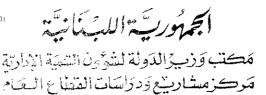Republic of Lebanon
Office of the Minister of State for Administrative Reform
Center for Public Sector Projects and Studies
(C.P.S.P.S.)

مَكتَب وَزِيرِ الدَولة لِشُؤونِ التَنمِية الإدارِية
مَركز مشارِيع وَدِراسَات القِطاع الَعَام
الجُمهُورِيَة اللُبنَانِية

ARLA PROGRAMME

Programme Monitoring Consultancy

Sub-component 1.4.3: Assistance to Central Administration of Statistics (CAS)
Activity # 2: *Implementation of the strategic plan.*
Result: First interim report available for identifying further steps at the beginning of April '01.

Final report on the short-term mission to CAS
18 April – May 4, 2001
by
Professor Sten Johansson

Executive summary:

The follow-up of the November strategy plan for statistical system building for modern National Accounts shows that the implementation is seriously delayed. In fact the implementation has not yet started because the critical assumption on staff recruitment has not been verified. However, the recruitment process for twelve new technical staff is under way and may be completed by September, widening the most critical bottleneck, which is in the Computer Systems Department. The implementation can start if this and other bottlenecks are also widened with technical staff recruited on contract until further permanent posts can be filled.

A default strategy has been developed with a revised sequencing of its three main operations according to which the household budget survey must be prepared for fieldwork to start January 2001. The annual economic surveys with 2001 as reference year can be prepared to start fieldwork in the second quarter of 2002 even if the update of the sampling frame has not been done, but this would be far from the preferred course of action.

The National Accounts exercise to provide some very provisional estimates of GDP-figures for 1997-2000. The main result of this exercise will be the inventory of available data with their serious gaps and deficiencies that must be filled with estimates and "guestimates". This is true for all existing estimates of GDP for Lebanon for the period.

The main institutional development issues have been identified and a work plan detailed for the period July 2001 – June 2002 together with a detailed work plan to implement the strategy as basis for de deployment of ARLA technical assistance for the same period.

Beirut May 4, 2001

Sten Johansson

Terms of Reference:

According to my Terms of Reference this mission has as its "objective to develop and consider thoroughly the proposals for the institutional development of CAS and to plan the activities, measures and tasks to the end of the ARLA program in August 2002 taking into account the orientations defined in November last year".

The activities to be undertaken during the mission are:
Activity # 1: Propose the measures for the institutional development of the CAS and establish a general plan for the tasks to develop until the end of the ARLA program in August 2002,
Activity # 2: Follow-up the developments of the plan presented in November and the tasks already started by the CAS staff and the experts who are already in place,
Activity # 3: Set up a calendar for the distribution of tasks to be accomplished before the following mission

Table 1. Summary of activity plan for the mission:

Week	Activities	Related to ToR	Result
1. April 18-22	Follow-up of strategy plan Institutional development issues	Activity 2 Activity 1	Progress report (1) Mission work plan
2. April 23-29	Institutional development issues and general work plan	Activity 1	Progress report (2)
3. April 30-May 5	General work plan until Aug 2002 Calendar until next mission	Activity 1 Activity 3	General work plan Final report

Introduction

The first week of the mission entailed long, constructive and fruitful discussions with Dr. Maral Tutelian, Director-General of the CAS. She and her management team were available on several occasions for long meetings with me, Dr. Zoha Khalil and Mr. Idilio Freire, the other members of the ARLA team for the CAS project. The discussions related to the first two activities listed in my Terms of Reference.

Discussions related to Activity # 2 resulted in an agreed memorandum on a first follow-up of the strategy plan adopted by the CAS Director-General during my November mission. This memorandum was attached to the first brief progress report submitted to the PMC Team leader, Mr. Sfikas, on April 23 as well as to this final report as *Annex 1.* A brief but inclusive summary is that the implementation of the strategy had not started and a rather complete explanation for this fact is that the critical assumption for the strategy had not come true. The recruitment process for 12 out of the 50 new technical staff required according to the assumption is in progress but will probably not be completed until September.

Table 2. University trained staff at CAS by department

Department	No of posts	No of staff	Vacant posts	Recruitments in progress
Economic Statistics	13	2	11	2
National Accounts	13	4	9	1
Social Statistics	14	3	11	1
Computer System	20	1	19	7
Fieldwork	6	1	5	
Administration	4	4	0	
Publishing & documentation	5	0	5	1
Total	75	15	60	12

The narrowest bottleneck will be sufficiently widened with the seven analysts and programmers to the computer department for the implementation of the strategy to start, particularly if the default strategy that will be developed later is held in reserve. However, even with the default strategy the household budget survey must be prepared to start with fieldwork from January 2002. Year 2002 can then be kept as the target year for core National Accounts from both the production and the consumption side.

The discussions related to Activity # 1 were initially structured by the preliminary comments on institutional development issues that were listed in Annex 2 in the November mission report by Mr. Idilio Freire and me. The discussions during the first week included an intensive exchange of information, opinions and suggestions that continued in the second week mainly within the ARLA team for CAS. Dr. Maral was occupied the whole second week as the chairman of the committee to interview candidates for the twelve vacant positions to be filled at CAS. She was kept informed of the discussions by various written material and oral communications by members of her management team but she could not join the discussions until on Saturday morning, April 28. That very constructive meeting resulted in the preliminary work plans that were attached to the second progress report, submitted to the PMC Team leader, Mr. Sfikas, on April 30.

The discussions that started already in the first week aimed at clarification of the institutional issues to give a basis for the general work plan to June 2002. The issues covered in the discussions were related to organizational development and human resource management and development. These discussions were informally documented in a separate memo, attached to the second progress report and as *Annex 2* to this final report.

In the discussions we soon found that none of the two subjects could be fruitfully discussed without reference to the Lebanese statistics laws and administrative regulations of the CAS. The regulations of the organizational structure as well as of the staff structure of CAS are so strong and detailed that both organizational and human resource development can only take place as changes in the administrative regulation of the CAS. This is somewhat further detailed in the following sections 1-3.

In section 4 we briefly define some other administrative development issues, which normally belong to the central concerns of managements of national statistical institutes;

financial flexibility and computer system planning. We have included these in a very preliminary work plan for the next planning period for the ARLA project together with projects and activities concerned with the regulations on organization and human resource development. This work plan is included as *Table A1* in *Annex 3*.

Equally urgent has been to set up a work plan for the implementation of the strategy to build the system of economic statistics to enable the CAS to retain year 2002 as the target year for the first core set of National Accounts for Lebanon. The main result of the work reported in section 5 and *Table A2* in *Annex X* is the detailed sequencing of activities to implement the strategy as a basis for deploying the ARLA technical assistance available to end of June 30, 2002. The technical assistance plan will be further detailed by Mr. Idilio Freire after discussions with CAS management and the PMC team.

An oral presentation with overhead handouts of this report was given on May 2 at OMSAR to a group consisting of Mr. Sfikas and Mr. Kolkma from the PMC, Ms. Kabbani and Mr. de Peane from the EU, Dr. Tutelian from the CAS and the ARLA team at CAS, Mr. Freire and Dr. Khalil. The discussions concentrated on the need for staff capacity and technical assistance. We will return to these discussions in section 5 of this report.

