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NATIONAL ACCOUNTS AND RELATED DATA PARTICULARLY IN LEAST DEVELOPED AND NEWLY INDEPENDENT COUNTRIES

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### Introduction

- The Joint Conference of African Planners, Statisticians and Demographers, held in 1930, discussed among other things the progress in implementation of the U.N. System of National Accounts (SNA) and the nature of assistance received by the countries of the region in implementing the SNA. The Conference noted that the countries which had made rapid progress in the implementation of the SNA were the countries that had received bilateral or international assistance from the U.N. through the provision of country experts as well as periodic assistance from the regional advisory services of the ECA and the organisation of technical meetings. Several delegations expressed gratitude for the assistance, and expressed the hope that such assistance will continue. The programme of assistance to LDCs and NICs in national accounts was cited and the hope expressed that the project will continue after June 1981..... Accordingly, the programme of work for ECA for 1930-1986 approved by the Conference included, among other things, continued assistance to countries in applying the SNA and in developing related basic series, provision of regional advisory services in national accounts, assistance to least developed and newly independent countries, development of a data base in national accounts, and establishment of current sectoral deflators for African national accounts and other series.
- 2. This paper attempts a brief report of the progress made by the ECA Statistics Division in implementing the programme of work in respect of national accounts approved by the Conference and also presents a brief account of the present position relating to the availability of national accounts estimates for the countries of the region. Certain proposals bein made by the ECA for developing the national accounts capability of the countries of the region are also presented in this paper.

### Assistance to developing countries

3. The ECA continued to render all possible assistance to developing countries of the region in improving the reliability and timeliness of their national accounts estimates. The project "Assistance to Least Developed and Newly Independent Countries in National Accounts" (RAF/78/061) continued to be active and to render assistance to countries. Several country missions were undertaken in 1979, 1980 and 1981 to assist the statistical offices of those countries in improving the scope, reliability and timeliness of their national accounts statistics, and related basic series and also to impart on-the-job training to concerned staff. The countries so assisted during 1981 include Zimbabwe, Botswana, Lesotho, Sudan, Tanzania, Guinea, Swaziland, Malawi, Equatorial Guinea, Benin, Senegal and Mauribania. The countries assisted in 1980 included Equatorial Guinea, Sudan, Malawi, Togo, Benin, Mauritania, Angola, Zaire, Cameroon and Djibouti. Assistance was rendered in the actual

compilation of national accounts estimates in some of the countries and in improving the estimates in other countries. A few other countries were assisted by providing clarifications and suggestions for improvement of their estimates without undertaking country missions.

4. A training workshop for national accounts staff from LDCs and NICs together with the participants from a few other African countries was convened in Rabat, Morocco in May 1980. Lecture notes were prepared and circulated for the benefit of the participants. Plans to organise such a workshop in 1981 had to be abandoned due to shortage of funds.

### Future outlook on assistance in national accounts

- 5. Such assistance in developing national accounts will continue to be rendered by the ECA as long as the necessary funds are available. Many countries of the region do require assistance in view of the frequent and serious losses of trained staff sustained by them. However, the availability of funds in 1932 and beyond is uncertain in view of the financial difficulties currently faced by the UN. The Project RAF/78/061 will be discontinued in mid 1932 when the fund allotted to this project expires.
- 6. The ECA has under consideration a proposal to expand the present programme of technical assistance in national accounts into a more sustained package programme with a view to building national capability in the subject field, should the necessary funds for the purpose become available. The programme entitled 'National Accounts Capability Programme' (NACP) envisages providing a package programme of assistance to as many of the developing countries of Africa as possible at minimum cost with a view to building up their capability for compiling reliable and timely national accounts statistics as an integral part of their regular programme of work. The package programme covers theoretical and on—the—job training, technical missions possibly twice every year, seminar discussions, fellowships for further training, and assistance in actual compilation and data collection. A copy of the proposal is annexed (Annex 3) to this paper. At present (Nov 1931) it is in the proposal stage only and its implementation will depend on availability of funds from bilateral or international agencies which is yet to be explored.

### Development of a data base in national accounts

7. In its efforts at development of a data base in national accounts, the ECA has been endeavouring to collect all available national accounts data and supplement them with its own ad-hoc estimates where necessary so as to enable it to present a comparable picture of GDP and other important agregates of all African countries at one place. This work in respect of 1970-1979 was completed towards the middle of 1930.

Similar work in respect of 1970-1930 was completed a few months ago. The work as presently carried on is in respect of the components of two tables, viz., the table on GDP by kind of economic activity and the table on expenditure on GDP by type. The estimates are given in both current and constant 1970 prices, in national currencies and in US dollars. This work of the ECA will be made considerably easier and more dependable, if the countries ensure that their own preliminary and final national accounts estimates are made available to ECA as soon as they are ready. Once the flow of data is satisfactorily established it might be possible to expand further the scope of the ECA national accounts data base.

