifically the Agriculture and Livestock Production of the Andean Community.
- . Andean Nomenclature of Agriculture, Wildlife and Fisheries to Prepare Andean Community Agriculture and Livestock Sector Statistics - NAPA.

## **4.3 Industrial Statistics**

Since the Cartagena Agreement was first signed the importance of industrial activities in Member Countries has been stressed, since this sector generates investment, jobs and is the engine of the foreign market that prompts economic growth.

One main axis of integration concerns fostering the industrial production of Member Countries, in order to improve their capacity to engage in international negotiations with other sub-regions or economic blocks. Consequently, it is of the essence to measure the structure and evolution of the industrial sector correctly, thereby enabling governments and the private sector to make adequate decisions. It is therefore crucial that Andean Community Member Countries share timely, reliable and comparable statistics.

### **ACHIEVEMENTS**

#### Statistics on the Current Situation

- . Diagnostic Study “Current Statistics of the Industrial Sector” which has been used to identify the strengths and weaknesses of the national statistics and to propose a community plan of action with the aim of harmonizing the data.
- . A common legal framework for the production of current industrial sector statistics in order to guarantee a harmonization throughout the collection, processing, transmission and analysis of the Andean Community’s main indicators.
- . The methodology to calculate the Industrial Production Volume Index (IPVI), Producer Price Index (PPI), Total Sales Volume Index (TSVI), Domestic Market Sales Volume Index (DMSVI) and Domestic Market Sales Index (DMSI).
- . Harmonization of a group of indicators
- . Trained national Experts in how to calculate the indexes.

### Structural Statistics

- . Support to enforce Decision 610 with the instruments required to transmit the Structural Statistics.
- . Technical Structural Statistics and Basic Productivity and Competitiveness Indicators Handbook.
- . Specification to launch a community industrial production Survey by choosing the threshold of products, based on the surveys undertaken by Member Countries each year.

### General Topics

- . Drafting the Common Andean Nomenclature of Industrial Products that each Member Country trades at an International level: PRODCOM-CAN.
- . Support to enforce Decision 702 with the instruments to transmit SME statistics
- . Sharing national experiences among the countries regarding how to adapt the Nomenclature and carry out surveys of industrial enterprises via Internet.

### **Laws**

- . Decision 697: Current Industrial Statistics.
- . Decision 702: Andean SME Statistics System

## **V. POVERTY STATISTICS**

With the purpose of ensuring a speedier, balanced and independent development through Andean integration, the Presidents of the Andean Community Member Countries gathered at the Presidential Summit of Quirama in 2003 and decided that more attention needed to be paid to social aspects and that the integration process should take this perspective into account. Therefore, they established the Integrated Social Security Plan (PIDS in Spanish) that sums up this genuine effort to contribute to social cohesion, fight against poverty, exclusion and inequality.

Under this concept, timely access to updated, reliable and relevant comparative statistical data on subjects of interest to the PIDS by Member Countries as well as highly effective products to design apply, follow-up and assess Andean Community policies is needed.

The Area of Poverty Statistics has two aspects : i) The development of an Integrated System of Household Surveys to support the Integrated Social Development Plan undertaken by the Andean Community and ii) the improvement and harmonization of the production of social statistics.

### **ACHIEVEMENTS**

As regards the Integrated Household Survey System

- . A Diagnostic Study on the “Implementation of the Integrated Household Survey System” revealed the status quo of the production of household statistics in the region and proposed a community plan of action to harmonize them.
- . A Diagnostic Study on the “Field Operations for Household Surveys” to identify the main differences and similarities, strengths and weaknesses, aiming at contributing to the operational and technical strengthening of the Integrated Household Survey System SIEH in Spanish.



- . Preparing the SIEH Community Project as a basis to formulate Draft Decision 221: Andean Community Integrated Household Survey System (SIEHCAN)
- . Training National Experts in survey design and implementation techniques.
- . Executing a Pilot Plan on Food Insecurity in Bolivia, Ecuador and Peru by applying the 17 questions proposed by Colombia that satisfy the scale guidelines that have been agreed for food insecurity.

As regards poverty statistics

- . A Diagnostic Study on “Monetary Poverty through Household Surveys” and on “Education Indicators to Evaluate Results”. These studies have helped to identify a group of indicators that the INE in Member Countries can estimate.
- . A common legal framework for the production of social statistics in order to guarantee the harmonization in the processing, transmitting and analyzing of social indicators.
- . A group of social indicators have been harmonized and transmission guidebooks were elaborated for the Andean Community General Secretariat on the following subjects : Poverty, Social Exclusion, Health, Education and Indicators from the population and housing census.
- . A plenary of the working groups on Household Surveys (GT12) and National Accounts (GT7) was held and it helped to explain the Concepts and how to measure informal economy and informal employment.

