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PD-AAD-001-B1

PRELIMINARY PROJECT PROPOSAL

Country: AFGHANISTAN

Project No. 306-11-780-124

7p.

Submission Date: 01-16-71 Original X Revision No. _____

Project Title: Statistical Information System Development

U. S. Obligation Span: FY 72 through FY 76

Physical Implementation Span: FY 72 through FY 77

Gross life-of-project financial requirements:

U. S. dollars - - - - -	\$3,613,000
U. S.-owned local currency - - - - -	- 0 -
Cooperating country cash contribution - - - - - (in \$ equivalent, current exch. rate)	To be determined
Other donor - - - - - (for food projects, including voluntary agency contributions)	To be determined
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Totals	\$3,613,000

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Statement of Need

The statistical system of Afghanistan is in a very early state of development. Statistics are viewed as the compilation of whatever is available and not the estimation of a "true" total. The system is not on a firm legal footing; is administratively poorly organized; has virtually no output of general purpose statistics; relies almost exclusively on administratively generated statistics, most of which are of low reliability; and data collected become available only after great time lags. The personnel engaged in statistical activities, with a number of important exceptions, are poorly trained, poorly paid, and poorly led. Equipment resources, such as adding machines, desk calculators, reproduction facilities, and vehicles are inadequate. Automatic data processing equipment is not yet available in the country. The uses of statistics are not widely appreciated in government agencies in Afghanistan, again, however, with important exceptions.

The major weakness in the present system is that statistics are primarily considered to be a clerical function of compiling whatever is available, largely from administrative records. Research and estimation, using the powerful tools now available through modern statistical technology is ignored. It is no surprise, therefore, that there is very little output from the system and this output is of poor quality. The general attitude toward statistics very likely accounts for the low level of financial, equipment, and personnel resources available for statistical activities.

The RGA has been engaged in a substantial social and economic development effort for some fifteen years. It is now in the midst of its Third Five-Year Development Plan and is in the process of preparing the Fourth Five-Year Plan. Some 70 per cent of the development effort is financed through external assistance. The approach to development has been described as a "mixed guided economy." The Government engages heavily in public industrial activity; it fixes prices of some major crops and consumer items; it varies the import and export taxes in the pursuit of economic policy; it provides substantial tax and other incentives to encourage private enterprise development in specific fields; it varies the surrender requirements of foreign exchange earnings by type of exports; and it placed quantity restrictions on some imports. What is being attempted is extremely difficult; if the Government's investment schedule or foreign trade regulations are not realistic, grave and costly errors can occur, such as appear to have occurred in creating excessive capacity in specific manufacturing activities, or private investment may be discouraged, or trade will diminish. Because the quality of Government decisions is of the utmost importance in directing the economy, adequate and timely statistics are necessary.

Recently, some significant RGA actions indicate a recognition that the traditional attitude toward statistics fundamentally is incorrect and the Government may finally be ready to invest the needed leadership and resources needed to produce a useful statistical system.

Background Developments. The Ministry of Planning has requested assistance from USAID/Afghanistan for a general review of the statistical system in Afghanistan and the preparation of guidelines. The Mission made available the services of two U.S. Bureau of Census Statisticians in the Spring of 1970. Mr. Bruno A. Schiro, Principal Statistics Advisor to the Government of Pakistan, made two visits, one in April and again in May, and he prepared a comprehensive analysis of the situation and the guidelines for improvement. Mr. Lawrence Marzetti, Chief, Overseas Consultation Office, International Statistical Program Office, participated in the review during Mr. Schiro's second visit in May 1970.

The analysis, which has become widely known as "The Schiro Report," was well received by the Ministry of Planning as well as other parts of the Government. The Minister of Planning appointed an interim committee chaired by himself and composed of the best qualified Afghans working in statistics to review the report. An intense review was made inasmuch as acceptance would mean a major shift in governmental policy toward statistics. The committee concluded that the Schiro recommendations were sound and could serve as a basis for the development of a comprehensive program for the development of a statistics system and organization. These views were expressed in a formal report.

The RGA has formed the National Statistical Advisory Committee recommended by Schiro and appointed the Deputy Minister of Planning as chairman of this permanent working committee. The membership consists of:

Deputy Minister of Planning, Dr. Mohammad Ghaussi, Chairman
Economist Dr. Abdul Ghaussi, President, Banke Millie
Statistician Dr. Ayubi, Kabul University
Statistician Mr. Hussain Bayat, Director-General of Commerce Statistics
Economist Dr. Eltezam, President, Kabul Customs, and
Statistician Mr. Mohamand, Director-General of Agriculture Statistics

The National Statistical Advisory Committee is the organizational unit through which the RGA now intends to coordinate its activities to achieve its long-run objective of developing an effective information system. The new President of Statistics, Ministry of Planning (a recent Master's degree recipient in Economics

and Statistics from Vanderbilt, financed by USAID/A), was appointed as permanent executive secretary to the committee. The members of the Department of Statistics serve as the staff for the National Statistical Advisory Committee.

The Minister of Planning again asked for the services of Mr. Schiro, this time to assist in developing a work program for the National Statistical Advisory Committee and to help prepare a request to USAID/A for a team of short-term advisors from the Bureau of Census. This team, scheduled to arrive in January 1971, is to assist the Committee to develop a more detailed program for statistical improvement, including the legal foundation, administrative changes and reform, training, equipment, technical support, and services requirements. The final improvement program adopted by the RGA is to be included in the Fourth Five-Year Plan and will serve as the basis for a Project Proposal to be submitted in the Spring of 1971.

