

## COUNTRY REPORT-AFGHANISTAN

Re: 6th Management Seminar for the Heads of NSOs in Asia and the Pacific, 28-30 May 2007,  
Hong Kong, China

### **Current Statistical System:**

After almost two decades of war and conflict and the ensuing devastation, the Government of the Islamic Republic of Afghanistan together with its development partners is attempting to rebuild and rehabilitate the nation and its institutions. To pursue evidence based approach to making far reaching decisions covering the entire span of economic and social dimensions, the Government needs reliable, comprehensive and timely data.

As with most government agencies and institutions in Afghanistan, CSO has suffered destruction and is attempting to rebuild itself under difficult circumstances. The Central Statistics Office (CSO) is the central agency responsible for the collection and dissemination of data. The CSO is confronted by serious human resources, material and physical constraints. There has been a complete loss of the statistical base and institutional memories. Documents and files in many key line ministries and CSO have been destroyed. Today, the statistical services in these agencies are just barely beginning to recover. Most of the experienced and skilled staff have either left the service or moved abroad or were casualties of the prolonged conflict. Whilst the CSO staff are back at work and have restarted activities, largely in the form of collecting information from other agencies at the Central and Provincial levels, the CSO is severely constrained by budget, equipment and even some basic office materials. This is particularly acute at the Provincial Offices of CSO.

A brief historical review of CSO is in order as it provides a backdrop to the current situation. The CSO was established in 1973. Prior to which there was a small Statistics Department in the Ministry of Planning. At the time of its establishment CSO was assigned the responsibility for the collection, analysis and publication of secondary data- largely administrative data provided by sectoral ministries. At a later date it took on the task of compiling key statistical series such as National Accounts, Consumer Prices Indices and Population and demographic data. It took on the role of co coordinating statistical activities across all agencies of government. CSO benefited by way of donor support, advice and training. The CSO also undertook some limited surveys on health and education as well as sample surveys within Kabul; and was involved in the preparation of various national Plans drawn by the Ministry of Planning. The CSO collected and analysed data based on the implementation of the Plan both at the Central and Provincial levels.

Following the Soviet take over in 1979, the emphasis shifted to the collection of data on agriculture, transport and communications and statistics on the internal movement of food and non food items throughout the country. National accounting aggregates were complied on the basis of the Net Material Product System. Two special aspects of the statistical work merit special mention. The organisation of CSO was largely patterned on the Soviet statistical structures, emphasising a compartmentalised and top down system. Second, concepts and methods emphasised complete reporting.

Provincial statistical offices were established gradually over a period of time starting in 1973 and was completed in 1978. The work of the CSO in these offices was to collect data from the various ministries' Provincial offices as well as the Provincial government. The collection covered all economic and social data.

With the out break of hostilities in the 1980's, all communication between different parts of the country ceased and it became impossible to do statistical work in the Provinces. The CSO in Kabul found it impossible to maintain any form of communication with its Provincial offices and work in these offices largely collapsed. The mid 1980's signalled the end of Provincial offices. These offices were closed or just abandoned. The level and importance of the work of the CSO gradually declined. In 1992 the CSO was for intends and purposes closed. With the takeover by the Taliban, and given no interest in the functioning of the government sector, no efforts were made to rebuild the CSO.

The current situation of the CSO can be summarised as follows. Unlike other countries where one can list particular areas of skills shortages, in the case of CSO, there is an all round shortage of skills. While the number of staff may be more than adequate, it is the need for specialized skills in such areas as sampling, IT, survey specialists, management skills in running surveys, and persons with analytical skills that are in short supply.

Under the current structure there are 9 departments which as follows:

1. Economics Statistics:
2. National Accounts:
3. Social Statistics & Demography:
4. Planning and Publications:
5. Finance and Administration:
6. Census and Surveys:
7. Provincial Supervision:
8. Presidents Office:
9. Internal Audit:

The tasks currently undertaken by CSO are still under this structure and the key activities can be summarised as follows:

Department of Census and Surveys;

This department is charged with the responsibility for the Census of Population and Housing. The staff size has increased from 31 during the Taliban period to some 246. This division was involved with the Phase 1 of the Population Census and Housing implemented in 2003/2005. The household prelisting, village mapping and a 1 in 200 interview was completed in 2005.

The division is now involved with the proposed 2008 Population Census and Housing expected to be carried out in August 2008.

In addition this division has responsibilities for data processing and field operations.

