# UNITED NATIONS ECONOMIC COMMISSION FOR AFRICA

# AFRICAN DEVELOPMENT BANK GROUP

# AFRICAN UNION COMMISSION





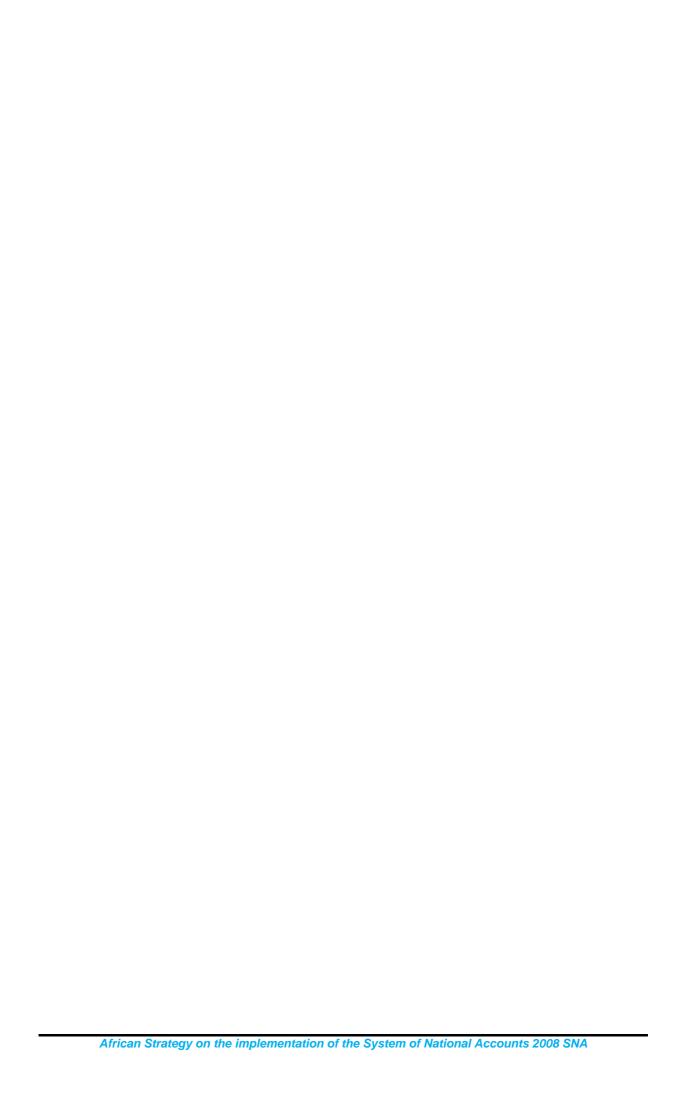


# **AFRICAN GROUP ON NATIONAL ACCOUNTS (AGNA)**

AFRICAN STRATEGY ON THE IMPLEMENTATION OF THE 2008 SYSTEM OF NATIONAL ACCOUNTS (2008 SNA)

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#### O. Introduction

- 1. The revision of the System of National Accounts (SNA) 1993 is now completed and yet, some African countries have not succeeded in implementing it fully. This situation reminds of the time when the African Continent had to implement the 1993 SNA, moving from the 1968 SNA 1968. However, both African countries and the international statistical community are, as well as their technical and financial partners, aware that it is necessary to learn from the past experience in order to lift up the challenge of implementing the SNA in a more coordinated way. This would mean creating synergies at all levels of the African statistical system.
- 2. The implementation of the 2008 SNA in the Africa Region was thus designed as a program involving all the stakeholders: the participating countries, regional and sub regional organizations. As the current chair of the African Group on the National Accounting (AGNA), the African Development Bank (AfDB) was requested to prepare this document.
- 3. The adopted process is a participative approach in which each stakeholder is expected to contribute in one of the following ways: (I) making constructive proposals, (II) taking part in the validation of strategic line, objectives and activities, (III) adapting the strategy, and (iv) implementing the strategy in its sphere of action.
- 4. The strategy suggested by the AGNA is a program with strategic line and objectives, as well as activities that aim at maximizing Africa's chances of making the 2008 SNA implementation successful. An operational phase has been planned, as well as monitoring and reporting mechanisms.

# AFRICAN STRATEGY ON THE IMPLEMENTATION OF THE 2008 SNA: RESULTS BASED LOGICAL FRAMEWORK

			PERFORMANCE	INDICATIVE TARGETS	
HIERHARCHY OF OBJECTIVES	EXPECTED RESULTS	REACH	INDICATORS	TIMEFRAME	ASSUMPTIONS / RISKS
PURPOSE	IMPACT	BENEFICIAIRIES	IMPACT INDIACTORS	TARGET	
Equipping African Continent with a system of National Accounts in line with international standards		53 African countries			
GOAL	EFFECTS	BENEFICIAIRIES	EFFECT INDICATORS	TARGET	
To Implement the 2008 System of National Accounts (2008 SNA)					
RESOURCES AND ACTIVITIES	EXTRANTS	BENEFICIAIRIES	EXTRANT INDICATORS	TARGET	
Strategic line 1: Equipping African countries with an SNA that is appropriate to their socio-economic realities					
Strategic objective 1.1: Developing the African System of National Accounts (ASNA)					
1.1.1. Launching of the elaboration of the African System of National Accounts (ASNA)	The ASNA is elaborated as regional reference framework in national accounting	53 African countries	Document of ASNA	-Launching in June 2010 -First draft by end 2011 -2 <sup>nd</sup> draft by end 2012	Non appropriation by African countries Mitigation measures: As regional reference framework in national accounts, all countries will be bound to use the ASNA
1.1.2. Inventory of sources of information and questionnaires (collection tools) required by the 2008	- Sub regional and regional lists od data sources are elaborated - Appropriate standard questionnaires are designed	53 African countries	Number of lists  Number of questionnaires	1 <sup>st</sup> draft in Sept. 2010 1 <sup>st</sup> draft in Sept. 2010	
1.1.3. Elaboration of bridge tables between questionnaires to the 2008 SNA tables	Bridge tables to 2008 SNA accounts are elaborated	53 African countries	Number of bridge tables	1st draft in Sept. 2010	
1.1.4. Elaboration of conceptual and	Methodological and	53 African	Number of	December 2010	

