

FFD4 Elements Paper Input: Inclusive, timely, and open data must be on the Financing for Development agenda

Submitted by Open Data Watch

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Financing for data and inclusive data in particular plays a critical role in fostering informed decision-making and enabling effective monitoring of development progress to reach the Sustainable Development Goals. Rather than just investing in data production, the international community must also make sure to pair these investments with investments in digital infrastructure and technical capacity building for more open data, which will improve data uptake and impact. The sustainable and equitable financing of data systems requires comprehensive approaches that draw from domestic and international resources with an emphasis on global cooperation and innovative financing mechanisms.

I. A Global Financing Framework (including cross-cutting issues)

The 2017 Cape Town Global Action Plan (CTGAP) called on the international community to “mobilize resources and coordinate efforts for statistical capacity building” by ensuring there is more and better financing for development data.ⁱ The CTAGP also saw open data, which are data that can be freely used, modified, and shared by anyone for any purposeⁱⁱ and help statistical systems move up the data value chain from production to data impact,ⁱⁱⁱ as a key enabler of modernized governance in Objective 2.1 that would allow national statistical systems (NSS) to meet the demand for data, which has only accelerated since. These insights were reaffirmed by the 2023 Hangzhou Declaration, which called for

“An urgent and sustained increase in the level and scale of investments in data and statistics from domestic and international actors, from the public, private and philanthropic sectors, to strengthen statistical capacity in low-income countries and fragile states, close data gaps for vulnerable groups and enhance country resilience in the current context of economic crisis, conflict, climate change and increased food insecurity.”

At the same time, the declaration recognized that “the investment case for high-quality, timely, open and inclusive data has never been more resounding, yet many parts of the population, especially the more vulnerable and hardest to reach, are still under served in this area.”^{iv}

These global declarations reflect a growing awareness of the power of open data to help NSS improve their responsiveness, transparency, and innovation. The 53rd session of the UN Statistical Commission formally recognized the key role that open data plays in NSS and created a regular standing item on open data to report on global, regional, and country activities.^v Assessments such as the Open Data Inventory (ODIN) emphasize the importance of continued action on open data as the 2022 round found that the impacts of the COVID-19 pandemic had resulted in decreased publication and openness of data

due in part to budgets strained by other demands. At the same time, the flow of external financing for development data from donors and global partners shows no signs of undergoing a transformative and needed increase.^{vi} In this environment, a reaffirmation and commitments at the global level are needed to put the financing agenda for data and open data in particular back on track.

The recent Global Digital Compact encouragingly holds up both financing for data, including open data, as a key enabler for the digital transformation: The Compact commits to “Develop, disseminate and maintain, through multi-stakeholder cooperation, safe and secure open-source software, open data, open artificial intelligence models and open standards that benefit society as a whole,” while also committing to “Increase financing for data and statistics from all sources and enhance efforts to build capacity in data and related skills, as well as responsible data use, particularly in developing countries. We will scale up predictable financing for sustainable development data.”^{vii}

The 4th International Conference on Financing for Development has the chance to build on the standards and commitments for more and better financing for development data, including open data, that have been put in place over the past ten years. This includes reaffirming the pledges of the Addis Ababa Action Agenda itself, which called for “A focus on quantitative and qualitative data, including open data,[...] technical and financial support to further strengthen the capacity of national statistical authorities [...and for] relevant institutions to strengthen and standardize data on domestic and international resource mobilization and spending, as well as data on other means of implementation.”^{viii}

II. Action Areas

a. Domestic Public Resources

Domestic public financing is critical for developing and maintaining open data systems. Governments can allocate budgetary resources to data infrastructure, data quality enhancement, and the capacity development needed to manage open data systems effectively. Better domestic financing for national data systems also promotes national ownership of data and will lead to greater sustainability of funding. Furthermore, raising funds sustainably through domestic institutions strengthens these institutions. Financing for data in low-income countries or International Development Organization countries is estimated to be split 50-50 between domestic resources and external contributions according to several studies, both for overall statistics and for gender statistics in particular.^{ix,x}

Member states should consider the role domestic financing has to play in building national data systems that enable better development as countries also balance competing priorities and crises leave particularly low-income countries vulnerable to disruptions in government revenues.

b. Domestic and International Private Business and Finance

The private sector is a key partner in open data initiatives, contributing both through direct investments in open-source tools and the creation of data-driven products and services using open data. Private philanthropies increasingly fund global efforts to support NSS, particularly for inclusive statistics like gender data.^{xi}

Member states should ensure that private actors are part of global development financing conversations as users and enablers of government data, as well as sources of technologies and funding that benefit national statistical systems.

c. International Development Cooperation

International development organizations and donor agencies are crucial in strengthening open data systems in low- and middle-income countries by providing financial support and technical expertise. Their contributions support capacity building and technology transfer, empowering these nations to develop and sustain their data infrastructure. Additionally, they foster international collaboration and data-sharing initiatives, promoting the exchange of knowledge and best practices across borders. Importantly, these efforts also address data equity, ensuring that countries with limited resources can access and benefit from robust, reliable data systems that are critical for informed decision-making and development.