### Progress in implementation of SNA

8. More countries of the region are now compilin estimates according to the revised (or present) SNA than ever before. The availability of national accounts estimates in the African region during the last few years has been examined with respect to four of the important tables of the SNA, namely, (1) Expenditure on GDP, (2) National Income and National Disposable Income, (3) GDP by kind of Economic Activity and (4) GDP at Constant Prices. The detailed position, country by country as revealed by the estimates submitted to the United Nations is given in Armen 1, of which a summary is given below.

Number of African countries submittin national accounts estimates to U.N.

			as at end o	f	Position a	-	
		following former SNA	following present SNA	Total	following former SNA	1980 following present SNA	Total
1.	Expenditure on GDP	e 17	20	3 <b>7</b>	14	29	43
2.	National Income and National Disposable Income		19	31	9	31	40
3.	GDP by kind of Economic Activity		20	34	12	30	42
4.	GDP at Constant Prices		-	19		-	30

- 9. It will be noticed from the above table that about 43 African countries were submitting national accounts data to the U.N., while about 12 African countries had not been submitting such data in any of the recent years. Most of these 12 countries, viz. Angola, Cape Verde Islands, Comoros, Guinea, Guinea Bissau, Equatorial Guinea, Mozambique, Sao Tome and Principe, Somalia, Djibouti and Namibia have not been presumably compiling national accounts statistics, at least till recently. To some of these countries including Angola, Comoros, Guinea, Equatorial Guinea, Sao Tome and Principe and Somalia, ECA staff missions were arranged to initiate work on national accounts and to compile preliminary estimates where possible.
- 10. About two-thirds of the countries reporting were following the present SNA in 1930, and the remaining one third the former SNA. Only 30 out of the 43 reporting countries were compiling estimates at constant prices even in 1930. The total number of countries compiling national accounts and those following the present SNA have both significantly increased in 1980 over 1977.
- ll. Besides the above, a comparative statement showing the coverage of SNA tables compiled by the African countries and presented in the Yearbook of National Accounts Statistics (1979) of the U.N. is also presented. (Annex 2). This statement presents a comprehensive picture of the availability or otherwise of almost all the important SNA tables, country by country, as revealed by the National Accounts Year Book (1979). It is possible that the position may have improved in some cases since then. The statement shows that a good number of the countries of the region are preparing most of the important SNA tables and that a lot more ground has to be covered by some of the other countries. Thus, the tables la, 1b, 2, 3, 4a, 4b, 5, 7a, 9a, and 17 are compiled by most of the reporting countries. Tables 6a, 8a, 9b, 10, 11 and 16 are compiled only by a few countries even now. For details see Annex 2.
- 12. Annexure 1 clearly brings out that there is considerable timelag in compiling the estimates in the case of many countries. In order to improve the usefulness of the estimates it is essential to cut down the timelag that exists at present.
- 13. In 1979, the ECA questionnaire seeking information regarding the implementation of SNA received very poor response and as such no questionnaire seeking such information was sent out this year. In the circumstances, it has not been possible to give a more detailed report of progress in implementation of SNA.

### Hurdles to speedier implementation of SNA

14. Many developing countries of Africa have initiated work on compilation of national accounts during the last two decades. Yet only in some of these countries, the necessary capability to compile the estimates systematically and regularly has been built up in an enduring fashion. This is mainly because of the complexities of the

work, the frequent turnover of trained and experienced personnel and the fact that in many countries the work was being undertaken as isolated compilation exercises. The technical assistance provided by the ECA and other international or bilateral agencies has therefore got to concentrate on imparting on-the-job training to a larger number of personnel from the national statistical offices and to promote work on national accounts as part of an integrated overall plan for development of statistics. Preparation of simple manuals on various aspects of national accounts work, no doubt, has been receiving the special attention of U.N. Statistical Office.

15. The main reason for the considerable delay in compiling national accounts estimates in many countries is, possibly, the delay experienced by the National Accounts Sections in obtaining the basic statistical data from the subject divisions in the national statistical offices. This often forces the National Accounts Sections to engage in ad-hoc collection of basic data. If the subject divisions get more organised and efficient in course of time it should help considerably in improving the estimates and in curtailing the present large time-lag in finalising the estimates.

### Conclusion

16. The conference may like to take note of the progress so far made in the approved programme of work of the ECA in respect of national accounts including the progress in respect of the implementation of the project (RAF/78/061) concerning assistance to LDCs and NICs and recommend on the necessity or otherwise of continuing with such technical assistance. The conference may also discuss the desirability of a package programme of assistance as envisaged in the NACP and the possibility of funding such a programme.