As regards general topics

- . To update the Nomenclature of Statistical Territorial Units of the Andean Community (NUTE Andina) required to guarantee the consistency and comparativeness of the CAN regional statistics.
- . The countries were able to Exchange national experiences and best practices regarding the calculation of social statistics.

## **Laws**

Decisions

- . Decision 647: Andean Community Social Indicators System (SISCAN).
- . SGPro2221: Proposal of the General Secretariat to the Andean Community Commission on the Integrated Household Survey System (SIEHCAN)

Handbooks and Technical Provisions

- . Resolution 1081: Including 31 indicators into SISCAN.
- . Resolution 1215: Technical Provisions to Transmit Statistical Data on Unmet Basic Needs (NBI) of the Andean Community.
- . Resolution 1263: Technical Provisions to Transmit Statistical Data on Health of the Andean Community
- . Resolution 1272: Handbook to Calculate Health Statistics of the Andean Community.
- . Resolution 1283: Handbook and Technical Provisions to Prepare and Transmit Statistical Data on Education of the Andean Community.

Draft Resolutions approved by Government Experts

Handbook to calculate and transmit population and housing census indicators.

- . Handbook to calculate and transmit social exclusion indicators.
- . Handbook and Technical Provisions to Calculate and Transmit Labor Market Statistical Data based on Andean Community Household Surveys.
- . Handbook and Technical Provisions to Calculate and Transmit Labor Market Statistics based on Andean Community Administrative Registers.

### C. CHALLENGES

Once the ANDESTAD Project ends there still are several major challenges to face.

#### PEC 2008 2013

1. **Support the execution of the 2008-2013 Community Statistics Program.** Decision 700 establishes a specific funding mechanism for the program's activities in each country. However, international cooperation must continue to provide support in statistics, one of the pillars of the PEC goals, namely French, Spanish, European Union, World Bank and PARIS21, as well as other international organizations such as the IMF, ECLAC, CEMLA, the OECD - Metagora and PAHO in addition to countries such as Canada, Italy and Brazil.

For this period the following international cooperation will be provided:

- **French Cooperation.** For subjects related to social statistics, the infrastructure of spacial data and the application of Decision regarding National Accounts and ERETES on the one side and audits of the harmonized IPC.
- **Italian Cooperation.** For subjects related to environmental and political statistics and statistical dissemination policies and procedures.
- **Spanish Cooperation.** For subjects regarding ETICs, tourism, trade and services statistics, sea transport and labor market statistics.

Additionally, other international cooperation is expected on subject regarding the Community Statistics Program (PEC).

2. **Community legislation on statistics.** From 2010-2013 the platform of the community legislation on statistics will be built, and the legal frameworks that had been left interrupted will be finished and Decisions and Resolutions will be implemented.
3. **Information Systems.** In this period, special emphasis will be given to Statistics Information Systems for user in general, political authorities and decision makers, in particular:
  - **Social Indicators System** currently being prepared by an Ecuadorian Enterprise. Its purpose is to integrate all the social statistics of the PEC and this will be finished by this year.
  - **Territorial Information System (SIT)** prepared by a Spanish Enterprise and Andean consultants. It will provide information on territorial asymmetries within the Andean Community. The presentations are geographic.

- **Environmental Information System.** This large project is currently being designed. Joint work will be done with inter-institutional environmental statistics committees. It is expected to be ready in 2011.
- **Statistics Accrual and Dissemination System.** The system that started with the ANDESTAD Project will be finished.

Moreover, a number of different statistics information systems regarding integration-related subjects, their corresponding Decisions and the transmission of data to the CANGS will be looked into and users will have a new statistics web portal containing all the web information systems mentioned and will provide user-friendly data.

4. **New integration subjects.** Work will also be done in this new period, on new integration subjects:

- Statistics on disaster prevention: Moveable resources (people, food, tents, blankets, vehicles, etc.) per Geographic area and age, due to the fact that some are perishable.
- Informal Economy Statistics
- Deepening Territorial and Situational/Short term Statistics (Coyuntural Statistics)

#### **PEC 2014 - 2018**

Finally, work is underway on the 2014-2018 Community Statistics Program and the design of a Project to be presented to the European Union to seek funding to implement the Plan.