International financial institutions such as the World Bank Group, the IMF, regional development banks, and specialized UN institutions are key players in financing for statistics. Multilateral institutions became the single largest source of financing for statistics in low- and middle-income countries in 2021.^{xii} Multilateral funding instruments are increasingly focused on regional initiatives, including for gender statistics,^{xiii} which encourage peer-to-peer learning and efficient bundling of efforts across countries.

Member states should focus efforts on effectively channeling global financial flows for statistical capacity building through multilateral channels and supporting multilateral institutions through core funding to maintain their operations.

d. International Trade as an Engine for Development

Open data can enhance international trade by providing transparency and reliable data for trade policy, market trends, and economic performance. Adequate financing is needed to ensure the availability of high-quality trade data. The data on international trade have improved with time according to the Open Data Inventory (ODIN), as has its openness since 2016.^{xiv} However, the decrease between 2020 and 2022 of coverage and openness scores showcases the vulnerability of such statistical systems to disruptions like the COVID-19 pandemic.

Member states should ensure that open international trade data is a focus of international and domestic financing for statistics.

e. Debt and Debt Sustainability

The management of public debt and maintaining debt sustainability require access to accurate, timely data. Open data can inform debt analysis, forecasting, and monitoring, which in turn, supports better fiscal governance and policy-making. After a decade of better data starting in 2016 after the Addis Ababa Action Agenda, the availability and openness of government finance data related to debt and debt sustainability levelled off in 2022 due to the COVID-19 pandemic. ODIN data also shows that countries that subscribe to the IMF's Special Data Dissemination Standard (SDDS) and SDDS+ have significantly higher availability and openness scores,^{xv} which highlights the value of global standards for data.

Member states should ensure that countries continue to receive technical and financial assistance to make data on debt and debt sustainability more open.

f. Addressing Systemic Issues

Systemic issues such as a lack of trust in data and a focus exclusively on data production instead of use can undermine open data efforts. Adequate financing ensures that data systems are resilient and that systemic challenges, including data access and privacy, are addressed.

Open data principles and practices that facilitate data access and use, have relevance to policy needs, and increase the impact and value of data are central to building trust in data. There are four trends that present opportunities for expanding adoption and use of open data principles and practices and building data trust: the modernization of data governance; increased attention to the role of citizens in building trust and increasing the relevance of data and citizens' contribution to data throughout the data value chain; the adoption of open data principles; and the work of watchdog organizations monitoring the progress of countries and agencies and identifying areas of data governance that still need attention.^{xvi}

A focus on data use together with a focus on data production can help create more value from official statistics. Investments in data should reflect these goals and see investments as part of a process of moving up the data value chain.^{xvii} In addition, misperceptions between government statisticians and users must be overcome where they exist^{xviii} and strong data governance and capacity building to engage and work with data users^{xix} are important points of emphasis that will need dedicated funding.

Member states should emphasize the importance of building trust through better data governance and working with civil society to improve use and get more value from data.

g. Science, Technology, Innovation, and Capacity Building

Investment in science, technology, and innovation is crucial for building data capacity and ensuring the effective use of open data. The digital transformation, particularly in the age of AI,^{xx} is important for all countries and will require resourcing beyond what is currently afforded in domestic and international budgets. The Global Digital Compact recognizes the importance of open data as a global public good and commits member states to increase investments in data, including to fill gaps in gender data.^{xxi} Better investments in digital infrastructure are also key to better data dissemination,^{xxii} which in turn are one component of better open data.

Statistical capacity building for better data and statistics, including open data, must also be part of the financing for development architecture. The Open Data Inventory, whose coverage subscore was accepted as one of the indicators to measure SDG indicator 17.18.1 together with the World Bank's Statistical Performance Indicators Pillar 4 and 5,^{xxiii} has statistical capacity building as part of its country engagement work program and often works with multilateral funders to build country capacity on open data.

Member states should support financing for digital transformation efforts that help to build better national statistical systems and encourage more statistical capacity building.