HIERHARCHY OF OBJECTIVES	EXPECTED RESULTS	REACH	PERFORMANCE INDICATORS	INDICATIVE TARGETS TIMEFRAME	ASSUMPTIONS / RISKS
methodological notes, and practical guide books	practical guidebooks are designed and are available	countries	methodological guidebooks		
1.1.5. Adaptation of ASNA at sub regional level	Regional Economic Communities (RECs) have adapted the ASNA to their economies	5 RECs : ECCAS, ECOWAS, COMESA, SADC, AMU	5 Documents	December 2011 : first drafts	
Strategic objective 1.2: To make the ASNA dynamic					
1.2.1. Determination of the periodicity for updating the ASNA	A period after which the ASNA is updated is adopted	53 African countries	A conceptual note on updating the ASNA	September 2010	
Strategic line 2: Strengthening ICP-Africa assets in the field of national accounts	Sustainability of ICP- Africa				
Strategic objective 2.1: Increasing the ability of African countries to master ICP-Africa, so as to make it the bases of routine national accounts works.					
Activities					
2.1.1. Integration of the GDP breakdown into the 2008 SNA national accounts routine work	Tables on GDP breakdown in basic headings are compiled during the different phases of the elaboration of national accounts	53 African countries	Number of countries which integrate GDP work in the national accounts activities	-At least 10 countries in March 2010; -25 countries in June 2010; 48 countries in December 2013 52 countries in December 2014	
2.1.2. Publication and popularization of the GDP breakdown methodology	GDP breakdown methodology is in line with the 2008 SNA, and published	53 African countries	- Methodological Note - Number of countries using the methodology	25 countries in March 2010 52 countries in December 2011	
2.1.3. Elaboration and publication of an annual	Yearly publication of	53 African	Reports	1 Report by end	L

HIERHARCHY OF OBJECTIVES	EXPECTED RESULTS	REACH	PERFORMANCE INDICATORS	INDICATIVE TARGETS TIMEFRAME	ASSUMPTIONS / RISKS
report on GDP breakdown into basic headings	ICP Nations accounts data	countries		August 2009 1 annual Report by June as from June 2010	
2.1.4. Assistance to Africa-2005 non participants countries	Non ICP-Africa 2005 particpating countries start ICP- Africa exercise	53 African countries	Number of countries	4 countries in March 2010	
2.1.5. Assistance to fragile States and small developing countries	Fragile States and small developing countries participate to ICP-Africa	12 African countries	Number of countries	4 countries in March 2010 12 countries in Dec.2012	
Strategic objective 2.2: Developing an African system for the annual production of macroeconomic aggregates and price statistics for the calculation of purchasing power parities					
Activities  2.2.1. Elaboration of product lists for each Regional Economic Community (REC)	Product list in line with national accounts methodology on computing prices, and data collected with the list	53 African countries	- Regional list -5 sub regional lists -1 list per country	Each country has its list before end of June 2010; Sub regional and regional lists are available by September 2011	
2.2.2. Enhance the validation of GDP expenditures et national accounts for each REC	Validation of GDP expenditures is undertaken according to an harmonized calendar for the RECs	53 African countries	Number of sub regional working groups on national accounts and on GDP breakdown in basic headings	Each REC organize 2 working groups per year	
2.2.3. Compute, on an yearly basis, purchasing power parities for each REC and at the regional level  Strategic Line 3: Preparing an optimal and	Compilation and analysis of PPPs are a routine activity at the Bank and at RECs » levels	53 African countries	Publications on PPPs in line with national accounts calendar	3 publications per year : years t-2, t-1, and t (forecast)	

HIERHARCHY OF OBJECTIVES	EXPECTED RESULTS	REACH	PERFORMANCE INDICATORS	INDICATIVE TARGETS TIMEFRAME	ASSUMPTIONS / RISKS
efficient operational system of production and diffusion of national accounts					
Strategic objective 3.1: Preparing national accounts in accordance with an timeline that respects the national, sub regional and international requirements					
Activities					
3.1.1. Establishing calendar for the elaboration of national accounts in Africa	Each African country has its calendar for the elaboration and publication of national accounts	53 African countries	<ul> <li>African calendar africain</li> <li>Sub regional calendar;</li> <li>National calendars</li> </ul>	Calendars are adopted by June 2010	
3.1.2. Putting in place national accounts' validation processes at sub regional and regional levels.	National accounts are validated at sub regional and regional levels	53 African countries	Number of data- validation sub regional and regional working groups	2 working groups per year for each REC CER; 1 regional working group	
3.1.3. Adoption of the type (label) of national accounts	The reliability of national accounts is improved	53 African countries	1 Declaration on the kind of accounts	The Declaration is adopted in 2010	
Strategic objective 3.2: Optimizing and rationalizing the production of the national accounts					
<u>Activities</u>					
3.2.1. Clustering countries according to the kind of accounts to be elaborated	African economic specificities are taken into account during the 2008 SNA implementation process	53 African countries	List of countries by group	The list of countries is adopted before end 2010	
3.2.2. Establishing tables to be elaborated and published by group of countries	Set of accounts for each group of countries are specified	53 African countries	List of groups of countries and national accounts	The list is made out before end of 2010	
3.2.3. Work on classifications as regards groups	Each set group of	53 African	Classifications	Appropriate	

HIERHARCHY OF OBJECTIVES	EXPECTED RESULTS	REACH	PERFORMANCE INDICATORS	INDICATIVE TARGETS TIMEFRAME	ASSUMPTIONS / RISKS
of countries	countries has its appropriate classifications il line with its socio- economic realities	countries		classifications are finalized in 2010	
Strategic line 4: Building capacity and sustainability of national accounts production and analysis					
Strategic objective 4.1: Building national accounts production capacities					
Activities  4.1.1. Utilization of modern and country- adapted IT tools	African countries utilize appropriate tools for compiling, processing and analyzing statistical information	53 African countries	Computer equipments and softwares	In 2011, at least 40 countries have appropriate environment for compiling, processing, and analyzing national accounts	
Strategic objective 4.2: Improving training in national accounting					
<u>Activities</u>					
4.2.1. Elaboration of training programs in national accounts	Training programs are designed for different levels	53 African countries	Standard Programs on training national accountants	1st draft in 2010 and final document in 2011	
4.2.2. Elaboration of national accountants' profile	The national accountant's standard profile is designed	53 African countries	1 document on national accountant's profile	1st draft in 2010 and final document in 2011	
4.2.3. Creation of a high national account institute	Un centre africain de formation en comptabilité nationale de renommée est créé	53 African countries	Textes relatifs à la création du Centre Candidatures des pays/institutions pour abriter le siège de l'institut de formation	Les documents relatifs à la création sont finalisés en 2011 ; Le centre est créé en 2013	