## AVAILABILITY OF DATA RELATING TO EXPENDITURE CN GDP LATEST YEAR FOR WHICH DATA AVAILABLE (POSITION AS AT END OF EACH YEAR)

MOR	TH AFRICA				
1. 2. 3. 4. 5. 6.	Algeria Egypt Libyan Arab-Jamahiriya Morocco Sudan Tunisia	1977 1973 A 1974 A 1974 B 1975 A 1974 B 1975 A	1978 1976 A 1977 A 1977 B 1975 A 1974 B 1977 A	19 <b>77</b> B	1980 1976 A 1977 A 1978 B 1978 B 1977 B
	T AFRICA				
7. S. 9. 10.	Benin Gambia Ghana Ivory Coast Liberia	1970 B - 1972 B 1975 B 1973 B	1977 B - 1974 B 1977 B 1977 B	1977 B 1976 B 1978 B 1977 B	1977 B 1978 B 1976 B 1978 B
12. 13. 14. 15. 16.	Mali Mauritania Niger Nigeria Senegal	1969 B	1969 B 1975 A	1971 A 1977 B 1969 B 1975 A 1975 A	1971 A 1977 B 1969 B 1977 A 1979 A
	Sierra Leone Togo Upper Volta	1972 A	1976 B 1972 A 1974 B	1977 B 1974 A 1974 B	1978 B 1974 A 1978 B
CENT	RAL AFRICA				
20. 21. 22. 23. 24. 25.	Burundi Cameroon Un. Rep. of Central African Republic Chad Congo Gabon	1973 A 1971 A 1970 B  1974 B	1971 A 1976 B	1965 A 1976 B 1971 A 1976 B  1978 B	1978 A 1978 B 1971 A 1976 B 1976 B
26. 27.	Rwanda Zaire	_ 1974 В	1974 B 1975 B	1976 В 1975 В	1977 В <b>1</b> 977 В
EAST	AFRICA				
30. 31.	Botswana Djibouti Ethiopia Kanya L <b>s</b> otho	1974 B 1974 A 1975 B 1973 B	1974 B 1977 B 1975 A 1977 B 1974 B	1976 A	1978 B 1977 B 1976 A 1979 B 1974 P

E/ECA/PSD.2/24 Annex 1 Page 2	1977	1978	<u> 1979</u>	1980
33. Madagascar 34. Malawi 35. Mauritius 36. Seychelles 37. Swaziland	1973 A 1973 A 1975 A 1973 B	1974 A 1977 A 1977 A 1976 B 1973 B	1974 A 1978 A 1977 A 1976 B 1973 B	1978 A 1978 A 1978 A 1976 B 1975 B
38. Tanzania Un. Rep. of 39. Uganda 40. Zambia	1975 B 1971 B 1976 B	1977 B 1971 B 1977 B	1978 B 1971 B 1978 B	
OTHER AFRICA				· .
41. Reunion 42. Zimbabwe 43. South Africa	1970 A 1974 A 1975 B	1976 A 1977 B 1976 B	1977 A 1977 B 1977 B	1977 A 1978 B 1979 B

FORMER SNA A: PRESENT SNA B:

. . .

### AVAILABILITY OF DATA RELATING TO

### NATIONAL INCOME AND NATIONAL DISPOSABLE INCOME

## LATEST YEAR FOR WHICH DATA AVAILABLE (POSITION AS AT END OF EACH YEAR)

NOR	TH AFRICA			.‡	
		1977	<u> 1978</u>	1979	1980
1. 2. 3. 4. 5.	Algeria Egypt Libyan Arab-Jamahiriya Morocco Sudan Tunisia	1974 A 1974 B 1974 B 1975 A		1976 A 1977 A 1977 B 1977 B 1975 B 1977 A	1976 A 1977 A 1970 B 1977 B 1977 B 1978 A
WES	TAFRICA				
7. 3. 9. 10.	Benin Gambia Ghana Ivory Coast Liberia	1970 B - 1972 B 1975 B 1973 B	_ 1974 B	1978 В	1975 B 1970 B 1976 B 1970 B 1976 B
12. 13. 14. 15.	Mali Mauritania Niger Nigeria Senegal	1973 B 1969 B 1973 A	1973 B 1969 B	1971 A 1973 B 1969 B	1971 A 1973 B 1969 B 1977 B
17. 18. 19.	Sierra Leone Togo Upper Volta		1976 B 1972 <b>B</b> 1974 B	1977 B 1972 B 1974 B	1970 B 1972 B 1974 B
CENT	RAL AFRICA				
20. 21. 22. 23. 24. 25.	Burundi Cameroon Un. Rep. of Central African Republic Chad Congo Gabon	1970 A 1971 A 1970 B - 1972 B		1975 ? 1971 % 1975 3 1973 *	1070 1071 / 1075 / 1076
26. 27.	Rwanda Zaire	1974 B	<u>-</u> 1975 B	1976 F 1975	1977 B
EAST	AFRICA				
20. 29. 30. 31. 32.	Botswana Djibouti Ethiopia Kenya Lesotho	1972 A 1975 B 1972 B	1977 B	1976 B 1976 B 1972 A 1977 B 1974 B	1978 B 1976 B 1972 A 1979 B 1974 B