1. The Lebanese statistics laws

A draft translation of some significant articles in the 1979 Lebanese Statistics Law was made available to us as well as oral presentations and explanations. The Law assigns seven tasks to the CAS and states some general rules on CAS right of access to data from all public administrations and its duty to protect the confidentiality of respondents, which are standard articles in any general statistics law. The Law then mainly states the process through which the regulation for CAS should be developed; a cabinet decision to issue a decree that is signed by the President of the Republic of Lebanon. His signature gives it official standing and makes it binding for CAS and other relevant parties.

We were also given an oral presentation and a draft translation of one part of the 1980 Decree on CAS, which was signed by the President of Lebanon and co-signed by the Prime Minister and the Finance Minister. The law and the decree were made available to us in complete translations in the last week but not in time for any deeper analysis. This deeper analysis will include some revision of the translation to arrive at a more precise text. A preliminary judgment is that the law is very general and may not need change for the time being while the Presidential Decree must be reviewed and rather thoroughly revised.

The Decree on CAS is a detailed regulation of its organizational structure with departments and sections and, in some cases, units under the department level. The tasks of each of the departments and sections are listed in the Decree as well as the number and level of technical positions with brief job definitions for each position. The excessive details as well as statistical and technological developments in the two decades since 1980 have made the regulations outdated - in fact rather hopelessly outdated.

Issues to be discussed is if and when CAS should take on the task to draft administrative regulations for CAS taking into account that management and staff must carry out the big statistics production tasks that are defined in the strategy plan. The judgment based on discussions during the November mission was that the implementation of the strategy did not require formal organization change immediately.

2. Organization development

The timing of work on statistics legislation and administrative regulations is related to the issue of organization development. All the discussions with CAS management in this mission on the future organizational structure of CAS imply change in the administrative regulation, which would involve the Prime Minister in preparing a Cabinet decision and then the President to sign the Decree as well. A high legal panel is heard at some point in the process.

If the regulation of the organizational structure to be included in a new Presidential Decree must be as detailed as the old decree, the drafting would entail modernizing the existing formulations taking into account statistical and technological developments since 1980. Alternatively the regulation in the Presidential Decree can be much simplified including only the divisions into departments while the division into sections and units below the department level is delegated to the Director-General. Actually there is in the regulation fairly wide discretion for the Director-General to organize working groups or projects also of long standing within the departments. Either way the new draft regulation of the organizational part in the Decree (chapter 1, articles 1-31) can and must be done by CAS with the technical assistance that may be required.

The process to change the regulation seems to require rather long time. It is true that the organizational structure does not need to change immediately to implement the initial activities in the strategy plan. However, if we may assume that the process to change Chapter 1 will take a year or more, it would be safe to start the activity early on and within the ARLA program period ending June 30, 2002.

3. Human resource development

Another main area in institutional development besides organization development is human resource management and development. The management aspect we have discussed mostly in this mission is concerned with the kind of salary system that is needed to recruit, motivate and keep the kinds of qualified staff that a modernized CAS needs. The Director-General has indicated that a special memo may be needed to develop the case for such a salary system.

Staff *capacity* building (in terms of numbers at different levels) and staff *capability* building (in terms of knowledge and skills related to the job) are the main *immediate* challenges for the CAS as was been documented in the "First follow-up of the strategy plan".

Rapid staff capacity building is a *sine-qua-non* for the implementation of the strategy to even start, the most prominent bottleneck being the computer department. Staff capability building through on-the-job and formal course training must be integrated with the implementation of the strategy plan. The detailed regulation is causing problems because job definitions in the Decree are outdated. It will still take some months before the recruitment process for only twelve of the vacant posts is finished. To fill an additional batch of vacant posts according to the regular process will not much help the timely implementation of the strategy since the recruitments cannot be processed to fill the vacant post until January 1, 2002 even if approval was granted now. If at all possible, an alternative process to give rapid staff capacity building must be found in cooperation with the Council for public Employees that has declared willingness to help.

The alternative process that exists (although now temporarily closed for state financial reasons) is that CAS is allowed to hire technical staff on contract. That process is designed mainly for temporary fieldworkers or data entry for special surveys. For technical staff the contract process has one major drawback; the temporary technical staff would be given intensive on-the-job training and also some formal courses but could not then be promoted into the vacant permanent positions even if they proved to be excellent in their jobs. The advantage of the contract process might be that the contracted can be recruited with the job descriptions for the vacant positions but preferably with modern job descriptions and qualifications for production statisticians. To approach the Council for public employees another memo may be needed if it cannot be included in the memo on the new system of salaries.

The need for staff *capability* building was, of course, envisaged in the current PMC work plan for the CAS project as Activity # 5 *Development of areas of expertise and training of CAS staff*. However, the work plan at the time of its conception wisely decided a *Time schedule: To be determined on the basis of the outcome of the above activities*. The process to develop a plan for capability building should start by establishing a basis for a plan by a survey of present staff capacity and capabilities. Such a survey can also function as a baseline study against which future progress towards sustainability can be measured and monitored.

In the survey all present staff would be listed by employee number, name, sex, age, job title, formal education, job description and job experience by department, and within departments by section, unit or temporary work group or project. For each employee some simple qualitative information should be added in the form of management evaluations on simple five-point scales on knowledge of statistical theory, computer skills and reading and writing language skills (Arabic, English and French). The data will be presented only in tabular form by organizational unit avoiding as far as possible individual identification.

4. Other institutional development issues

There are, of course, other areas in institutional development that belong to the normal strategic concerns of the managers of national statistical institutes. Among these is normally included the technical and financial issues in computer system development, the

hardware and software policies needed as well as policies for data access and data protection. The computer infrastructure for a national statistical institute and the computer skills of staff are extremely important for the technical efficiency of all statistical operations and, next to personnel, the biggest item in the cost structure of a statistical agency.

Normally included among the strategic concerns for management is the scope for financial flexibility and the budgeting and follow-up instruments that are needed to economize with and effectively use the allocated budget.

The need for and timing of technical assistance for the strategy has been discussed but cannot be finally decided until the timing of the implementation is clarified. Before this issue is approached we summarize the tasks that have been defined in the previous discussion.

A preliminary list of institutional development tasks

1. Staff capacity and capability building for CAS on the basis of analysis of the 1980 Decree in order to arrive at a modernized and simplified staff structure and a career system to recruit, motivate and keep technical staff. A survey of present staff capacity and capabilities is needed as a basis for a capability-building program for CAS.

2. Organizational development issues on the basis of analysis of the 1980 Decree on CAS in order to arrive at modernized descriptions of the tasks or organizational units in a future organizational structure of the CAS.

3. Analysis of the 1979 Statistics Law to clarify priorities and as a basis for discussion of the needs for revising the law.

4. Financial flexibility and responsibility require instruments for budgeting and financial follow-up that clarify the cost structure of all operations, activities and organizational units.

5. Computer system development for the CAS to arrive at hardware and software policies for the future as well as policies for data access and data protection.

This list has been detailed in the annexed *Table A1* in *Annex 3* as a preliminary work plan on institutional development issues.

5. Detailing a general work plan to implement the strategy

When thinking about the general work plan according to Activity # 1 in the Terms of Reference the strategy to establish a system of economic statistics sufficient for compiling National Accounts according to international standards and recommendations is an integral part of institutional development. If the implementation of the strategy cannot start the institutional development issues will lose considerably in importance and urgency.

In the meantime Lebanon will continue to lack a basic instrument for economic policy by the government and transparency of economic conditions for the public and for Lebanese

and foreign investors. A country without reliable economic statistics and National Accounts is like an enterprise without bookkeeping in relation to its owners, its managers, its partners in regional and international cooperation, and to potential investors.