HIERHARCHY OF OBJECTIVES	EXPECTED RESULTS	REACH	PERFORMANCE INDICATORS	INDICATIVE TARGETS TIMEFRAME	ASSUMPTIONS / RISKS
Strategic objective 4.3: Improving national accountants' analysis capacities  Activities					
4.3.1. Elaboration of training specimen modules and tools	A multi-module program is designed	53 African countries	Training modules	Training modules are finalized by end 2010 (1st draft); and 2012 (final document)	
4.3.2. Organisation des ateliers et séminaires de formation	Strengthening national accounts' capacities in economic analysis	53 African countries	Number of persons trained	At least 50 persons are trained each year	
<u>Strategic line 5</u> : Increasing the availability and improving the quality of the basic data required for the compilation of national accounts, based on the National Strategy for the development of statistics (NSDS)					
<u>Strategic objective 5.1</u> : Developing a system of ordinary structural socio-economic surveys Activities					
5.1.1. Evaluation of data sources required the elaboration of the 2008 national accounts	Each country has a list of data sources	Each African country	List of data sources	Finalization of the list in June 2009	
5.1.2. Elaboration of standard system of national accounts surveys	National accounts survey system exists at national, subregional and regional levels	53 African countries	Documents on the system of national accounts surveys	1st draft in June 2010 ; Final draft in December 2010	
5.1.3. Elaboration practical guidebooks for national accounts' surveys processing	Practical guidebooks are designed to be used for national accounts surveys processing	53 African countries	Documents are elaborated at national and subregional levels	Series of documents to be finalized before June 2011	
5.1.4. Elaboration of practical guidebooks for updating national accounts' surveys results (series of variables, etc), and making forecasts of key variables	Practical guidebooks are designed to help update national accounts results	53 African countries	Documents	Series of documents to be finalized before June 2011	

HIERHARCHY OF OBJECTIVES	EXPECTED RESULTS	REACH	PERFORMANCE INDICATORS	INDICATIVE TARGETS TIMEFRAME	ASSUMPTIONS / RISKS
<u>Strategic objective 5.2</u> : Promoting and developing administrative statistics					
Activities  5.2.1. Making an inventory of administrative data sources required for national accounts compilation	Each country has a list of administrative sources required for compiling national accounts	53 African countries	Documents at national and subregional levels	Series of documents to be finalized before September 2011	
5.2.2. Elaboration of a guidebook on processing data from administrative sources in national accounts	Methodologies on using administrative sources are designed and available	53 African countries	Documents	Series of documents to be finalized before June 2011	
Strategic objective 5.3: Implementing international statistical systems (balance of payments, budget statistics, financial statistics, etc.) for the improvement of national accounts					
Activities  5.3.1. Elaboration of bridge tables between international statistical systems and 2008 SNA national accounts	Each country has bridge tables between international statistical systems and national accounts	53 African countries	Documents	Series of documents to be finalized before September 2011	
<u>Strategic objective 5.4</u> : Adapting international classifications to African socio-economic realities					
Activities  5.4.1. Classifications are elaborated at regional and sub regional level s, and adapted at national level	- Regional and subregional organizations have appropriate classifications which take into account African realities; -Each country has	53 African countries, RECs and regional organizations	Nombre de nomenclatures élaborées et adaptées	Au deux nomenclatures adaptées par an à partir de 2010	

HIERHARCHY OF OBJECTIVES	EXPECTED RESULTS	REACH	PERFORMANCE INDICATORS	INDICATIVE TARGETS TIMEFRAME	ASSUMPTIONS / RISKS
	classifications taking into accounts its realities				
Strategic line 6: Increasing human, material and financial resources					
Strategic objective 6.1: Reorganizing and developing national accounts work					
Activities 6.1.1. Creation of the African National accountants Network (ANAN)	The African continent has a suitable network of national accountants	53 African countries	Number of participants to the network	1stdraft designed in September 2009 The document is updated at the beginning of each calendar year	
Strategic objective 6.2: Optimizing the use of the available resources.					
Activities 6.2.1. Setting up a team of regional advisors in national accounts	African national accounts system has experienced regional advisers in national accounts who will boost and train country-teams	53 African countries	Number of regional advisers in national accounts in subregional and African regional organizations	At least 10 regional advisers in 2012	
6.2.2. Launching assistance to current 1993 SNA implementation backward countries	An emergency program to assist national accounts backward countries is designed	12 African countries	Number of countries assisted	Assistance to 5 countries each year	
<u>Strategic line 7</u> : Undertake advocacy at all decision-making levels					
<u>Strategic objective 7.1:</u> Developing an active and operational advocacy					

HIERHARCHY OF OBJECTIVES	EXPECTED RESULTS	REACH	PERFORMANCE INDICATORS	INDICATIVE TARGETS TIMEFRAME	ASSUMPTIONS / RISKS
Activities					
7.1.1. Preparation of advocacy tools et organization of the advocacy at the Head of State and Government ' levels.	Advocacy tools are elaborated and available at national, subregional and regional levels.	53 African countries	Documents and other tools	The production of advocay tools is finalized by September 2010	
7.1.2. Organization of advocacy at regional, sub regional, and national levels.	Missions, working groups and seminars	Head of States and Governments; Managers of subregional and regional organizations; high-level national decision makers	Number of countries/persons mobilized and made sensitive	Yaerly public awareness campain during annual economic meetings (regional, subregional); High-level missions to Governments	
Monitoring and Reporting					
Activities					
Elaboration of manual on monitoring the implementation of the 2008 SNA					
Elaboration of a report standard frame for reporting (country, subregion, region)					

