

# **International conference on International Outreach and Coordination in National Accounts for Sustainable Growth and Development**

Session 4 - Institutional capacity building in countries

Title: National Accounts Capacity Building in Post Conflict Situation

Institution: Palestinian Central Bureau Of Statistics

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## **1. Introduction**

This paper focuses on the main lessons learned from the Palestinian experience in upgrading the technical capacity in the field of national accounts in a post conflict situation, where too many conflicting factors and priorities interact and push towards different directions.

## **2. Conceptual framework**

Strengthening statistical capacity is a cumulative process within the institution and therefore it could be defined as “the ability to collect, produce and disseminate accurate national accounts statistics which is relevant, extensively used, sufficiently precise, relatively low cost, and based on internationally accredited standards”. The importance of strengthening statistical capacity stems from the urgent need to move the institution forward to keep up with international standards and developments which can be achieved through high statistical capacity building. Obviously, statistical capacity is not driven by national demands only, but also by international commitments in order to keep pace with the international developments and internationally recognized standards such as GDDS, SDDS, providing statistics on MDGs, and measuring progress, etc, taking into account the consistency and transparency of the indicators and commitment of the international standards agreed upon within the SNA 1993 and its revisions. Statistical capacity is an integrated process of different elements, and any imbalanced focus of different components might lead to incomplete outcome of the process.

## **3. Determinants of strengthening statistical capacity in a post conflict situation**

### **3-1 Lack of staff**

PCBS faced a situation where it has had to start from scratch. Before the establishment of PCBS, the national staff who used to work for the Israeli Civil Administration in the West Bank and Gaza were mainly field work staff, with a very limited knowledge and a lack of qualifications. Therefore, PCBS was forced to invest heavily in new graduates and to rely heavily on regional and international expertise.

### **3-2 Lack of national experience**

The PCBS faces a severe lack of national practical experiences in the field of national accounts. While the university professors have very good knowledge and experience in the academic textbook dimension, they are less helpful in providing advice and/or knowledge in the practicalities of national accounts and the judgment of conflicting findings and statistics.

### **3-3 High competition with other sectors**

We also face a situation that we invest in upgrading the capacity of human capital, but we are unable to compete with international agencies and the private sector in terms of salaries offered. This fact was the main source of drain in the accumulation of capacity building activities.

### **3-4 Conflicting agendas**

PCBS also faces conflicting agendas for donors and regional and international organizations. The World Bank, IMF, Arab regional organizations and donors had different agendas and approaches which in many cases affected the statistical capacity and the willingness to invest in statistical capacity in the statistical program in general and in national accounts in particular.

### **3-5 Conflicting national needs with international requirements**

While a post conflict requires a special treatment and accommodation for the domestic factors and circumstances in the compilation of national accounts, international requirements and experiences in the training and TA provided to post conflict situations push the statistical capacity towards standard international approaches with minimum adaptation, which leads sometimes to less relevant tools and experiences.

## **4. Elements of Capacity Building**

The statistical capacity building process in National Accounts is an ongoing and continuous process and it is accumulated during time; the following practices are the main steps in the statistical capacity building process:

### **4-1 Appointment of qualified staff**

The appointment of qualified staff in National Accounts is a prerequisite for strengthening capacity, in addition to the well tailored training programs. This method plays an important role in ensuring the provision of highly qualified staff who have the motivational capacity for the continuation and development of work. This can be achieved through the implementation of a range of training programs through the Palestinian Statistical Training Center, and participation in the different training activities that are organized by international organizations such as: International Monetary Fund (IMF), the Arab Monetary Fund, and the Arab Institute for Training and statistical Research. In addition to that, rehabilitation of the National Accounts staff is accomplished from the previous higher managers whom have high experiences at work, in addition to the participation in the different training programs (nationally and internationally) on the implementation of the System of National Accounts 1993, the national accountants after that move from the theoretical background to practicing the practical methods for compiling the system.

### **4-2 Internal Job Mobility**

Internal Job Mobility for the national accounts staff within the statistical institute provides a good opportunity for them to gain more experience, which may contribute to the increase of their working practices. The internal job mobility is concentrated in the departments that constitute as main data sources for the national accounts. For example, job mobility allowing the national accounts staff to get full picture about the work process (data collection, processing in addition to assure the data quality of the economic surveys department, Foreign trade department is another main source for the national accounts in addition to the balance of payments). So, internal job mobility of the national accountants within those departments allow them to get solid data within the requirements of compiling the system of national accounts 1993.

### **4-3 The regional and international cooperation**

Through a wide network of relations with both the regional and international statistical offices, the PCBS gained a lot of experience in the field of National Accounts. These relations provide a good opportunity for the staff to exchange experience with their peers in

the statistical institutions and the active regional and international organizations in National Accounts. As a result of that PCBS gives the regional and international cooperation high priority. .

#### **4-4 Transfer of knowledge between generations:**

This process is considered as one of the main determinants for the national accounts to assure the continuity and the transfer of knowledge.

Rehabilitation of the national accountants is not an easy process and needs a lot of efforts, since it is kind of human investments accomplished through a lot of training opportunities and participation in the local training activities (the technical assistance missions), and this rehabilitation ensures having well qualified national accountants capable of accompanying the economic developments in national accounts.

#### **5. Mobilization of Statistical Capacity Building process**

The Palestinian Statistical Training Center (PSTC) in PCBS organizes and arranges for the training process of the employees within a specified work plan and timetable, and coordinates with the international institutions to provide the necessary technical assistance in the fields determined by the various departments. This unit also provides full documentation for the different training aspects and reports, in addition to analyzing the training needs and determining the success or failure of the training activities.

#### **6. Role of TA provided by international organizations**

The training provided to the national accountant through the technical assistance missions plays an important role in capacity building. But these activities have to be well planned, implemented and followed up. This includes in the Palestinian case the participation in several regional and training opportunities offered by a group of international organizations such as: IMF, Arab Monetary Fund, and the Arab Institute for Training and statistical Research, MEDSTAT, USCAWA...etc. The technical assistance missions contribute to building capacity in national accounts in two ways: first, to identify a particular area where requested technical assistance considers urgent need of technical assistance. The second through projects funded by donors since become semi agreed to include any financial assistance part of technical assistance. It must be considered that technical assistance does not necessarily mean ensuring building statistical capacity as the institutions have to set up a mechanisms to ensure full benefits are obtained, including a multi-counterpart and lecture presentation in the institution to make sure that better utilization is achieved. Experts should draft a full report including clear recommendations which could be implemented and, in addition, to present a coherent framework to be adopted and compiled after finalizing the mission. Finally, study tours to international institutions strengthening the knowledge at national accounts by getting knowledge about their experiences at national accounts compilation.

#### **7. Obstacles faces building Statistical Capacity in post conflict situation**

Lack of coherent statistical capacity building strategy.

Lack of flexibility of the international organizations to accommodate national needs.

Textbook approaches sometimes not relevant to post conflict situations.

Financial obstacles to performing statistical capacity activities.

Lack of funding obstructs the compilation of the surveys and activities from the data sources that are necessary to compile national accounts.

Financial obstacles concerning the national accountants: as stated the rehabilitation of the national accountant is a long process and after that he becomes a well qualified expert in his field; he is more attractive to the private sector with which the statistical institutions cannot compete in terms of salaries and incentives as the private sector provides higher salaries and more incentives.

The general political conditions and the intensive dependence on technical assistance; the shortages of capable local experts to analyze the national accounting data and providing recommendations about macroeconomic data quality.