There is no quick remedy within some months or a year or two. Building the complex system of economic statistics that is the basis for National Accounts is a technically difficult undertaking. Even with effective implementation of the strategy the first modern National Accounts for Lebanon according to international standards and recommendations will have 2002 as reference year and will be available only towards the end of 2003. Even after that a fairly long stretch of years will be needed before the system of economic statistics that is needed as a basis for modern National Accounts is in a routine mode of operation and technically as well as financially sustainable.

A work plan for the ARLA project at the CAS must take into account the implementation of the strategy plan and also to some extent the other surveys that are in the work program of the CAS. The critical bottleneck in CAS for the implementation of the strategy is staff capacity, particularly in the computer department. *ARLA technical assistance to the implementation of the strategy plan must be timed according to when there is counterpart staff and concrete work is set to start. Technical assistance to a statistical production project is less meaningfull in the longer term unless those two conditions are met. Counterpart staff must be available for the period of the mission. Counterpart staff must be working fulltime on the project to which technical assistance is provided. The technical expert will join the counterpart team and their work process as adviser.*

The dates that are relatively fixated in the strategy are that fieldwork for the household survey must start January 2002 and the first round of the economic surveys should start in the second quarter of 2002 with 2001 as reference year. The household survey can manage with the old frame and correct the weights for the sampled enumeration areas (ilots) when the update is available. Such correction may be needed if the regional distribution of the population has changed substantially since 1996. The household survey is also the element in the strategy that must be done in time with 2002 as reference year that is targeted as the base year for the National Accounts. The household survey cannot be finally designed and – even less – go into the field until the financial problem of the survey is solved. The hopeful element is that the 1997 survey design, questionnaire and manuals may be used as a model that need only marginal modifications. The target year for modern National Accounts for Lebanon must be postponed beyond 2002 if the household survey does not start on time. This is not the case if the other elements in the strategy are delayed or postponed although that would be unfortunate.

The strategy is designed to give National Accounts for Lebanon with 2001 as reference year from the production side only, which is an important step towards a more complete system that must include the use side. This is why the strategy includes the annual economic surveys in the second quarter of 2002 with 2001 as reference year. This in turn presupposes that the update of the register is carried out *before* the economic surveys go into the field. The sampling of economic establishment cannot be done quite correctly with retroactively corrected weights like the sampling of households. This is because

economic change and also regional economic change is much faster than the change in the regional population distribution. So update must come before the economic surveys.

However, the update of the 1996 Establishment Register cannot start seriously until the shortage of staff in the computer department is resolved. We thus need to consider alternatives and default strategies for National Accounts from the production side.

How much flexibility is there in timing the fieldwork to the second quarter of 2002? Not much because second quarter is already late for the smaller enterprises that close accounts for 2001 already in January. We can proceed with some version of area sampling based on the 1996 frame updated with new buildings and their enterprises with weights retroactively adjusted if the updated frame is not available. This is not really good. There will always be some doubts as to whether 2001 can be included as a year in a reliable time series that can only start from the base year with more complete data.

On the other hand the year 2001 will have much more reliable accounts than the previous years 1997 – 2000 for which very provisional accounts will be compiled with seriously deficient data and imputations and guestimates. Real data on manufacturing industry will be available only for 1998. There will be very little real data on all the services sectors and probably only cement consumption and building licenses to estimate construction sector output. It would therefore be a serious sacrifice if the first annual economic surveys will not be carried out in the second quarter of 2002 with 2001 as reference year.

The 2001 National Accounts from the production side will be a god ending of the weak series from 1997 although only a partial start of the modern National Accounts for Lebanon that must have 2002 as the target year. Also a first round of the annual economic surveys will be a very useful training of staff for the more serious undertaking to do the second round of annual economic surveys that will be used in the Supply-and-Use tables for the base year 2002. With the new recruitments and counting also staff in the National Accounts Department there will be nine technical staff trained on-the-job in economic statistics production besides the fieldwork organization. A substantial input of technical assistance will be required.

A detailed sequencing of the activities to implement the strategy has been developed in collaboration with the ARLA National Accounts expert, Mr. Idilio Freire. This activity plan is given in *Table A2* in *Annex 4* to this report.

6. Before next mission

I am available for a next mission to CAS from July 26 to August 7. Before the mission I can do work in Stockholm as indicated in the work plan in Annex 3 to this report. The two activities in CAS that should be well under way is the Survey of staff capacity and capabilities in CAS and the preparations for the household budget survey.

ARLA PROGRAMME
Programme Monitoring Consultancy
Sub-component 1.4.3: Assistance to Central Administration of Statistics (CAS)
Activity # 2: *Implementation of the strategic plan.*

First follow-up of the strategy plan for CAS
Progress Report on the Short-term Mission

by
Professor Sten Johansson

Introduction:

The main result of the first mission in last November by this consultant was the strategy plan for Statistical System Building for Lebanon that was adopted by the Director-General for the Central Administration for Statistics. The attached "First follow-up of the strategy plan for CAS, April 21, 2001", has been discussed with the Director-General of CAS and her management team to her agreement. The other experts in the ARLA team for the CAS-project, Mr. Idilio Freire and Dr. Zoha Khalil, have participated in all discussions.

Beirut, April 23, 2001

Sten Johansson

Statistical System Building for Lebanon

First follow-up of the strategy plan for CAS, April 21, 2001

The Director-General of CAS after discussions with the ARLA statistical advisors in November 2000 decided to adopt a 7-element strategy for statistical system building for the coming three years to be further developed as a Masterplan for the years 2001-2005. The plan is based on the international principles and best practices to establish the underlying systems for modern National Accounts.

This paper lists the 7-element strategy, the critical assumptions for the implementation of the strategy and the suggestions that were made together with a brief summary of a first follow-up of tasks done and tasks ahead. The biggest concern of the Director General and her management team is the slow progress in staffing the CAS. A brief overall summary is that the non-fulfillment of the critical assumption about staffing is seriously endangering the implementation of the strategy.

If implemented the strategy will give Lebanon the underlying statistical systems for the core of modern National Accounts from year 2002 in accordance with international standards and recommendations as certified by the IMF. Such certification is increasingly a requirement for access to international capital markets at standard interest rates and for donor funding. Continued non-fulfillment of the critical assumption on staffing will mean that the target year of 2002 must be postponed.

Strategy element 1. An interim activity will be to assemble all available statistical data that can be used for the compilation of provisional National Accounts estimates for the years 1997-2000. This interim activity can only give some very provisional estimates of GDP and its components because of the deficiencies in the underlying data sources.

> *This activity is proceeding according to a work plan with June 2000 as deadline. To increase the probability that this deadline can be met easier access to available data in the ministries and a project organization reporting to the acting head of National Accounts Department may be productive in addition to other internal measures already decided.*

Strategy element 2. The year 2001 will be used to make a full update of the 1996 Buildings and Establishments Enumeration to establish a comprehensive sampling frame for the sample surveys of enterprises and of households. The update of the 1996 enumeration will be a major exercise requiring careful planning to develop the relevant instruments (maps, manuals and forms) and the logistics of fieldwork. The updated sampling frame must be available before the end of 2001 for the sample surveys to be made in 2002.