	FUNDING-PLAN	SOURCES OF FUNDING (million USD)													
Strategic lines	Description	Afdb Group	_		3F		Countries	II Africa	Dev	elopn	nent P	artne	rs		_
₹S	·	AfD GR(	ECA	AUC	ACBF	SRO	Cor	Total	P1	P2	P3	P4	P5	Total	Total
Line 1.	Equipping African countries with an SNA that is appropriate to their socio-economic realities														
Line 2.	Strengthening ICP-Africa assets in the field of national accounts														
Line 3.	Preparing an optimal and efficient operational system of production and diffusion of national accounts														
Line 4.	Building capacity and sustainability of national accounts production and analysis														
Line 5.	Increasing the availability and improving the quality of the basic data required for the compilation of national accounts, based on the National Strategy for the development of statistics (NSDS)														
Line 6.	Increasing human, material and financial resources														
Line 7.	Undertake advocacy at all decision-making levels														
Monitoring and Reporting															
	Total strategy														

## Role of the African Group on national accounts (AGNA) in the implementation process of the SNA 2008

- 5. The African Group on national accounts (AGNA), chaired by the African Development Bank, ;was set up during the first meeting of the Statistical Commission for Africa (StatCom-Africa) which was held from January 21st to 23rd 2008 in Addis Ababa. its main task is to develop a strategy for the implementation of 2008 SNA 93. StatCom-Africa and the 5th meeting of the Committee on Development Information (CODI V) further called for both AfDB and the United Nations Economic Commission for Africa (ECA) to develop a regional program on national accounts.
- 6. Along the same lines, the participants in the Lusaka meeting (April 2007) recommended that AfDB, ECA and the African Union Commission (CUA): (I) set up a regional project on national accounts that would derive from the ongoing implementation strategy of the revised SNA 93, and (II) to harmonize their objectives and activities with those of the sub regional organizations.
- 7. During StatCom-Africa's meeting, the working group on national accounts made recommendations that were endorsed by StatCom-Africa. The main points of the discussions insisted on strengthening the capacities of national statistical institutes in the erea of national accounts, improving basic data, methodological problems, implementing the revised 1993 SNA, and coordinating the interventions of the technical and financial partners in the African countries.
- 8. The above working group recommended that in addition to AfDB, ECA, CUA, the following Regional Economic Communities (RECs)[ECCAS, ECOWAS, COMESA, SADC, UMA] and AFRISTAT get down to the development of the African strategy for the implementation of the revised 1993 SNA. It was also requested that specific problems to developing countries, such as agriculture, catastrophic events, etc., be taken into account in the revision of 1993 SNA.
- 9. Following the above recommendations and taking advantage of the regional workshop on the compilation of an improved Gross Domestic Product (GDP) time series for the period 2003-2007 which gathered forty African countries and representatives of the international, regional and sub regional organizations, AfDB convened the first AGNA meeting in Lusaka, Zambia, from April 7th to 11th 2008. Four regional economic communities (ECCAS, ECOWAS, COMESA, SADC), and AFRISTAT participated in this meeting, as well as the IMF.
- 10. AGNA prepared its terms of reference (appendix), as well as the basic elements to be taken into account for the development of the results, based on the logical framework and the strategy for the implementation of the revised SNA in Africa.
- 11. Just like the other work groups created by StatCom-Africa, AGNA intends to be the driving force behind the African statistical community, as far as national accounts are concerned. The present strategy will be validated by

the whole African statistical system and implemented in a spirit of active solidarity.

### II. <u>Strategic lines</u>

- 12. The implementation strategy of the 2008 SNA comprises seven (7) strategic lines, the aim of which is to equip the continent with a confirmed endogenous capacity with regard to the development of economic accounts in accordance with international standards, taking specific realities into account, as the development levels of the different African countries vary.
- 13. All in all, the above strategy is a good occasion for African countries to include their own concerns and specificities without prejudice to the necessary development of the national accounts according to international standards. Appropriate financing is therefore required, with a significant participation of African countries themselves. They may participate either through direct financing or through the African statistics funds that is intended as the African Statistics Charter implementation instrument.

# <u>Strategic line</u> 1: Equipping African countries with an SNA that is appropriate to their socio-economic realities

# <u>Strategic objective</u> 1.1: Developing the African System of National Accounts (ASNA).

- 14. As afore mentioned, attempts to implement the previous versions of the SNA did not really allow the taking into account of African realities. As a result, none of the systems was implemented successfully. Admittedly, some progress could be noted because of the participation of African executives in the revision of the SNA. However, it should be noted that the adopted compromise solutions were not always made in favor of Africa. The Time has now come for acquiring an Africa compatible national accounts system (which reflects the socio-economic environment as well as the realities of the continent), alongside the implementation of the 2008 SNA.
- 15. Furthermore, the African system of national accounts, which will be an indicative conceptual framework, should bring about the development of sub regional systems of national accounts (for REC for example), for the benefit of the expected sub regional integration. Existing common tools like private companies accounting standards and general public accounting system, statistical and tax questionnaire, etc would also be of great interest.
- 16. They will support the implementation of sub regional strategies of statistical development, the calculation of macro-economic aggregates at the sub regional level, etc. Their adaptation at a national level will be certainly easier and more advantageous for each Regional Economic Community's Member State.

17. With regard to the concepts and the methods, there is a need for means as for the development of methodological notes, and their dissemination through workshops and seminars.

### Strategic objective 1.2: To make the ASNA dynamic.

18. Being a starting point for the African countries, the ASNA will evolve by integrating the changes of the African economies. Mechanisms of revisions and adaptation will be envisaged. For example, the various actors of the African statistical system will be able to agree to evaluate the ASNA every five (5) years and proceed to revisions if necessary.

# <u>Strategic line 2</u>: Strengthening ICP-Africa assets in the field of national accounts

<u>Strategic objective</u> 2.1: Increasing the ability of African countries to master ICP-Africa, so as to make it the bases of routine national accounts works.