Department of National Accounts:

This department consists of five divisions: (i) national production, (ii) Price collections; (iii) financial and banking statistics; (iv) enterprises section and (v) income and expenditure of households. Until 1995 this section compiled National Accounts following the Material Product System (MPS), estimating Net Material Product (NMP) by six branches at constant prices of 1978. After 1995, compilation of NMP was discontinued. Currently the department compiles National Accounts in accordance with the System of National Accounts (SNA) 1993. There are issues regarding the quality of the National Accounts, primarily due to the lack of relevant data. This is now being addressed. But this lack of data and the lack of knowledge of SNA 1993 pose important challenges. Improving National Accounts information is one of the key priorities of CSO.

This department also collects price data for six urban areas of Afghanistan and publishes the Consumer Price Index on a monthly basis. Once again there are many areas in CPI that need further improvements, the main one being improvements in the weight used in the compilation of the CPI. This can only be addressed once there is data from a Household Expenditure Survey.

### Department of Economic statistics:

This department has seven sections: (i) Internal and external trade; (ii) private industries; (iii) public industries; (iv) telecommunications and transport; (v) investment; (vi) agriculture and (vii) construction. The department sends out various forms (some 51 forms) to government authorities and private entities in all of the 34 Provinces and the national government to collect data. The information is used by the National Accounts department and is also published in the Annual Statistical Year Book.

One main activity of this department is the collection and publication of Trade data. The department sends questionnaires directly to central and provincial customs offices every month to obtain information on external trade- export and import values and quantities. The information is reported to the Ministry of Commerce and the Afghanistan Central Bank. For internal trade, forms are sent to Provincial CSO offices quarterly, to collect sales and revenue data for government offices and public enterprises. The trade data excludes extensive barter trade.

For all other sections information is generally collected by sending sets of forms to identified private firms, public enterprises, and various line ministries and information collected on a range of information from – production volume; production cost including labour; personnel employed; land area cultivated; production of cereals, livestock, fruit etc; number of vehicles- privately and publicly owned; number of passengers; number of digital and mobile phones etc etc.

### Department of Demography and Social Statistics:

This department has 4 sections: (i) social statistics and demographic research; (ii) education and culture; (iii) health statistics and (iv) labour force statistics. Almost all of the information collected is administrative data. This department to date does not conduct any national household or social surveys in the country. The recently conducted Phase 1 on the Population Census of 2004 forms the basis for population projection.

Two significant activities undertaken by this department include: compilation of data for the Annual Statistical Year Book - which includes social and demographic statistics, estimates of current population etc. This department is also responsible for the processing of births and deaths statistics. However the completeness of the Births and Deaths data is seriously suspect.

In addition to the above ‘technical’ departments, there 5 other support departments: Finance and Administration department, Provincial supervision department, Planning and Publications department, the Director General’s support office and an internal Audit office.

The Finance and Administration department provides the normal finance and administrative support to CSO including the consolidation of annual budget, payment of staff salaries, personnel records and the maintenance of the office building, vehicles and other assets of the organisation. They are also responsible for the administration and finances of Provincial office

The department overseeing the Provincial offices is responsible for the work allocation and training and other technical aspects of Provincial Offices.

The Planning and Publications department has a range of support activities- which includes media relations, reviewing technical contract signed by CSO, identifying suitable training schemes for the staff in house and in foreign countries and the focal point for dealing with international and UN agencies requests for statistical data.

The support and secretarial functions for the Director General are dealt with by the Director General’s support office.

The Internal Audit is a new function aimed at fulfilling the government’s goal of ensuring that all government offices conform to the ethical and other administrative and financial guidelines established by the government. The aim is also to ensure that there is transparency in the functioning of CSO within the framework of the Statistical Laws.

Although the CSO is the key agency to provide the bulk of the data for government Planners and International agencies, there are other agencies that generate data and must be seen as part of the overall statistical system. Some information on this part of the statistical system is warranted at this point.

A limited amount of data related work is being undertaken in the line ministries and other agencies of government. Much of the data are based on administrative records e.g. Customs, Budget data, and reporting by particular line ministries staff at Provincial levels.

Some line ministries have however started collecting data on their own to meet their specific needs with the help of UN specialised agencies, such as FAO, WHO, ILO, UNICEF etc or other bilateral donors and in some cases NGOs. In most instances these are done without the assistance of the CSO. The data gathering efforts are often driven by their own real or perceived information needs. Thus the Ministry of Agriculture has resumed the collection of crop cutting out put data undertaken by agricultural extension workers. The Ministry of Labour, with ILO assistance, has begun collecting ad hoc data linked to ongoing ILO financed projects. The European Union and the World Food Program and other funding agencies are involved in the collection of data on a variety of subjects under NRVA 2007.