> *The time plan needs to be reconsidered as to feasibility of deadline for the updated sampling frame for the annual economic surveys and –less urgent- for the family budget survey. The interface between the formal sectors and the household (informal) sector needs discussion, both theory and practice. A survey to follow-up the building licenses is under way to be used for a partial update of the 1996 register of establishments. The Lebanese Army will provide the CAS with digitized maps that will substantially improve the quality of the data collection and make future updates less costly. Manuals and forms from the*

1996 exercise must be updated and compared with modern requirements to be ready for a pilot exercise in September. The need for temporary staff and the logistics of the fieldwork operation should be elaborated and tested in a pilot in the fall. The critical bottleneck for this set of activities is the staffing of the computer department.

Strategy element 3. The second activity in 2001 will be the preparations for the set of annual sample surveys of enterprises to obtain value added from the three sectors of production to be launched in 2002 with 2001 as reference year according to SNA 93 and other internationally adopted classifications. The preparations include questionnaires, manuals for fieldworkers, supervisors and coordinators, for coding, for data entry and computer programs for data processing. These instruments must be tested in a pilot survey and analyzed as a basis for the further calibration of the instruments.

Critical shortage of technical staff has made for slow progress in the set of activities needed for the launching of the first set of annual economic surveys. However, the second quarter of 2002 as target date for fieldwork is not yet threatened. Collection of manuals and forms should include those used in the 1994 and 1998 surveys of manufacturing industry made by the Ministry of Industry and those collected by ESCWA or directly by CAS from countries in the region. Methods for data collection on construction and transport may need extra consideration. Pilot fieldwork cannot take place later than January 2002 to allow for testing of coding and data entry procedures and revision of manuals, etc.

Strategy element 4. The third activity in 2001 will be the analogous preparations for an integrated household survey that will have a family budget survey as its core with small modules attached for labor force and the social sectors. The preparations include a pilot to test the instruments.

Sampling of households can be done from the old frame with methodology used in the Unicef study if the updated sampling frame is not available in time for fieldwork. Content in relation to the needs of national accounts on household ‑production, consumption, income and time use must be discussed and decided, as must the general design of the survey. Questionnaires and manuals used in 1997 should be the starting point to ensure some optimum of comparability. Variance estimates for alternative designs should be made for some crucial estimates taking alternative lengths of the diary period into account. Pilot fieldwork cannot take place later than October 2001 to allow for testing of data entry procedures and revision of manuals, diaries, etc. The critical factors for this set of activities are the shortage of technical staff and the withdrawal of promised partial financing.

Strategy element 5. The preparations done in 2001 will lay the basis for launching the whole set of annual sample surveys of all the sectors of production (primary, secondary and tertiary) enabling estimates of GDP with 2001 as the reference year. Fieldwork will be done in the second quarter with simultaneous data entry. After data editing and processing the first preliminary National Accounts for Lebanon from the production side based on real data for all sectors of production with 2001 as reference year can be released before the end of 2002. Final estimates can be made when data on the household informal sector is available from the family budget survey.

This good scenario now starts to look too optimistic. With only one staff in the computer department the preparations for the update of the register of establishments in effect is at a standstill. If these and other preparations planned for 2001 are not accomplished the underlying statistical system for estimating GDP for 2001 will be incomplete. Default strategy is to postpone the annual economic surveys one year and proceed with the seriously deficient methodology of imputations and guestimates also for 2001.

Strategy element 6. After preparations in 2001 the integrated household survey will be launched in January 2002 with monthly samples and simultaneous data entry enabling increasingly timely release. This survey will yield a variety of data related to social concerns, including poverty and nutrition, as well as level and structure of private consumption for the National Accounts and updated basket weights for the national CPI. The survey also aims at collecting data on household production in terms of value added and labor input in hours in the total economy with a much simplified time use form. In this way the survey will cover also the informal economy.

This scenario looks optimistic unless the financing package can be restored and some of the vacant technical staff positions can be filled. Default strategy is to reduce the content of the survey to the barest essentials, use recall instead of diary methodology and the smallest possible sample size to fit with the financing the CAS itself can provide from its budget.

Strategy element 7. In year 2003 the full set of annual sample surveys of all the sectors of production will be carried out as in 2002 with 2002 as reference year. With the data on level and structure of private consumption also available for 2002 Supply and Use Table methodology can be implemented to calibrate estimates of GDP by sector of production with estimates of GDP by kinds of usage. 2002 will then be the base year for the National Accounts of Lebanon for the coming years as well as for the CPI and the other price indexes needed for constant price calculations.

Table A.V.1. in SNA 93, the UN handbook for National Accounts, lists the elements in the underlying data for a <u>core</u> system of National Accounts. The ~strategy has 2002 as target year for this stage when there is data for both the production and the use side. The criteria for this stage can be concretely derived from that table.

Critical assumptions:

1. That the recruitment of higher-level technical staff to fill the gaps in the departments for production statistics, national accounts, household surveys and information technology is done in time for the new staff to be trained in the preparation process for the major surveys to be implemented in years 2002 and 2003. The need is for 50 positions to be filled before the end of the first quarter of 2001.

This critical assumption has not been fulfilled by far although the Government has made an exception for CAS from the recruitment freeze imposed in January on all government institutions. The exception for CAS allows for filling twelve of the currently vacant positions. The computer department still has only one staff person, its director. The recruitment process for twelve staff, of whom seven for the computer department, is under way among some 220 candidates. The long recruitment process with oral and written examinations will take several months more. Optimistically, they can start work 1ˢᵗ of September. The situation can be

rectified so that the implementation of the strategy can proceed according to plan only if CAS get external funding for technical staff on temporary contracts or Government permission to recruit on temporary contracts with the job descriptions of the vacant technical posts.

2. There is increasing compliance with the Statistical Law and the Government's memorandum issued enabling all government institutions to cooperate with CAS in a coordinated effort to establish a modern statistical system for Lebanon.

There is little change in this respect. Inter-institutional procedures within government continue to be slow and cumbersome.

Suggestions:

1. That donors, who are willing to contribute technical assistance and/or financing to statistical activities, form a consortium to coordinate their support to this strategic plan according to the agreement among major donor organizations at the conference in Paris in November 1999 – the PARIS 21 initiative.

This suggestion has been shelved as not feasible because of donor resistance

2. That a National Council of Statistics is established by Government decree to co-ordinate and monitor a National Statistical Plan for Lebanon.

This suggestion is still alive. A concrete proposal is needed.

3. That institutional development of CAS will be gradually adapted to the production demands that follow when the strategy plan is implemented.

Institutional development in terms of staff capacity building must now take center stage. There is no way that Lebanon can have a system of economic statistics sufficient for compiling National Accounts according to modern international standards and recommendations within the next few years without rapid staff capacity building. Since the regulations make the recruitment process take many months the only way to get the implementation of the CAS strategy back on track is to recruit the technical staff needed on temporary contracts with the job descriptions of the vacant technical posts.

Informal notes on discussions on institutional issues

In the November mission I was informed of the organization, resources and the strengths and weaknesses of CAS and we had a discussion on the basis of which I listed some preliminary comments on institutional development issues in Annex 2 in the mission report by Mr. Idilio Freire and me. The comments are structured by the organigram that is annexed to this memo. The list of comments was not discussed thoroughly with Dr. Maral or her management team so they remain personal ideas. Comments in italics are summaries of discussions in several sessions. Dr. Maral Tutelian, Ms Najwa Yaakoub and Mr. Nader Keyrouz have participated from the CAS and Dr. Zoha Khalil, Mr. Idilio Freire and myself from the CAS ARLA team.

Comment # 1 on the structure of CAS. The general set up of the organization in the organigram with the seven departments is in line with organizational principles for statistical agencies. Later on there might be a need for another subject matter department to handle national resource and environment statistics.