- 19. The link between ICP-Africa and national accounts is no more to make, insofar as all the participating countries share the view that ICP has brought about a substantial improvement in the field of economic accounts (classifications, coverage, registers, non-profit institutions serving households accounts, etc).
- 20. As the SNA is the central framework of the International Comparison Program, Africa must make out an inventory and build up national accounts assets during each ICP-Africa round. Just like the previous versions of the SNA were used as central framework in the former ICP cycles, the 2008 SNA has to play the same role for the next ICP cycle that is scheduled to be launched in 2011.
- 21. Choosing the sustainability of ICP and its integration in all routine activities related to their statistical systems now means for African countries, making sure they have a complete mastery of that central framework and its adaptation to statistical systems at regional, sub regional and national levels.
- 22. The sustainability of ICP-Africa is a major asset for the African Region which will allow mastering and controlling the production of quality macroeconomic aggregates, as well as validating them according to tested methods that are likely to be used directly within the framework of the global ICP.

# <u>Strategic objective</u> 2.2: Developing an African system for the annual production of macro-economic aggregates and price statistics for the calculation of purchasing power parities

- 23. On a yearly basis, African countries must be determined to produce national accounts and price statistics data required to compute purchasing power parities.
- 24. At a national level, emphasis must be put on (I) the development of regional accounts, (II) the distribution of population data by province, (III) the

follow-up of foreign exchange rates for each province, (iv) the determination of product lists by province, as well as a common interprovincial products list, (v) the reconciliation of objectives of ICP surveys with those of national consumer price index surveys, (VI) the necessity to collect and compute average prices of national products on a yearly basis.

- 25. Concerning the Regional Economic Communities, their work should cover primarily (I) the determination of a common list of products between countries of the same sub region; (II) the validation of national accounts at sub regional level, (III) the choice of two (2) ring countries for each sub region, including the ring countries that were selected during ICP 2005, that is: South Africa, Cameroon, Egypt, Kenya, Senegal and Zambia.
- 26. It is consequently planned to develop a method for computing PPPS at national, sub regional and regional levels, taking into account the above elements. There is a very strong demand from RECs and the participating countries as to adapting the methods of calculating Purchasing Power Parities. Therefore this work should be done systematically.

# <u>Strategic Line 3</u>: Preparing an optimal and efficient operational system of production and diffusion of national accounts

<u>Strategic objective 3.1</u>: Preparing national accounts in accordance with an timeline that respects the national, sub regional and international requirements

- 27. The development of national accounts according to 2008 SNA will allow follow the quality that is usually expected by national and international users and taking into account constraints at national level (e.g. constraints during the elaboration of national budgets and the process of their approval by the National Assembly), as well as the needs of international partners (e.g. missions/questionnaires from AfDB, ECA, AUC, the IMF and the World Bank). For this purpose, yearly production periods should be agreed upon, for each version of national accounts. For example, the first version of the accounts of year n could be delivered in June of the year (n+1), the second version in December of the year (n+1), and the third in July of the year (n+2). This is only as an illustration; it will be up to the AGNA to prepare the appropriate production calendar.
- 28. This schedule should help avoid data conflicts between the financial and technical partners on one side, and African countries on the other. A reference number would be given to each batch of produced and validated accounts. The idea is to facilitate the management of possible modifications by the users, hence avoiding any incoherence between institutions.
- 29. Another issue that divides African national accountants is the designation of the produced accounts itself: some of the accountants keep talking about "provisional accounts, semi-final accounts, or final accounts", while others think that "national accounts at date T" is preferable, as the

former set of designations make the produced accounts sound questionable. A standard designation will therefore have to be agreed upon.

30. The national accounts production diagram should be incorporated into the validation process, at least at national and sub regional levels. National accounts validation criteria should therefore be set up.

# <u>Strategic objective 3.2</u>: Optimizing and rationalizing the production of the national accounts.

- 31. Considering that all the proposed SNA tables can't be elaborated by all African countries, the majority of African national accountants have proposed that standard tables compatible with each category of country be prepared. The categorization of African countries according to the size of their economy will therefore be taken into account during the implementation of 2008 SNA. This is easily understandable insofar as it may not be significant for example for low-size economy countries to use detailed classifications. On the other hand, that may add unnecessary work to the national accounts team.
- 32. Countries categorization will be carried out by the AGNA, as well as the standard tables list (including the level of detail required for classifications) which will be worked out by each group of country.
- 33. Lastly, it should be noted that this strategic objective would, if reached, make it possible to reduce significantly the unproductive tasks linked with the development of national accounts in some countries.

# <u>Strategic line 4</u>: Building capacity and sustainability of national accounts production and analysis

### Strategic objective 4.1: Building national accounts production capacities

- 34. Africa must build a favourable environment for the production of national accounts, which means considering, from now on, the development of national accounts as a production activity that requires production factors of quality of a standard of international level.
- 35. The emphasis will be put on the development of methodologies at regional and sub regional levels.

## Strategic objective 4.2: Improving training in national accounting

- 36. There are several options as regards training but it would mainly be appropriate to improve the training programs of statistical schools and universities, so as to introduce modules adapted to the implementation of the 2008 SNA. Those modules could be linked to concrete cases such as the passage from the Balance of payments Rev.5 to national accounts, according to the SNA 2008.
- 37. Concerning the short term training intended for the national experts, it is expected to also include the above innovations as well as concrete case studies.

- 38. Africa should have a great number of qualified regional advisers in order to extend a training program on the different aspects of national accounting, including computer literacy. Those regional advisers will also be responsible for helping the sub regional organizations and the regional Member States to effectively fit the various aspects of ICP into their national accounting work.
- 39. Every year, students will carry out training courses on national accounts at statistics national offices, the objective being to make up for the insufficiency of human resources in some countries, and to become qualified executives.
- 40. Obviously, it is necessary to define a training program (on national accounting) which could be used within the framework of a specialization in this field. This should pave the way to the recognition of a national degree on national accounting and, finally, to a national accountant professional body. This could help direct/attract young graduates from universities and colleges, if that professional body of national accountants is recognized by the different African countries. Considering the scarcity of national accountants, this is an important advocacy activity to carry out at African governments' level.
- 41. The idea is to create in Africa, a post graduate Institute of national accounting which would train highly qualified senior officers. This institute would train bilingual experts (English-French) and, afterwards, it would extend its training programme by including other United Nations languages (Spanish, Portuguese, Swahili, etc). The accent will also be on management and data processing. This institute could be sheltered by an African country or a regional institution.