The Committee has been preparing for the arrival of the advisory team. Counterparts have been assigned, including the Executive Secretary as Principal Counterpart. A detailed and comprehensive study of all statistical units, as recommended by Mr. Schiro, has been completed; this study includes an analysis of budgetary expenditures, academic and non-academic training of all personnel, and equipment resources. Also, the Committee is compiling a detailed report on the political sub-divisions of the country, including the number of structures in many of the smallest sub-divisions, to facilitate the development of samples.

AID has contracted with SUNY to develop and conduct in cooperation with the Ministry of Planning and under supervision of the National Statistical Advisory Committee a Demographic/KAP study (sample census) which will provide the resources whereby for the first time reliable nationwide demographic statistics can be developed. This significant study, which is in line with the first element in the Schiro development program, is to be housed in the Ministry of Planning for overall coordination and supervision as a result of the decision of the National Statistical Advisory Committee. The program will be integrated into the broader statistical improvement and development program of the Government.

From the private sector has come the initiative for a computer center. Although not yet formalized and active, plans have been prepared for a center to service both the private and public sectors. Several interested equipment manufacturing firms have made proposals to the private firm which is organizing the data processing center. Mr. Schiro strongly urged the development of data

processing capabilities within Afghanistan and it is probable that within a short time such capabilities will become reality.

In addition to all of these new events, some sense of cooperation between the various Ministries and agencies is beginning to appear. They are providing requested information more readily, some of the Departments in the Ministries have taken the initiative to improve their own systems and methods for developing statistics and analyses, the Ministry of Planning is receiving and is responding to requests for advice from other government departments, cooperation on the applicability of statistical data required by government units is improving, and policy-makers have requested more and more information and analysis recently, particularly in view of the planning needs for the Fourth Five-Year Plan.

Targets and Activities

The basis at this time for the development of this project is the sequence of events outlined in the Schiro Report which the RGA already has begun to implement as noted above. Possible revisions may be forthcoming as a result of the consultations by the Bureau of the Census Team which is scheduled to arrive in late January 1971 and their recommendations as well as RGA agreements would be reflected in a PROF to be submitted in the Spring of 1971.

The Schiro Report seeks to point a way towards building an Afghan capability for a viable and reliable statistical information system designed to be responsive to the needs of the public and private sectors for information. The Report urges that Afghanistan devote its efforts at statistical development to those series which will do most to provide the building blocks of the basic expenditure tables of the GNP accounts and the basic value added economic sector tables of the GNP accounts. Six priority areas are identified:

I. Sample Population Survey. This area already is the subject of a separate activity under the Population/Family Planning project and is to get underway in the Spring of 1971 under a contract with the State University of New York.

II. National Household Expenditure Survey.

III. Consumer Price Index.

- IV. Privately Financed Construction Index
- V. Quarterly Survey of the Labor Force
- VI. Agricultural (and Industrial) Statistical Program.

It is intended that these survey and index programs will be the substance for the training and development programs of the Afghan personnel selected as counterparts. The statistical program developed by the Bureau of Census Team and the RGA will be incorporated in the RGA's Fourth Five-Year Plan.

Course of Action

1. U. S. Inputs

The U. S. plans to provide technical assistance, participant training, and selected commodities in support of the RGA effort. While all details have not yet been determined, using the Schiro Report as a base (and before receiving the possible revisions of the new study by the Bureau of the Census Team), U. S. assistance over the five-year period recommended by Schiro would involve some five to eight advisors each year plus short term consultants at an estimated total cost of \$1.5 million and some 94 Afghan participants for \$1,863,000. The commodity element has not yet been reviewed in sufficient detail for accurate costing but might be in the neighborhood of \$250,000 for such items as calculators, adding machines, desk computers and field survey vehicles. Total project cost thus is estimated at \$3,613,000. The details of the technician and participant elements are attached.

In FY 72, it is estimated that the following amounts will be needed: PASA \$253,000; participants \$135,000; commodities \$100,000. Total: \$488,000. If PASA is not possible, institutional contract will be used. In that case additional funds will be necessary.

2. RGA Inputs

The RGA will provide the necessary financial, manpower, and other resources to effectively carry out this joint project. These resource needs will be included in the RGA Fourth Five-Year Plan. The details of the RGA inputs will be specified in the joint Bureau of Census RGA Statistics Development Program and in any project agreement between the RGA and the USAID.

Clearance:

PA: L. Crain (draft)
AD/DP: C. H. Uyehara (draft)
Emb/Econ: D. Cohn (draft)

Approval:

(A) Dir: V. H. Skiles:

NONCAPITAL PROJECT FUNDING (OBLIGATIONS IN \$000)

7

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Table 1

PP DATE 01-28-71

Original X

Rev. No.

Proj. No. 306-11-780-124

COUNTRY: Afghanistan Project Title: Statistical information ~~Development~~

Fiscal Year	Ap	L/G	Total	CONT	Personnel Serv.		Participants		Commodities		Other Costs	
					AID PASA	CONT	U.S. CONT	Dir	CONT	Dir &	CONT	
								Ag.	U.S.		U.S.	
								Ag.	Ag.		Ag.	

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Prior through Act. FY 70	-	-	-	-	-	-	-	-	-	-	-	-
Oper. FY 71	-	-	-	-	-	-	-	-	-	-	-	-
Budg. FY 72	TA	G	498	-	-	253	-	135	-	100	-	-
B + 1 FY 73	TA	G	606	-	-	273	-	235	-	100	-	-
B + 2 FY 74	TA	G	732	-	-	321	-	361	-	50	-	-
B + 3 FY 75	TA	G	830	-	-	353	-	477	-	-	-	-
All. Subs FY 76	TA	G	995	-	-	300	-	655	-	-	-	-
Total Life	TA	G	3,613	-	-	1,500	-	1,863	-	250	-	-

NOTE: RGA contributions to be computed following receipt of BuCen report of consultations to begin late Jan '71