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Session 4 – Institutional capacity building in countries

Title: The Need for Strategic Planning in the Development of National Accounts and Related Basic Statistics in Sierra Leone

Institution : Statistics Sierra Leone

Summary

The challenges facing national accountants in Sierra Leone are similar to those facing their counterparts in the region and are often reflected through our inability to provide national accounts that are relevant, timely and of highest quality. Various assessments has shown that prominent among the problems facing national account compilers are; lack of coordination of statistical production and poor data sources, low budgetary allocation for statistical production, frequent staff turnover particularly national accounts experts arising from poor conditions of service, the absence of economic censuses and surveys particularly in agriculture conducted in compliance with the 1993 System of National Accounts(SNA 93) recommendations, non-compliance with sound statistical techniques in sampling and data processing, outdated business register , inadequate frequency of data collection, low response rates and inadequate coverage of the informal sector and lack of computer hardware, software and other information technology facilities. The infrastructural destruction caused by the ten year civil conflict aggravated the data quality problem and brought into the fore the need for a strategic approach to the improvement of data sources for our National Accounts in particular and the statistical system in general.

1: Background

Although Sierra Leone has adopted the System of National Accounts (SNA93) Recommendations in the compilation of its National Accounts and had received technical assistance from the implementation of the first phase of the ECOWAS Harmonisation project and the International Comparison of Prices Program(ICP-Africa), our national accounts still need considerable improvement to pass the standard quality assessment tests.

2: The Sierra Leone National Statistical System After the War

The problems affecting the production of reliable national accounts in Sierra Leone should be seen within the wider context of a deteriorating and uncoordinated statistical system that needed some re-engineering. Over the years, statistical production in Sierra Leone has deteriorated both in quality and quantity in all sectors to the point that conflicting figures are used as official statistics for the same indicators.

Statistical production in the country was relatively well coordinated by the then Central Statistics Office (CSO) during the early years after Sierra Leone's Independence. However, the statistical system gradually collapsed due to lack of funding. Low budgetary support hindered the ability of the statistics office to retain trained and qualified staff, perform its functions and meet the needs of users. The statistical infrastructure deteriorated and there was a rundown in physical infrastructure. **The absence of a clear strategy for the**

development of statistics led to the lost of public trust and confidence in CSO. Over time, the link between statistical units in the form of planning units established in many Government Ministries or Departments and CSO weakened and Government budgetary allocations for statistical activities shifted from the then Central Statistics Office to the various Planning Units. The Planning Units assumed greater responsibility for the production of detailed sector statistics and some of the traditional survey research functions of a statistics office were gradually taken over by the sector ministries or agencies. The existence of statistical units in the various Departments is not in itself a problem. The actual problem is the lack of coordination between institutions aimed at ensuring that they do not work at cross-purposes thereby avoiding duplications of efforts and waste of money and human resources.

3: Problems of National Accounts Compilation

One of the adverse consequences of the ten year conflict in Sierra Leone was its destruction of the social and economic infrastructure. Most buildings including Government Ministries were either burnt down or vandalized. Data housed in most of these buildings was lost. At the end of the civil war the statistical system was in a very poor state and with very little data of any kind. Administrative data available were varied in format and content and therefore unreliable. Low budgetary allocation for statistical production, the absence of economic censuses and surveys particularly in agriculture, low response rates, inadequate coverage of the informal sector and lack of computer hardware, software and other information technology facilities impacted negatively on the quality of the national accounts. In addition to the lack of physical infrastructure such as buildings and vehicles was the absence of trained human resources especially in national accounts. This situation brought in to focus the need for statistical capacity building and its related human resource development as a matter of urgent concern.

4: The Need for Strategic Planning

In June 1998 an IMF Macroeconomic Statistics Mission undertook an assessment of the status of the country's National Accounts and other Economic Statistics with the view of restructuring the statistical system. The mission regarded the lack of effective coordination of the compilation of statistical data production and the resulting fragmented data in the country as the main problem affecting the quality of the national accounts. **The uncoordinated statistical system was identified by the IMF as a structural problem that should be corrected for which a structural performance benchmark was set.** The mission proposed a set of coherent structural reforms to build an institutional capacity for the restructuring of the national statistical system. The government of Sierra Leone with assistance from the World Bank under the World Bank Statistical Capacity Building (STATCAP) framework embarked on restructuring the statistical system and developing the institutional capacity to compile quality statistics for informed economic policy formulation and development monitoring. The starting point was the formulation of an appropriate statistical legislation, which provides for an enabling institutional and regulatory framework for the production and management of official statistics. This led to the adoption of the statistics Sierra Leone Act of 2002 which established Statistics Sierra Leone as a "body corporate" and the commencement of the restructuring and re-engineering of the Statistical System.

The Government in conjunction with the World Bank supported the National Strategy for the Development of Statistics (NSDS) approach as the main instrument for the development of Statistics. The main objective of the strategic plan is to develop an integrated, harmonised, coordinated and coherent statistical system which covers all data producing agencies in the country with Statistics Sierra Leone as the coordinating agency. To ensure stakeholder

ownership and encourage political commitment the strategic document was put in place by the NSDS team in consultation with SSL staff, other producers of statistics in the country, government departments, civil society and parliament. The plan was adopted by the Government of Sierra Leone on February 15, 2008 which now serves as the basis on which our statistical system will be developed. The essence of establishing a national statistical system (NSS) is to bring all the players in the data production industry to work as a team. Within the NSDS framework we have developed an institutional coordinating arrangement and joint work plan for the collection and dissemination of data. This will consequently result in the generation of coherent, reliable and demand-driven data produced in an efficient manner to support critical decision making. In the development of the NSDS, best approaches such as the recommendations of PARIS21 were taken into consideration and various development partners such as the African Development Bank and ECOWAS made their inputs in the form of technical assistance to finalise the document.

5: Conclusion

There is now a general consensus in Sierra Leone on the need to adopt the National Strategies for the Development of Statistics as the way forward for solving the problems of statistical production and dissemination including the production of reliable GDP. This has been made more urgent by the result based agenda now promoted by the government. Thus, the government of Sierra Leone is at the center of efforts to mobilize resources to fund the NSDS approach.