III. Emerging Issues

Emerging issues such as climate change,^{xxiv} pandemics, and digital transformation underscore the need for dynamic and adaptable open data financing models. As global challenges evolve, so too must the mechanisms for funding open data, ensuring that data systems are responsive and equipped to address unforeseen crises.

Inclusive data in terms of disaggregation by sex was recognized by the Addis Ababa Action Agenda and has been a focus of development efforts in the years since. Yet estimates of the availability of financing for gender data reveal that even before the COVID-19 pandemic, financing levels were half of what was needed.^{xxv}

Beyond only surveying population integrating inclusive data that way, data by populations and civil society must be more closely integrated with national statistical systems. The Financing for Sustainable Development Report 2024 mentions the increasing use of administrative data and citizen-generated data.^{xxvi} This increasing use builds on the promise of the Addis Ababa Action Agenda that “national statistical systems have a central role in generating, disseminating and administering data. They should be supplemented with data and analysis from civil society, academia and the private sector.”^{xxvii}

The Collaborative on the use of Administrative Data^{xxviii} and the Collaborative on Citizen Data^{xxix} have taken up these calls for more innovative and inclusive data systems. The integration of citizen-generated data also builds on the increasing work to integrate intersectional data into national statistical systems.^{xxx}

Member states should promote further adoption and mainstreaming of frameworks such as the Copenhagen Framework on Citizen Data^{xxxi} and build further innovation and development into financial support of statistical systems.

IV. Data, Monitoring, and Follow-Up

Robust data systems with an emphasis on open and inclusive data require consistent monitoring and follow-up to ensure their effectiveness and efficiency. Adequate financing is necessary to maintain these systems and ensure that data is continuously collected, updated, and shared in a timely manner. Multiple indices are now available to track statistical capacity building^{xxxii} and work is ongoing to harmonize and complement the work of these respective indices.^{xxxiii} But more and better data on financing for statistical capacity building is needed in accordance with the Addis Ababa Action Agenda.

Member states should focus on promoting transparency and openness of domestic and international financing for data and statistics using existing tools and platforms such as the Clearinghouse for Financing Development Data. The United Nations Statistical Commission (UNSC) acts as a global forum for important topics relevant to national statistical systems and is given the mandate to follow up on the data related outcomes of FFD4. It should coordinate and work closely with global initiatives to implement the data-related commitments of FFD4.

V. Overarching Reflections

Financing for data is not merely a technical issue; it is a matter of ensuring good governance, inclusion, and sustainability in global development efforts. By addressing financing for data holistically and across multiple sectors together with an emphasis on open data, the global community can unlock the full potential of data to drive informed decision-making, transparency, and improved development outcomes.

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- ⁱ https://unstats.un.org/sdgs/hlg/Cape_Town_Global_Action_Plan_for_Sustainable_Development_Data.pdf
- ⁱⁱ <https://content.iospress.com/articles/statistical-journal-of-the-iaos/sji200761>
- ⁱⁱⁱ <https://opendatawatch.com/publications/the-data-value-chain-moving-from-production-to-impact/>
- ^{iv} <https://unstats.un.org/sdgs/hlg/Hangzhou-Declaration/>
- ^v <https://opendatawatch.com/publications/un-statistical-commission-endorses-report-on-open-data/>
- ^{vi} <https://smartdatafinance.org/news/funding-for-development-data-old-patterns-new-trends-and-a-renewed-call-for-urgent-action>
- ^{vii} https://www.un.org/global-digital-compact/sites/default/files/2024-09/Global%20Digital%20Compact%20-%20English_0.pdf
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- ^{ix} <https://opendatawatch.com/publications/state-of-development-data-funding-2016/>
- ^x <https://opendatawatch.com/publications/filling-gender-data-financing-gaps-domestic-resourcing/>
- ^{xi} <https://smartdatafinance.org/news/funding-for-development-data-old-patterns-new-trends-and-a-renewed-call-for-urgent-action>
- ^{xii} https://www.paris21.org/sites/default/files/media/document/2023-11/press-2023_0.pdf
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- ^{xiv} <https://odin.opendatawatch.com/>
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- ^{xviii} <https://www.aiddata.org/blog/counting-on-statistics-what-can-data-producers-and-donors-do-differently-to-increase-use>
- ^{xix} <https://opendatawatch.com/publications/overcoming-data-graveyards-in-official-statistics/>
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- ^{xxiv} <https://opendatawatch.com/spotlight/where-to-find-open-climate-data-ocdt/>
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- ^{xxvi} https://financing.desa.un.org/sites/default/files/2024-04/2024_FSDR_ChIV.pdf
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