## Strategic objective 4.3: Improving national accountants' analysis capacities

42. It is important to organize training modules on economic accounts analysis. This approach will also be introduced into universities and statistical training centers. Furthermore, the improvement of the analysis capacities of national accountants should relate to wider fields like good governance and management.

<u>Strategic line 5</u>: Increasing the availability and improving the quality of the basic data required for the compilation of national accounts, based on the National Strategy for the development of statistics (NSDS)

# <u>Strategic objective 5.1</u>: Developing a system of ordinary structural socioeconomic surveys

43. Information sources will be listed and the data collection system will be assessed. Each country must have its own national account surveys guidelines, the contents of which will be defined by the AGNA. A system for updating and making forecasts of national accounts survey results (at least the main variables) will be set up, to help the countries make relevant macro-economic estimates /forecasts, respecting the African schedule of publication of national accounts.

Strategic objective 5.2: Promoting and developing administrative statistics

44. In addition to routine statistical surveys, it would be preferable to use administrative sources, in order to have full information at reasonable costs.

# <u>Strategic objective 5.3:</u> Implementing international statistical systems (balance of payments, budget statistics, financial statistics, etc) for the improvement of national accounts

45. The implementation of the 2008 SNA will imply the use of updated international statistical systems. At this point, it is important to make sure that data processing related to these statistics is improved through the use of new methodologies, and to take African specificities into account when establishing bridge tables between these statistics and the 2008 SNA tables.

### <u>Strategic objective 5.4</u>: Adapting international classifications to African socioeconomic realities

46. As afore mentioned (item 45), it is expected that new versions of international classifications be used and be adapted to African socioeconomic realities.

# <u>Strategic line 6</u>: Increasing human, material and financial resources <u>Strategic objective</u> 6.1: Reorganizing and developing national accounts work

- 47. It is not easy to advocate for the African national accountants. A reorganization aiming at a better promotion of this profession is hence essential. Therefore, in addition to the above mentioned training activity, it will be necessary to create the **African national accountants network (ANAN)**.
- 48. The ANAN will be expected to promote the respect, by all its members, of good practices and the deontology. It will encourage information exchange between all African national accountants and should be able to promote its members at regional and international levels, so as to enhance the value of the national accounts work that is carried out in Africa.

### Strategic objective 6.2: Optimizing the use of the available resources.

- 49. The main purpose is to make it possible for all the countries to take part in the system, so that a maximum of countries can implement the 2008 SNA by the end of the program.
- 50. With regard to human resources, it is expected that African solidarity plays a part. In other words, no African country should feel released from its duty as long as there will be even one African country that still has not implemented the SNA 2008. It will thus be advisable to mobilize African experts (national accountants, other statisticians, data computer scientists and specialists, etc) in different sub regional, regional and international institutions, so that they actively take part, according to their field of specialization, in the implementation of the 2008 SNA, for the benefit of the continent.
- 51. Furthermore, the transfer of know-how regarding national accounts will be based on afro-African and south-south co-operation.

52. Just like the human resources consigned in the directory of focal points prepared by the AfDB, an inventory of material and financial resources will be made and considered a pool designed for creating a synergy and supporting the demands of countries and the different sub regions.

# <u>Strategic line 7</u>: Undertake advocacy at all decision-making levels <u>Strategic objective 7.1</u>: Developing an active and operational advocacy

- 53. One of the lessons from attempts to implement the former versions of the UN-System of national accounts (including the current one) is that no significant result can be obtained without an active and coherent advocacy strategy, particularly addressing Heads of State and Government, the members of Parliament, the Ministers of Finance, Planning and Economy, Governors of Central banks, the Civil Society, and Development Partners.
- 54. All in all, advocacy must address all governance segments in each country, and become an important component of the national strategy of economic development.
- 55. Thus, more than in the past, advocacy must be a promotion and supporting activity during the implementation of the 2008 SNA in Africa.
- 56. For this reason, the AUC, assigned to play leadership advocacy in the field of the statistics, AfDB and the ECA must make sure that high ranking authorities of their respective institutions, list the implementation of the 2008 SNA among the priority activities to be financed and to supported by an active advocacy at regional, sub regional and national levels.

#### III. Plan of action

- 57. On an operational level, the AGNA must work out a five-year plan of action (2010-2014), which will comprise activities to be undertaken at regional, sub regional and national levels.
- 58. That plan should aim to reflect the African will to develop statistical work within a consensual programming framework, with a clear definition of the role of each stakeholder, as well as a well defined timeline.
- 59. The activities in the plan aim at making the strategic objectives easier to reach.
- 60. The plan is supported by an intervention matrix that shows the activities that each stakeholder is expected to carry out and/or to support.

### IV. Monitoring and reporting of the implementation of the strategy

61. All the strategy implementation activities will be subject to follow-up and evaluation, according to the adopted timeline. The stakeholders for each activity will be identified.

62. The AGNA will play an important role in the monitoring process of the 2008 SNA implementation. It will prepare bi-annual reports and submit them to the African Statistical Coordination Committee and the Bureau of StatCom-Africa. A two-year report on the implementation of the 2008 SNA will be submitted to StatCom-Africa Meeting.

# V. <u>Coordination mechanisms for the implementation of the 2008 SNA in Africa</u>

- 63. The implementation of the 2008 SNA will follow a coordination mechanism chart in line with the Reference Regional Strategy Framework (RRSF) for Statistical Capacity Building in Africa. Consequently, as it may the case for the implementation of the other domains created by StatCom-Africa, AfDB will be the Regional Coordinator assisted by two Deputy Regional Coordinators, namely ECA and CUA.
- 64. The five RECs (ECCAS, ECOWAS, COMESA, SADC, UMA) will have the role of subregional Coordinators, and AFRISTAT the role of Technical Adviser.
- 65. The AGNA will draft the terms of reference on the functions of those institutions in the framework of the implementation of the 2008 SNA.