> *There was complete agreement on this point. Some work on natural resources and environment has started in the CAS. Within the management team Ziad Abdullah is responsible for this area. Environment statistics was a main topic at the recent ESCWA meeting in Beirut. The CAS has signed a protocol on environment statistics with the Ministry of Environment. However, for CAS environment must have low priority until economic and social statistics are in some established mode of regular production. A separate department for natural resource and environment statistics should be established at some time in the future but probably not within the next few years. In the meantime statistical programs in this area can be established only if they are separately funded and staffed with appropriate technical staff.*

Comment # 2 on Economic Statistics Department and the National Accounts. One can discuss whether the National Accounts department should be separate from or a part of the economic statistics department. However, the position of the National Accounts Department as the controlling and coordinating function for all economic statistics must be emphasized. Further subdivisions under the economic statistics production department will be needed later on

> *There was complete agreement that the National Accounts has this important coordinating role within the system of economic statistics and also that there is a need for "horizontal" coordination between economic statistics and the system of population and social statistics and eventually also with the system of natural resources and environment statistics. In CAS the National Accounts is a separate department in the structure according to the statistics law.*

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The current subject matter set of sections for Production enterprises, Foreign trade and Domestic trade and prices as established by the Government Decree on CAS does not need immediate change since the organization is actually flexible with the possibilities to organize project groups. Available technical staff is currently engaged in the tasks (1) to produce regular price statistics and the CPI, (2) the current project to follow-up building licenses issued 1994-1999 (more than 40 000), (3) the new data collection from foreign embassies and international organizations for the Balance of Payments, (4) the regular compilation of data for the monthly Statistical Bulletin, and (5)   .

Currently the whole department has seven out of thirteen technical positions filled. These seven have little free capacity to take on the two big tasks to make a full update of the 1996 Buildings and Establishment Register and then in 2002 launch the first set of annual economic surveys. Filling the six vacant positions or the equivalent in terms of temporary project staff would go some way to close the technical staff capacity gap.

The staff capacity and the set of organizational units needed below the department level can best be evaluated against the elements required in the system of economic statistics for the compilation of modern National Accounts; (1) a set of annual economic surveys covering Manufacturing industry, Construction, Domestic Trade, Transport and (other) Services, (2) Public sector production, (3) Financial sector production, (4) Foreign trade, (5) Balance of payments, and (6) Price statistics. This list implies a wider scope of data collections than was conceived of in the 1980 Lebanese statistics law that was rather up-to-date at the time but is now some way behind modern requirements of all economies dominated by services rather than by agriculture and manufacturing industry.

Comment # 3 on existing interviewer units in the subject matter departments. The interviewer units in the economic and social statistics departments might be moved to the fieldwork department when that department is reorganized. The number of permanently employed interviewers should be carefully considered because the seasonal variation in the workload will be substantial, particularly for the annual economic surveys with fieldwork concentrated to the second quarter each year. Those interviewers also need training at the university level in economics or business administration.

Permanent interviewers are recruited at the baccalaureate level, not at the university level. Interviewers on temporary contracts can be hired from among university students. Currently there are eleven positions as interviewers out of 35 filled, many of whom are old. In the Economic Statistics Department there is at present effectively only one interviewer at work.

The idea to move all interviewers to the Fieldwork Department was intensely discussed. Each of the subject matter departments need a few interviewers, at least for their most regular data collections, for instance prices in economic statistics or

occasional collections of administrative data from some ministry. The statisticians need to have the interviewers close in order to follow data collection and do quality control. These were two of the arguments for having some few interviewers in the subject matter departments.

Data collections are normally national with much more than a "few" interviewers. Regular data collections like prices will be very vulnerable if handled by some very few interviewers. If two in a small unit get influenza the CPI will be delayed. A central fieldwork organization can easily cope with such exigencies. The other problem with a small interviewer unit in each subject matter department is that it will be difficult to have work for them all the time. Also this problem can best be handled within a central fieldwork department.

Responsibility for quality control of the data collection must be delegated to the fieldwork department chief statistician after quality specifications have been agreed with the subject matter department chief statistician. No chief statistician and no statistician can be involved in micro quality control for all or even any of the dozens of large surveys that are normally carried out every year in national statistical institutes.

Macro-control of data after fieldwork and data entry has been done is much more cost-efficient than trying to find errors by reading questionnaires that have already been read by the interviewer after the interview and by the supervisor in the field. There will also be quality control of interview work in the data entry process.

Comment # 4. Normally the National Accounts departments are organized with some subdivisions with division of labor among the staff. Since the first few years will be a learning period for most staff it will be wise not to have too strict a division of labor or at least have a scheme for rotating staff between the units.

After some discussion it was agreed that a scheme for rotating staff was not a very good idea. It is, of course, necessary that all staff in a very small National Accounts Department must know something in rather detail about the work of at least one colleague. But most persons in any National Accounts Department must specialize. It takes four to five years to really be on top of things in manufacturing, services or financial sector data.

The National Accounts Department at the present has only six staff positions filled. It would be very unfortunate if all the now vacant positions were filled according to the job definitions in the CAS Decree. What is needed in this department is university graduates in economics, business administration or accounting who become national accountants mainly by on-the-job training. The three mathematical statisticians defined as jobs in the CAS 1980 Decree would not be needed in a modernized National Accounts Department at the CAS in which all staff would work with computers. Neither would any of the eleven lower level staff positions as

assistant statisticians be really needed. There would be very few work tasks of a routine clerical type that could be given to lesser-qualified staff. These tasks are now all computerized. The eleven lower level jobs should be changed into seven or eight positions for university graduates in economics equipped with computers.

Comment # 5 on the social statistics department. The social statistics department will eventually need rather clear subdivisions in line with the main users in the social sector ministries. This is also needed because they need subject matter competence in the various areas of social concern. The labor statistics unit needs training in labor economics, the health statistics unit in health; population statisticians need demographic training, etc.

There was complete agreement that it would be great if CAS can have staff with subject matter training in the different social areas and that there should be organizational subdivisions roughly corresponding to social sector ministries. The areas normally covered by regular official statistics in developed countries were summarized within a level of living concept with nine components.

1. Household income, expenditure and consumption
2. Employment and working conditions
3. Education and access to schooling
4. Health and access to medical care
5. Family and conditions of vulnerable groups
6. Housing and amenities
7. Culture and recreation
8. Victimization by accidents and crimes
9. Popular organizations and elections

Data capture from the field can be made by integrated household surveys serving several of the sectors with separate modules with questions on the respective sectors. Survey data can then be combined with administrative data from ministries and institutions. In highly centralized statistical systems the Central Bureau of Statistics produce all official statistics including those based on administrative records in the social sector ministries, particularly education and health.

Comment # 6 on the Fieldwork Department. In the richest countries with mostly modern enterprises data capture is increasingly via telephone and CATI (computer assisted telephone interviewing), fax and most recently via e-mail and Internet. Direct interviewing is done by fieldworkers equipped with laptops for CAPI (computer assisted personal interviews). When will these modern techniques be feasible for Lebanon?

This point was rather extensively discussed. None of these techniques is currently feasible in Lebanon, it was said. Most Lebanese people still would hesitate to give information to a stranger over the telephone. No official correspondence is valid if done via fax or e-mail. Response rates on postal enquires would be very low in Lebanon. Direct personal interviews are probably the only reliable method for data capture in Lebanon for the time being.