The Da Afghanistan Bank (DAB) and the Ministry of Finance needs a special mention. Compilation of monetary statistics is the responsibility of DAB and is responsible for compiling Balance of Payments statistics. Government finance statistics are based on the data compiled by the Ministry of Finance.

A number of passing observation is in order. The various data collection efforts referred to earlier have been designed to meet the urgent need for specific data. Capacity building has not featured as a goal. Further more there has been very little coordination of these efforts, with inevitable overlaps and duplication of efforts. In most instances CSO has been bypassed.

### **Data gaps and deficiencies:**

The CSO is emerging from a period of prolonged civil disorder, with virtually everything destroyed or non-functional. This is further compounded by shortages of virtually everything from finances, to continued security concerns in parts of the country, to pressing need to upgrade human resources, materials and equipment and improvement of the physical working environment. CSO has suffered from years of under investment in its infrastructure.

CSO management is fully aware of the weaknesses and deficiencies of the current structure and existing data collection systems. In brief CSO faces many challenges as it seeks to embark upon reforms. It is unlikely to meet these challenges without external assistance.

CSO Afghanistan has a range of gaps and deficiencies in statistics that are the unique product of its almost 3 decades of conflict and destruction. A few important initiatives have been made but there is a long way to go before CSO can become a fully functional, professional statistical organisation able to provide and meet most of the data needs of the Government...

The single most important area that has to be strengthened in the long run to underpin all other activities must be Institutional Statistical Capacity. This is closely linked with and depended on institutional restructuring and strengthening. This process which is fundamental is also time consuming and has to be dealt with in a comprehensive way. The time taken to achieve this is long and to see achievements and results even longer. It is best not to do patch work inputs if there is not going to be sustained and planned efforts. This deficiency does not allow for short term strategies or 'donor fatigue' in the short term. This Seminar in that sense is timely, appropriate and most importantly taken the right approach. For CSO if this area of concern is addressed systematically and within a realistic period of time, it would have laid the framework and ground work to deal with all other statistical 'gaps'. As we will indicate later in this document CSO has taken the first few logical steps in addressing this critical aspect. It now needs to be sustained for the duration to see results.

There are three areas of institutional reform and strengthening that CSO needs at present. An organisational structure that meets the data challenges for the next 5 years at least. A clear delineation of job responsibilities understood by the staff members and who have the necessary skills or will be trained to acquire the skills and a system that will ensure that the tasks are carried out professionally by the staff. A training programme that will systematically take every member of staff in understanding what they are doing and what they should be doing. And finally the provision of physical space and equipment to carry out the planned work. This has to be done for the Central office in Kabul and for each of the 34 Provincial offices.

Another related 'gap' is the lack of a systems process that addresses various administrative issues and procedures such as: the delegation of responsibility, system for performance evaluation and a staff appraisal system, procedures for staff training and discipline, a system for the physical maintenance of building cleanliness, procedures for data dissemination and maintenance of data confidentiality, technical working groups looking at key statistical issues facing the country and a range of other issues. These have to be developed and implemented.

In the area of statistics there are many areas that need further development. CSO has yet to gain skills and experience in general statistical skills and which in turn can help meet specific data needs of the Planners in Government and International organisations.

For a start CSO has to build a pool of professionals with skills in sampling, building and maintaining household and establishment sampling frames, organisation and management of sample surveys, and the analytical capability to analyse and publish reports on the various socio economic data gaps. A related 'gap' will be the provision of online data access to agreed and authorised departments and Users within and outside of CSO, once again at a level of aggregation that will not contravene the provisions of the Statistics Act.

The National Accounts using SNA 1993 needs further improvements. This improvement is in part hampered by the lack of in house expertise in SNA '93 and more importantly the lack of data on virtually all sectors, from the household sector to agriculture to Establishments and Financial Institutions. Unless these primary data are available, expertise alone will not be able to improve National Accounts.

The Consumer Price Indices is another 'gap'. The coverage has to be expanded to cover the whole country and not just the 6 urban areas. The list of item for which the prices are collected has to be more representative and expanded based on information collected from a Household Expenditure Survey. Similar the survey has to provide the weights for computing the CPI. Even the list of shops from which prices are collected has to be more 'scientifically' based than done at present.

The culture for conducting Establishment Surveys has yet to be established. For the first time CSO hopes to conduct an Establishment survey in the next few months. But there is need for a more rigorous effort to ensure the frame is comprehensive and there is expanded data collected on intermediate consumption, employment and more importantly financial information. Given the lack of capacity and experience in the conduct of such surveys this will probably need to be done in stages.