# VI. <u>Timeline and matrix for funding of the implementation of the 2008 SNA</u>

		Calendar										Afr	ica			D	Development Partners								
Strategic lines / Strategic objectives / Activities		2010		201	1	2	2012		201	13	2	2014	AfDB	UNECA	AUC	ACBF	RMCs	SROs	P1	P2	P3	P4	P5	P6	
Strategic line 1: Equipping African countries with an SNA that is appropriate to their socio-economic realities																									
<u>Strategic objective 1.1:</u> Developing the African System of National Accounts (ASNA)																									
Activities																									
1.1.1. Launching of the elaboration of the African System of National Accounts (ASNA)																									
1.1.2. Inventory of sources of information and questionnaires ((collection tools) required by the 2008																									
1.1.3. Elaboration of bridge tables between questionnaires to the 2008 SNA tables																									
1.1.4. Elaboration of conceptual and methodological notes, and practical guide books																									
1.1.5. Adaptation of ASNA at sub regional level																									
<u>Strategic objective 1.2:</u> To make the ASNA dynamic.																									
1.2.1. Determination of the periodicity for updating the ASNA																									
<u>Strategic line 2</u> : Strengthening ICP-Africa assets in the field of national accounts																									
Strategic objective 2.1: Increasing the ability of African countries to master ICP-Africa, so as to make it the bases of routine national accounts works.																									
<u>Activities</u>																									
2.1.1. Integration of the GDP breakdown into the 2008 SNA national accounts routine work																									

						Cal	endar	r							Afr	ica			D	evel	opme	ent P	artne	ers
Strategic lines / Strategic objectives / Activities	2009	2010		2	2011		2012	2	201	3	20	014	AfDB	UNECA	AUC	ACBF	RMCs	SROs	P1	P2	P3	P4	P5	P6
2.1.2. Publication and popularization of the GDP breakdown methodology																								
2.1.3. Elaboration and publication of an annual report on GDP breakdown into basic headings																								
2.1.4. Assistance to Africa-2005 non participants countries																								
2.1.5. Assistance to fragile States and small developed countries																								
<u>Strategic objective 2.2:</u> Developing an African system for the annual production of macro-economic aggregates and price statistics for the calculation of purchasing power parities																								
<u>Activities</u>																								
2.2.1. Elaboration of product lists for each Regional Economic Community (REC)																								
2.2.2. Enhance the validation of GDP expenditures et national accounts for each REC																								
2.2.3. Compute, on an yearly basis, purchasing power parities for each REC and at the regional level																								
<u>Strategic Line 3</u> : Preparing an optimal and efficient operational system of production and diffusion of national accounts																								
Strategic objective 3.1: Preparing national accounts in accordance with an timeline that respects the																								
national, sub regional and international requirements  Activities																								
3.1.1. Establishing calendar for the elaboration of national accounts in Africa																								
3.1.2. Putting in place national accounts' validation processes at sub regional and regional levels.																								

					С	alen	dar							Afı	rica			D	evel	opm	ent P	artne	ers
Strategic lines / Strategic objectives / Activities		2010		201	1	20	012	:	2013	201	4	AfDB	UNECA	AUC	ACBF	RMCs	SROs	P1	P2	Р3	P4	P5	P6
3.1.3. Adoption of the type (label) of national accounts																							
Strategic objective 3.2: Optimizing and rationalizing the production of the national accounts																							
Activities																							
3.2.1. Clustering countries according to the kind of accounts to be elaborated																							
3.2.2. Establishing tables to be elaborated and published by group of countries																							
3.2.3. Work on classifications as regards groups of countries																							
Strategic line 4: Building capacity and sustainability of national accounts production and analysis																							
<u>Strategic objective</u> 4.1: Building national accounts production capacities																							
<u>Activities</u>																							
4.1.1. Utilization of modern and country-adapted IT tools																							
Strategic objective 4.2: Improving training in national accounting																							
Activities																							
4.2.1. Elaboration of training programs in national accounts																							
4.2.2. Elaboration of national accountants' profile																							
4.2.3. Creation of a high national account institute																							
Strategic objective 4.3: Improving national accountants' analysis capacities																							

					C	Caler	ndar							Afr	ica			D	evel	opm	ent P	artn	ers
Strategic lines / Strategic objectives / Activities	2009	2	010	201	11	2	2012	20 <sup>-</sup>	13	2	2014	AfDB	UNECA	AUC	ACBF	RMCs	SROs	P1	P2	Р3	P4	P5	P6
<u>Activities</u>																							
<ul><li>4.3.1. Elaboration of training specimen modules and tools</li><li>4.3.2. Organisation des ateliers et séminaires de</li></ul>																							
Strategic line 5: Increasing the availability and improving the quality of the basic data required for the compilation of national accounts, based on the National Strategy for the development of statistics (NSDS)																							
<u>Strategic objective 5.1</u> : Developing a system of ordinary structural socio-economic surveys																							
Activities																							
5.1.1. Evaluation of data sources required the elaboration of the 2008 national accounts																							
5.1.2. Elaboration of standard system of national accounts surveys																							
5.1.3. Elaboration practical guidebooks for national accounts' surveys processing																							
5.1.4. Elaboration of practical guidebooks for updating national accounts' surveys results (series of variables, etc), and making forecasts of key variables																							
<u>Strategic objective 5.2</u> : Promoting and developing administrative statistics																							
Activities																							
5.2.1. Making an inventory of administrative data sources required for national accounts compilation																							
5.2.2. Elaboration of a guidebook on processing data from administrative sources in national accounts																							

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Strategic lines / Strategic objectives / Activities	2009	2	010	20	)11	2	012	2	2013	2014	 AIUB	UNECA	200	ACD	RMCs	SROs	P1	P2	P3	P4	P5	P6
Strategic objective 5.3: Implementing international statistical systems (balance of payments, budget statistics, financial statistics, etc) for the improvement of national accounts  Activities																						
5.3.1. Elaboration of bridge tables between international statistical systems and 2008 SNA national accounts																						
<u>Strategic objective 5.4</u> : Adapting international classifications to African socio-economic realities																						
Activities  5.4.1. Classifications are elaborated at regional and sub regional level s, and adapted at national level																						
<u>Strategic line 6</u> : Increasing human, material and financial resources																						
<u>Strategic objective</u> 6.1: Reorganizing and developing national accounts work																						
<u>Activities</u>																						
6.1.1. Creation of the African National accountants Network (ANAN)																						
<u>Strategic objective 6.2</u> : Optimizing the use of the available resources.																						ĺ
Activities																						
6.2.1. Setting up a team of regional advisors in national accounts																						
6.2.2. Launching assistance to countries in the current																						