Introducing CAPI (computer assisted personal interviewing) would, of course, be a great thing but there is very little chance that CAS can finance the purchase of some

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150 laptops. Interviewers would have to be permanently employed. They would have to be university trained. We should dream about such a system for the future but be aware of reality. Introducing such a system would require a tremendous effort by CAS. It may be economically feasible in the longer run because there are some rather substantial savings with this technology. All data entry, coding, data editing and quality control is done simultaneously with the interview. The finished interview is transmitted to the HQ via e-mail. The economic problem is mainly that it takes some 3-5 years to cumulate those savings to finance the purchase of the laptops.

Important now is to get the central fieldwork organization with regional offices on to its feet collecting data from both economic establishments and households and administrative units by personal visits. The main function of the regional offices is to administer fieldwork in the region. In a small country it is much more efficient to serve also local statistical users from the central office rather than from regional offices. The small fieldwork staff who man the regional offices can, of course, sell statistical publications and the office can have one or more computers for public access to statistics via the Internet.

Comment # 7. As for the administration, simplification of procedures is very much needed as well as decentralization of authority and responsibility so that the administrative work-load of the CAS management is lessened giving room for statistical work. Administrative requirements generally seem excessive.

This we have talked about so many times before. The current example can be the recruitment procedure for permanent employees. It seems that half a year is the minimum time required to manage the decision making procedures to fill a vacant post, posting the vacancy, oral examination, written examination, and finally the decision making procedure to official appointment of the chosen candidate.

16 of the 25 positions in the Administrative Department are currently filled but rather few have the computer and language skills that are needed in the future.

Comment # 8 on the Computer Department

The Computer Department has just installed 30 new computers so there are no hardware capacity problems at the present. However, this will change when the technical staff is increased and the data processing for the big projects under the strategy plan are under way. The CAS will need to prepare a policy paper for the development of its hardware system because capacity requirements from the software side is increasing rapidly. Also the CAS will need a software policy since software licenses are now turning very expensive. Data access and data protection include many issues that must be clarified and settled in a policy. Authorization of access to e-mail and Internet for some categories of staff needs to increase.

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The acute problem is the staffing of the department. There is only data entry staff and the Director. At least 10 technicians need to be recruited for the department and the CAS to operate at all efficiently.

Comment # 9 on the Documentation and publications department:

There has not been time to go into the many issues that are raised in the field of statistical dissemination through various media, among which the Internet is increasingly the dominant.

Comment # 10 on the salary system of CAS. The salary level at CAS seems excessively low in comparison with other countries in the region. The most qualified staff in CAS seems to have only about half the salaries of the similar category in the PCBS. The six-hour workday without lunch break five days a week + three hours on Fridays is a compensation but some sort of second job is then necessary. I do not agree with the Pinheiro proposal that legal measures be taken to prevent staff from leaving employment in CAS for other jobs. This will only create serious trouble for CAS with badly motivated and hostile staff.

We had a long discussion on this point. The present salary system for state employees does not work well for CAS with its unique kind of production in comparison with other state administrators. A central bureau of statistics in normal operation has a number of regular productions of monthly, quarterly and annual productions according to according to strict time tables, much like an industrial enterprise and very different from a normal administration.

The salary system fails to recognize official statisticians as a profession that nowadays requires a wide variety of skills. This failure is mainly because the training required for this profession can only come through several years on-the-job. Statistical theory is, of course, basic but it is only by doing a survey from early conception, via design, sampling, fieldwork, data processing and report writing that one can learn the profession of production statistician requiring advanced computer and foreign language skills.

Computer literacy is a must in modern statistics production. Staff in a modern subject matter department now has all the means of production in the computer on the desk to do questionnaire design with validating controls for data entry, to handle data files, to tabulate data and do calculations on spreadsheets or with analytic software, to tailor tables and illustrate them with graphics for publication and to write, edit and proofread the text to explain, summarize and highlight results in the final report, to adapt them for electronic release on diskettes or CD-ROM or for release on the Internet and then finally, to store, document and archive the data files and the procedures and methodologies used.

Any national statistical system must nowadays function as an integrated element in the regional and international statistical systems managed by the UN family of organizations including also the IMF and the World Bank. More recently the European Union has become very important in statistics under the program for Euro-Mediterranean cooperation launched under the 1995 Barcelona Declaration.
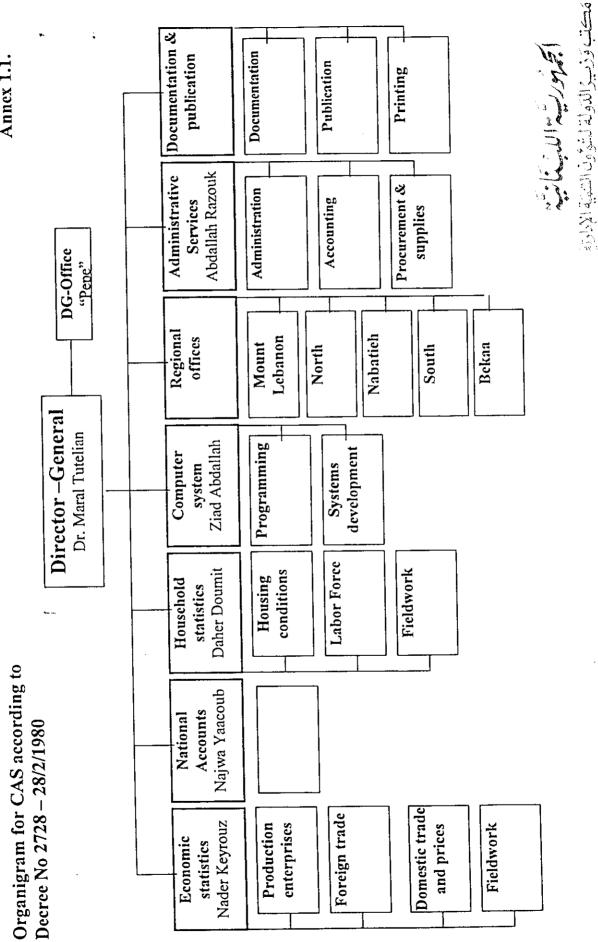
As a consequence official statisticians must have language skills in Arabic, of course, but also reading and writing skills in English or French. Language skills are necessary in order to function effectively in the work tasks of an official statistician, which includes daily contacts with English or French language manuals, questionnaires, technical papers, communication with foreign experts and colleagues, etc. Also crucially important is the need to regularly produce bilingual statistical reports.

An official statistician must normally also have formal training or in the course of his job acquire knowledge tom understand the subject matter areas for which they do statistics be it understanding of an industrial sector, a service industry, education, health, criminology, etc. Such understanding and knowledge is necessary in order to communicate effectively with specialists in the area and to write reports with some analytic contents, highlighting the important results in text and with graphics.

All this means that an official statistician must be something of a "jack-of-all-trades" with multiple skills, most combinations of which must be acquired in the course of many years on the job. The ideal system would be an internal career for official statisticians where <u>trainee statisticians</u> are recruited from young university graduates with a B.A. or and M.A. with modern empirical training in any of the economic or social sciences, who can then earn promotion on a ladder with at least five steps with <u>chief statistician</u> as top line position and <u>expert statistician</u> as the top specialist position, who can also be for instance "chief sampler" or "chief demographer".