In Demographic statistics, there is currently an estimation of current population using the Population Census data as the base. But this needs to be improved. This is because the births and deaths statistics are notoriously under counted and not useable. Improvement in this area has to address first and foremost the question of how to improve births and deaths coverage. And this will need legislative changes and changes in the way responsibilities are distributed and implemented. At present Births and death statistics are collected by the Ministry of Interior. The same is true to some degree with migration data and especially internal migration data, although there is better coverage of international migration.

One key area of Statistics that needs to be improved is Trade Statistics. This area suffers from lack of serious attention by CSO, given its other pressing priorities. The system of data collection and timely publication of Trade data is vital for any country. This area has to be dealt with as a matter of priority. The improvements will by necessity cover issues on how information is collected by Customs officers at various check points, the types of information obtained in the customs declaration, the most effective way of transmitting the data to CSO for processing.

Social statistics at present is based on administrative data and other ad hoc surveys conducted by other agencies outside the frame work of CSO. Monitoring MDG and the goals set by the Afghanistan National Development Strategy (ANDS), including the monitoring poverty profiles of the population demands that CSO undertakes socio economic household surveys on an annual basis. The goal must be to develop a multi purpose household survey capability that will allow for modular approach to collecting socio economic data to meet the counties data needs. This is another major gap in the current statistics of the country.

There are several other gaps that we will mention in passing which are important but has to take a lower priority given all of the other 'gaps' mentioned above. This includes analytical capability; information net working within CSO and other key User ministries; more effective Media and public relations, improved communication with donors and Users; User friendly and well run Library for CSO and the general public and the establishment of a training centre to meet the in-house training needs of CSO. A very important 'gap' is the need to improve and expand on the administrative data currently being collected by line ministries and departments. Improvements in this will considerable increase the range of data available to planners within and outside of government. Once again a basic prerequisite is for CSO to provide a comprehensive training programme to upgrade skills and strengthen the institutional structures i.e. the statistical units, in all of these ministries and departments.

## **Statistical priorities of CSO**

Based on the recently completed 5 year plan of priorities CSO has identified the following as its priorities:

The priorities are as follows:

1. CSO reorganisation and Achieving PRR status for whole of CSO and introduction of modern management systems.
2. Completion of the 2008 Population census and Housing
3. Upgrading the calibre of staff through the implementation of the staff appraisal system and in-house training and introduction of agreed job descriptions for every member of staff.
4. Senior management study of statistical advanced organisation within the region
5. Implementation of the Integrated business establishment Survey
6. Up grading of CSO Provincial Offices in terms of staff calibre and improvement of its office facilities and equipments
7. Improvement in National Accounts compilation using SNA 1993, through improved data availability and higher skills among the staff in National accounts.
8. improvements and expansion of administrative data in all line ministries and steps to enhance the calibre of staff in these units
9. Improvement in Trade Statistics in close collaboration with the Customs head quarters.
10. Introduce advanced electronic data transfer technologies to speed transfer of data and timely collection and publication of results and
11. Standard setting of codes and procedures for surveys for use by all collectors of national data within and out side of CSO in Afghanistan

### **Statistical Capacity building projects being implemented:**

CSO has made a start in this area and is in that sense a little more fortunate than other Statistical organisations in similar stages development in Asia. We have with the help of ADB tried to take the process of statistical capacity building in a logical way.

Some 3 years ago with the support of ADB, DfID and the World Bank a process was instituted to develop a Statistical Master Plan (SMP). The aim was to chart out where we were as an organisation; what others within the country saw as the role of CSO and what needs to be done over a period of time. In many ways it was also a Strategic Plan, in that the views of all major stakeholders were brought into the discussion, and a long term plan developed into which all stakeholders can buy into to meet their own data priorities and that of the Government of Afghanistan. This would have avoided the implementation of programmes/ surveys based on who gave the largest amounts of money (with little or no transfer of technical skills and hardly any attempt to build the statistical capacity within CSO), and not what the country thought were its data priorities. The Statistical Master Plan was extensively discussed by all stakeholders and has been formally adopted by the Government. The document itself is not cast in stone and will be subject to critical review from time to time and adapted to meet the changing situation and needs of the country. For now it gives a logical framework around which a prioritise work program can be built.

Some of the key programs identified in the SMP have now been translated into operational plans for implementation. It is too early to say what would be the eventual achievements, but the progress so far has been good.

For a start CSO has an Institutional Reform Consultant, funded by ADB, to deal with the issues of institutional strengthening and capacity building. As a result of this, we have finally obtained approval from the relevant authorities in Government for a new organisational structure for CSO. The structure based on a functional view of activities, was slightly modified to take into account suggestions from other relevant organs of the government. The CSO has also been given PRR status, which implies that it will be considered for Priority Restructuring & Reform (PRR) (and hence a recognition of its importance to the Government) and which carries with it better terms of employment.