							Cale	enda	ır							Afr	ica			Development Partner						
Strategic lines / Strategic objectives / Activities	2009	2010		)	2011			2012		2013		2014			UNECA	AUC	ACBF	RMCs	SROs	P1	P2	Р3	P4	P5	P6	
1993 SNA implementation backward countries																										
<u>Strategic line 7</u> : Undertake advocacy at all decision-making levels																										
<u>Strategic objective 7.1:</u> Developing an active and operational advocacy																										
Activities																										
7.1.1. Preparation of advocacy tools et organization of the advocacy at the Head of State and Government ' levels.																										
7.1.2. Organization of advocacy at regional, sub regional, and national levels.																										
Monitoring and Reporting																										
<u>Activities</u>																										
Elaboration of manual on monitoring the implementation of the 2008 SNA																										
Elaboration of a report standard frame for reporting (country, subregion, region)																										

# The Terms of Reference (ToR) for the Implementation of System of National Accounts (SNA) 93 in Africa

#### 1. Context

- 1.1 There are many challenges confronting the compilation of national accounts statistics in Africa. The major ones resulting from limited human, material and financial means include inadequate coordination and statistical management, and problems of source data. The problem with the implementation of SNA is not restricted to the national statistical offices alone, but the entire national statistical system. Other challenges concern the inclusion of the informal sector in the national accounts in a regular basis, as well as statistical training of the personnel in-charge of research and statistics in line ministries, agencies and departments of government.
- 1.2 Consequently, the true size of the economy is not captured by the national accounts in addition to the problems of delays in publication and dissemination due to poor state of technology (most operations are manually done and access to internet is not regular). On the size of the economy, few tables and accounts are produced, sometimes only value added based on limited coverage is available. The coverage cannot be ascertained for some countries; the industry and products nomenclatures are too aggregated and or based on outdated indicators. In some cases, only formal activities are partially covered and informal activities still has a big question mark, institutional sectors are partially covered, for example, the non-profit institutions and civil societies, other levels of governance like state and local government, and aid agencies are not covered. Because of the poor state of the technology and weak national statistical system timely data are not readily available and disseminated. Overall, the African national accounts statistics are inadequate and non comparable across countries.
- 1.3 The elaboration for a complete, comparable, standardized and timely disseminated national accounts statistics has become imperative because of the current African need for economic integration and common currency, among other objectives. The growing globalization and Foreign Direct Investment also suggest for comparable and reliable statistics for adequate policies and decision making.
- 1.4 African countries agreed that the SNA constitutes the basis for the implementation of harmonized national accounts statistics in the member countries. The SNA is a reliable basis because of the comprehensiveness of the tables and accounts recommended by the system. In addition, the SNA is consistent with all standard manuals for the compilation of monetary, fiscal, balance of payments and external debt statistics. Because of the demands of the system, the implementation of SNA is painful although a rewarding exercise. Hence, the need to develop a reliable, credible, time bound and realistic SNA implementation strategy.

1.5 These terms of reference will be used as vital lead by the African Group on National Accounts (AGNA) put in place in the framework of StatCom-Africa.

#### 2. Objective

Consistent with the objectives of the African Charter on Statistics, STATCOM–Africa, ICP-Africa and the Reference Regional Strategic Framework, the main target is to address problems resulting from the inadequate statistical capacity, weak institutional coordination and the lack of reliable source data. The specific objective is to compile national accounts in Africa according to the guidelines and recommendation of revised SNA 93.

#### 3. Expected Outputs

The AGNA will propose a strategic framework which will be used as a tool for strategic programming in the area of the implementation of the revised 1993 SNA. To that end, major expected outcomes cover the following areas (i) institutional output, (ii) development of robust source data and (iii) sets of tables and accounts according to SNA 93.

### 3.1 Institutional Improvement

- Competent national accountants, at least two per national statistical office;
- African training manual and training courses on SNA 93;
- African methodology manual for the implementation of SNA 93;
- Common tools for the implementation of SNA 93.

#### 3.2 Source Data

 Adequate country-specific source data for the compilation of national accounts.

#### 3.3 Sets of tables and accounts

- Supply and use table;
- GDP by activities at current and constant prices using the ISIC rev3; classifications;
- GDP by expenditure at current and constant prices using the ICP Africa basic headings;
- Robust metadata for national accounts statistics disseminated.

#### 4. Scope/Beneficiaries

All African countries are involved. The continental bodies and the sub-regional economic blocks and training institutions, as well as development partners will play a role.

#### 5. Timeline

The duration of the project is 5 years, starting January 2009.

### 6. Implementation Strategy

The strategy will be to achieve the identified outputs in 3 above. A results-based statistical framework for the implementation of the revised 93 SNA will be elaborated. The governance structure to put in place can be inspired by the model of ICP-Africa.

### 6.1 Development of Institutional Capacity

- Assess the needs and capacity constraints in the regional member countries and regional institutions based on agreed criteria;
- Classification of regional member countries according to the agreed criteria;
- Development of specific action plan for the statistical capacity development for each group of countries identified;
- Establishment of technical committee for monitoring the implementation of SNA:
- Development of African methodology manual for the implementation of SNA 93:
- Development of common tool for the implementation of SNA 93 in terms of best international practices for institutional development.

### 6.2 Development of source data and indicators

- Identification of country's source data needs, including prioritization of the needs:
- Grouping of the countries according to their source data needs;
- Development of specific action plans for source data development for each groups of countries;
- Undertaking of data collection according to the priorities identified by the countries.

#### 6.3 Development of sets of tables and accounts

- Inventory of the countries that have supply and use tables;
- Development of common nomenclatures of activities (ISIC) and products (ICP Basic headings) for national accounts, including country specific issues:
- Road Map for the construction and or improvement of supply and use table using the common nomenclatures in the countries;
- Compile GDP by activities at current and constant prices using the supply and use table;
- Compile GDP by expenditure at current and constant prices using the supply and use table;
- Dissemination of metadata and time series to the public.

#### 7. Identification of funding of the Strategy

Funding of the strategy could be organized according to the three main outputs noted above; (i) institutional output, (ii) development of robust source data and (iii) sets of tables and accounts according to SNA 93.

The source funding should be mobilized at the country, sub-regional, continental and at the global level.