Comment # 11 on training. Lots of training will be needed if some substantial proportion of the vacant positions is filled with new recruits who will probably not have any experience with statistical production work. The most effective method to quickly raise staff capabilities seems to be a mix of on-the-job training with concrete surveys tasks, reading technical manuals, inviting experienced colleagues from neighboring countries to relate their experiences, training in computer skills in parallel with intermittent courses on theory and regional and international workshops on practice.

> *There was solid agreement on this point. The only reminder was that the training of new recruits should not make us completely forget the need for continuing training of older staff. Many need computer training and language training. A survey of basic capabilities of the present staff is needed as a basis for forming a training plan.*

Organigram for CAS according to Decree No 2728 – 28/2/1980

Director –General — Dr. Maral Tutelian

DG-Office "Pepe"

- Economic statistics — Nader Keyrouz
  - Production enterprises
  - Foreign trade
  - Domestic trade and prices
  - Fieldwork
- National Accounts — Najwa Yaacoub
- Household statistics — Daher Doumit
  - Housing conditions
  - Labor Force
  - Fieldwork
- Computer system — Ziad Abdallah
  - Programming
  - Systems development
- Regional offices
  - Mount Lebanon
  - North
  - Nabatieh
  - South
  - Bekaa
- Administrative Services — Abdallah Razouk
  - Administration
  - Accounting
  - Procurement & supplies
- Documentation & publication
  - Documentation
  - Publication
  - Printing

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Table A1. Work plan and technical assistance in the ARLA program for institutional development at the CAS

Time columns grouped as: Year 2001 — Q3 (J A S), Q4 (O N D); Year 2002 — Q1 (J F M), Q2 (A M J). Technical assistance: ARLA Experts (SJ, IF, ZK, STE); Other Short-term (Intntl, Regnl, Local).

Projects and activities Q 3, 2001 - Q 2, 2002	J	A	S	O	N	D	J	F	M	A	M	J	SJ	IF	ZK	STE	Intntl	Regnl	Local	Comments
1.0 Human resource development																				
1.1 Statistical agency needs for staff capacity and capabilities	+	+											x							Draft in Stockholm
1.2 Analysis of staff structure in the 1980 Decree (Chapter 2)	+	+											x							Draft in Stockholm?
1.3 A new staff structure for the CAS	+	+	+			x		x		x	x		x		x					Draft in Stockholm
1.4 Survey of the CAS staff capacity and capabilities	+	+	+							x	x		x		x					
1.5 Staff capacity and capability building plan	+	+	+							x			x	x						
2.0 Organization development																				
2.1 Organizational principles for statistical agencies	x	x											x							Draft in Stockholm
2.2 Analysis of 1980 Decree on CAS (Chapter 1)	x	x	x										x							Draft in Stockholm?
2.3 Memo on proposed future structure for the CAS						x		x		x			x	x	x					
3.0 Legislative framework:																				
3.1 Memo on statistics laws					x								x							Draft in Stockholm
3.2 Analysis of the 1979 Law	x	x	x			x		x					x	x						Draft in Stockholm?
3.3 Memo on proposals for changes						x		x		x			x	x						
4.0 Financial flexibility and responsibility																				
4.1 Statistics production and budgeting systems							x	x		x			x							Draft in Stockholm
4.2 The cost structure of the operations of the CAS						x		x					x							
4.3 Towards program budgeting for the CAS								x		x			x							
5.0 Computersystem development for CAS																				
5.1 Hardware needs now and in the future																x				
5.2 Software policy																x				
5.3 Data access and data protection policy																x				

Table A2. Plan of Activities for the Central Administration of Statistics: July 2001 – June 2002

No.	Activity	Year 2001 Q3 J	A	S	Q4 O	N	D	Year 2002 Q1 J	F	M	Q2 A	M	J	Experts needed men/month NAE	STE	LE	CAS committee and chairman	Output	ARLA program allocation budget (in Euro's)
1.0.	Household survey																		
1.1.	Survey design	X	X			X									2				
1.2.	Questionnaires, manuals and nomenclatures		X	X		X													
1.3.	Sampling and maps for selected "ilots"		X	X		X	X								0,5		SSD, CD, FWD Chairmain: Zoha Khalil	Household consumption and production data base	
1.4.	Fieldwork logistics plan	X	X		X									0,5		12			5000
1.5.	Pilot survey to calibrate logistics plan				X		X												
1.6.	Training of fieldworkers							X	X	X	X	X	X						
1.7.	Fieldwork operations							X	X	X	X	X	X						
1.8.	Data processing and quality control				X					X	X	X			1				
1.9.	Quarterly reports																		
2.0.	Sampling frame update																		
2.1.	Analysis of the present database	X	X	X											2			Report	130000
2.2.	GIS and digitalisation of "ilots", maps	X	X	X											1				
2.3.	Computer printed forms for all "ilots"		X	X	X												ESD, CD, FWD Chairmain: Ziad Abdallah	Updated database of buildings, establishments and dwellings	
2.4.	Fieldwork logistics plan		X	X															
2.5.	Pilot survey to calibrate logistics plan			X	X														
2.6.	Training of fieldworkers					X	X	X	X										
2.7.	Fieldwork operations			X		X	X	X	X						1			Reports	10000
2.8.	Data processing and quality control										X	X	X		1				
2.9.	Statistical, analytical and technical reports										X	X	X						
3.0.	Economic surveys																		
3.1.	Survey design			X	X	X	X		X					1	4				
3.2.	Questionnaires, manuals and nomenclatures			X	X	X	X		X										
3.3.	Sampling and maps for selected "ilots"						X			X					0,5		ESD, CD, FWD Chairmain: Nader Keyrouz	Economic statistics for the enterprises sector data base	
3.4.	Fieldwork logistics plan						X	X	X	X									5000
3.5.	Pilot survey to calibrate logistics plan									X									
3.6.	Training of fieldworkers										X	X	X						
3.7.	Fieldwork operations										X	X	X						
3.8.	Data processing and quality control						X	X	X										
3.9.	Statistical, analytical and technical reports														1				

Table 2. Plan of Activities for the Central Administration of Statistics: July 2001 – June 2002 (continuation)

Activity	Year 2001 Q3 J	A	S	Q4 O	N	D	Year 2002 Q1 J	F	M	Q2 A	M	J	Experts needed men/month (mm) NAE	STE	LE	CAS department responsible	Output
4.0. Provisional National Accounts Exercise for the year 2000							X	X	X				1,5			NAD	Main National Accounts aggregats
5.0. Preparations for the 2001 National Accounts										X	X	X	1			NAD	Files and some data base
6.0. Balance of Payments and Rest of the World Accounts for 1997-1999	X	X	X										0,5	1,5		NAD	BoP and RWA exercise; Methodology papers
7.0. Foreign trade, import and export price and volume indexes				X	X	X							1	1		NAD	Prices and volume indexes
8.0. Methodology papers and nomenclatures	X	X	X	X	X	X	X	X	X	X	X	X	3			NAD	NA methodology papers
9.0. ARLA administrative work	X	X	X	X	X	X	X	X	X	X	X	X	1,5				

NAD – National Accounts Department; IDE – Institutional Development Expert; NAE – National Accounts Expert; LE – Local Expert; STE – short-term Expert; BoP - Balance of Payments; RWA - Rest of the World Account; SSD - Social Statistics Department; ESD - Economic Statistics Department; CD - Computer Department; FWD - Fieldwork Department

Annex 5.

Overheads used for presentation at OMSAR on May 3.