The CSO is currently in the process of implementing this new organisational structure. Under this proposed scheme the Director General of CSO will be assisted in the overall management by the Statistical Advisor, and two Deputy Director Generals. The Statistical Advisor, with statistical experience, will be the general adviser on all matters dealing with Statistics. Of the two Deputy Director Generals- one will be responsible for Strategic Planning and Donor Relation (DDG-SP&DR) whilst the other will be responsible for all operational

matters (DDG-O). The two DDG will have line responsibilities for all of the eight divisions.

Under the new organisational structure there will be eight Directors of divisions, which will constitute the Senior Management Group (SMG) of CSO. The 8 divisions are:

1. Strategic Planning division
2. Donor Relations division
3. Management Services Division
4. Economic Statistics Division
5. National Accounts Division
6. Data Dissemination and Media relations Division
7. Demographic & Social statistics Division and
8. Field Operations and Sampling Division

It is expected that in the weeks and months ahead CSO will move towards writing the job descriptions of staff at all levels, assess the suitability of staff to the various positions and begin the process of on-the-job training. The aim is to upgrade skills and output.

One area that will take considerable time is the introduction of modern management practices within CSO. This process of evolving the systems flow and procedures for different aspects of administrative, management and statistical development of CSO in such areas as the introduction annual staff appraisal systems, disciplinary issues, delegation of authority issues, and the like will be difficult and time consuming. These have to be developed within the national context and a rational and progressive framework.

Within the area of statistics, an Annual work program is planned that will allow CSO to start collecting information from key sector such as: establishments, households, Population and Housing Census information, Price Statistics etc. The aim is to improve National Account compilation, following SNA'93, as far as possible and also provide data for government priority areas such as poverty and MDG monitoring. In the initial phases CSO will have the services of foreign consultants, who will be able to not only help in implementing the surveys/Censuses but also ensure that there is an active plan to transfer experiences.

In implementing capacity building CSO was guided by the following: (i) activities that could be sustained taking into account the absorptive capacity

of CSO; (ii) rapidly produce key socio economic data to satisfy the most pressing policy needs; (iii) ensure proper coordination with other agencies providing or committed to providing assistance in statistical capacity building and (iv) statistical legal frame work, restructuring of CSO and introduce the application of modern practices.

As a result of current ADB financial assistance and international consultant support we have achieved or on the way to achieving the following:

1. At the institutional level a new Statistics law has been adopted by the government. The law which reaffirms the independent status of CSO is directly responsible to the Office of the president. CSO has also obtained the approval of the Civil Service Commission for its new functional reorganisation. This process is not as yet complete and needs sustained efforts and assistance, both financial and technical. It is important to recognise that this phase is likely to be protracted and may take over two years or so. A lot more needs to be done in the years ahead and this includes, among others, the introduction of a modern management process; inject new staff with higher levels of basic education, in-house training etc.

In addition the Government of Afghanistan has approved a Census Act in 2006, under which CSO is authorised to conduct a Population and Housing Census to cover the whole country.

Several in house trainings have been provided to enhance the staff quality. Because no attention was paid to the existing quality of staff and the relevance of the training, it did not have any lasting benefits. It turned out to be an intellectual exercise for the trainers and voluminous end of trip reports, which no one within the country read because of its voluminous nature, lack of English proficiency and often its irrelevance. This once again reinforces the need to get the structure right and then embark on other aspects such as training.

CSO is in the process of taking small but significant steps to be involved in the planning and management of establishment and household surveys, in the form of the Integrated Business Establishment Surveys (IBES) and National Risk & Vulnerability Survey (NRVA). But there is a lot more that needs to be done to build a strong survey capability. Similarly there has been an expansion of monthly price data collection to six urban areas. This needs to be expanded to the whole country. CSO has had some level of expertise, built over time, in this area.

Substantial number of in-house and a few limited external training were provided to CSO over the years as part of capacity building. But its full benefits could be realised because of either inadequate fore thought or wrong trainers who were more interested in showing their individual knowledge than the

trainees need or simply wrong timing and participants. This is a crucial area for institutional development, but has to be carefully organised and tailor made to CSO's staff quality and needs and has to be taken in small step over a longer period of time, rather than as a university lecture. Lessons have been learned and hopefully the next phase will take these experiences into account.

In summary CSO has made some small but steady steps on Statistical capacity building. A lot more needs to be done and this requires patience, realities of CSO and Afghanistan, time, money and consistency of support. It is no use changing horses all the time in mind stream and wondering why progress is not being made. The answer always lies in the strategies adopted.