Terms of reference for the mission:

Activity # 1:
Propose the measures for the institutional development of the CAS and establish a
general plan for the tasks to develop until the end of the ARLA program in June 2002,

Activity # 2:
Follow-up the developments of the plan presented in November and the tasks already
started by the CAS staff and the experts who are already in place,

Activity # 3:
Set up a calendar for the distribution of tasks to be accomplished before the following
mission

+++++1++++

ARLA support to
the Central Administration of Statistics (CAS)
July 2001 – June 2002

1. Strengthening the administration

2. Building Economic Statistics for National Accounts

3. Provisional National Accounts 1997-2000

+++++2+++++

1.□.   Strengthening the administration

1.1. Human Resource Development

1.2. Organization Development

1.3. Legislative Framework

1.4. Financial Flexibility and Responsibility

1.5. Computer System Development

+++++3++++

1.1. Human Resource Development

1.1.1. Statistical agency needs for staff capacity and capabilities

1.1.2. Staff structure in the 1980 Decree

1.1.3. Towards a new staff structure for the CAS

1.1.4. Survey of CAS staff capacity and capability

1.1.5. Staff capacity and capability building plan

+++++4+++++

1.2. Organization Development

1.2.1. Organizational principles for Statistical Agencies

1.2.2. Analysis of the 1980 Decree on CAS

1.2.3. Proposed future structure of the CAS

+++++5+++++

1.3. Legislative framework

1.3.1. Statistics laws in other countries

1.3.2. Analysis of the 1979 Lebanese statistics law

1.3.3. Memo on proposals for changes

+++++6+++++

1.4. Financial Flexibility and Responsibility

1.4.1. Statistics production and budgeting systems

1.4.2. The cost structure of the operations of CAS

1.4.3. Towards program budgeting system for CAS

1.5. Computer System Development

1.5.1. Hardware needs now and in the future

1.5.2. Software policy

1.5.3. Data access and data protection policy

2. Building Economic Statistics for National Accounts

The System of National Accounts is
the bookkeeping of a nation,
recording the production and the income of economic actors
in the different sectors of the economy,
how this income is used for public and private consumption, investment etc.
economic exchange with other countries
as well as the value of the nation's productive assets

"A country without reliable economic statistics and National Accounts is like an
enterprise without bookkeeping in relation to its owners, its managers and to potential
investors."

The strategy for statistical system building:

1. Compiling provisional National Accounts 1997-2000

2. Updating the 1996 database on buildings, establishments and dwellings to be used as sampling frame for household and economic surveys

3. Establishing a set of annual economic surveys of enterprises in all branches of production with 2001 as first reference year

4. Establishing a household budget survey on household production, expenditure and consumption for 2002.

5. Compiling the first National Accounts based on near complete data on the production side of the economy with 2001 as reference year to be released before end of 2002.

6. Compiling the first core National Accounts for Lebanon with 2002 as reference year to be released before the end of 2003.
NA 2002 will be based on near complete data for both the production and the use side of the economy enabling supply-and-use table methodology to calibrate estimates of GDP by sector of production with estimates of GDP by kinds of usage

+++++11+++++

Critical assumptions:

1. That the recruitment of higher-level technical staff to fill the gaps in the departments for production statistics, national accounts, household surveys and information technology is done in time for the new staff to be trained in the preparation process for the major surveys to be implemented in years 2002 and 2003. The need is for 50 positions to be filled before the end of the first quarter of 2001.

2. There is increasing compliance with the 1979 Statistical Law and the Government's memorandum issued enabling all government institutions to cooperate with CAS in a coordinated effort to establish a modern statistical system for Lebanon.

+++++12+++++

First follow-up of strategy plan for CAS adopted in November 2000

Activity 1.
Compilation of provisional National Accounts for 1997-1999 proceeding according to plan with June 2001 as deadline.

Activity 2-4:
Preparations for the three major data collections in the strategy not started.

Critical assumption not fulfilled:
Staff capacity building still on hold.

+++++13+++++

Table 1. University trained staff at CAS by department

Department	Number of posts	Number of staff	Vacant posts	Recruitments in progress
Economic Statistics	13	2	11	2
National Accounts	13	4	9	
Social Statistics	14	3	11	2
Computer System	20	1	19	7
Fieldwork	6	1	5	
Administration	4	4	0	
Publishing & Documentation				
Total	70	15	55	

+++++14+++++

3. Provisional National Accounts 1997-2000

GDP from use side:

Private consumption + public consumption + investment +change in stocks+ export – imports

GDP from production side:

Production in primary, secondary and tertiary sectors – intermediate consumption

+++++14+++++

Quality of information available 1995-2000: Use side

√ - Official information is available
E – Credible estimations can be done
e – Very provisional estimations can be done
X – Guestimates can be done

	1995[1]	1996	1997	1998	1999	2000	%GDP
Private consumption	√	X	√	e	X	X	108
Public consumption[2]	√	√	√	√	√	√	10
Investment	√	e	e	e	e	e	36
Exports minus imports	√	√	√	√	√	√	- 54

Other statistics needed: Foreign trade (√), taxes and subsidies (E), labor force (X), price and volume indexes (E), household production (X)
Production Side Activities by Sector

+++++15+++++

Production side activities

Primary sector	Secondary sector	Tertiary sector
Agriculture	Mining	Domestic trade
Forestry	Manufacturing	Hotels & Restaurants
Fishing	Construction	Transport
	Water	Communications
	Electricity	Financial services
		Domestic services
		Public administration
		Health services
		Education services

+++++16+++++

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[1] Information available in the last National Accounts exercise: "CAS, L'état des comptes économiques 1994-1995 – Octobre 1997"
[2] General Accounting of the State (ministry of finances).

Quality of data available 1995-2000: Production side

Production:	1995[3]	1996	1997	1998	1999	2000	%GDP
Agriculture		X	X	X	X	X	
Forestry	√	X	X	X	X	X	13
Fishing		X	X	X	X	X	
Mining	√	X	X	X	X	X	17
Manufacturing		e	E	√	e	e	
Construction	√	e	e	e	e	e	9
Water	√	E	E	E	E	E	0
Electricity		E	E	E	E	E	

+++++17+++++

Quality of data available 1995-2000: Production side

	1995	1996	1997	1998	1999	2000	%GDP
Domestic trade[4]	√	X	X	X	X	X	
Transport	√	X	X	X	X	X	34
Communications		E	E	E	E	E	
Hotels & Restaurants[5]	√	e	e	e	e	e	
Financial services[5]	√	E	E	E	E	E	
Domestic services[5]	√	X	X	X	X	X	27
Public administration[5]	√	E	E	E	E	E	
Health services[5]	√	e	e	e	e	e	
Education services[5]	√	e	e	e	e	e	

+++++18+++++

[3] Information available in the last National Accounts exercise: "CAS, L'état des comptes économiques 1994-1995 – Octobre 1997"
[4] Including commercial and transport merges, taxes net from subsidies and costumes duties.
[5] All of these activities are aggregated in only one item, in the 1994-95 National Accounts exercise. +++++17+++++

ARLA team for CAS:

Professor Sten Johansson, ID expert
Mr. Idilio Freire, NA expert
Dr. Zoha Khalil, Local expert

Short term experts:	Man/months
Computer system	3
GIS expert	1
Database expert	1
Business register expert	2
Business register reports	1
Household survey design	2
Sampling for household survey	0,5
Household quarterly reports	1
Economic survey design	4
Sampling for economic survey	0,5
BoP and RWA expert	1,5
Foreign trade expert	1
Economic survey reports expert 1	
Sum	19,5

Other support:
Hardware and software	130 000 Euro
Training	70 000 Euro