	A/PSD.2/24			2	-						
Page	эх: <b>1</b> э 4				1977		1973		1979	1980	
33. 34. 35. 36. 37.	Madaqascar Malawi Mauritius Seychelles Swaziland				1970 1973 1975 - 1973	A A	1973 1973 1976 1976 1973	A A B	1973 A 1973 A 1976 A 1976 B 1973 B	1975 1973 1978 1976 1975	A A B
3°. 39. 40.	Tanzania Un. Uqanda Zambia	Rep.	of		1975 1971 1975	В	1977 1971 1977	В	1970 B 1971 B 1977 B	1979 1971 1979	$\mathbf{B}$
OTHE	R AFRICA								7 ·		
41. 42. 43.	Reunion Zimbabwe South Africa				1975 1975		1977 1976		_ 1970 в 1977 в	1979 1979	
									•		

A: FORMER SNA B: PRESENT SNA

# AVAILABILITY OF DATA RELATING TO GROSS DOMESTIC PRODUCT BY KIND OF ECONOMIC ACTIVITY LATEST YEAR FOR WHICH DATA AVAILABLE (POSITION AS AT END OF EACH YEAR)

· Maryar v					· -
NOR'	TH AFRICA	1977	1978	1979	<u>1980</u>
1. 2. 3. 4. 5.	Algeria Egypt Libyan Arab-Jamahiriya Morocco Sudan Tunisia	1969 A 1974 A 1974 B - 1974 B 1975 A	1976 A 1975 A 1977 B 	1976 A 1977 A 1977 B 1977 B 1975 B 1978 A	1976 A 1977 A 1970 B 1977 B 1977 B
WES	T AFRICA				
7. 8. 9. 10.	Benin Gambia Ghana Ivory Coast Liberia	1974 B 1972 B 1974 B 1974 B	1977 B 1974 B 1977 B 1977 B	1977 B 1976 B 1978 B 1977 B	1977 B 1978 B 1976 B 1978 B 1977 B
12. 13. 14. 15.	Mali Mauritania Niger Nigeria Senegal	1973 B 1969 B 1973 A	1973 B 1969 B 1975 A	1978 B 1969 B 1975 A 1975 A	1978 B 1969 B 1977 A 1979 A
17. 18. 19.	Sierra Leone Togo Upper Volta	1974 A 1972 A 1974 B	1976 B 1972 A 1974 B	1977 B 1976 A 1974 B	1978 B 1976 B 1974 B
CENT	RAL AFRICA				
20. 21. 22. 23. 24. 25.	Burundi Cameroon Un. Rep. of Central African Republic Chad Congo Gabon	1973 A 1971 A 1970 B - 1972 B	1976 B 1971 A 1975 B - 1975 B	1976 B 1971 A 1975 B	1978 A 1978 B 1971 A 1975 B 1976 B 1978 B
26. 27.	Rwanda Zaire	_ 1974 B	1974 B 1975 B	1976 B 1975 B	1977 B 1977 B
EAST	AFRICA				
28. 29. 30.	Botswana Djibouti Ethiopia	1974 B - 1974 A	1974 B 1977 B 1975 A	197.6 B 1977 B 1976 A	1978 B 1977 B 1976 A

	A/PSD_2/24 ex 1					
Page			1977	<u> 1970</u>	1979	1980
31. 32.	Kenya Lesotho		1975 B 1973 B	1977 B 1974 B	1977 B 19 <b>7</b> 4 B	1979 B 1974 B
33. 34. 35. 36.	Madagascar Malewi Mauritius Seychelles Swaziland		1971 A 1973 A 1975 A 1973 B	1971 A 1973 A 1976 A 1977 B 1973 B	1974 A 1973 A 1976 A 1977 B 1973 B	1974 A 1973 A 1978 A 1977 B 1975 B
38. 39. 40.	Tanzania Un. Rep. of Uganda Zambia		1975 B 1971 B 1975 B	1977 B 1971 B 1977 B	1978 B 1976 B 1977 B	1979 B 1976 B 1979 B
OTHE	R AFRICA					
41. 42. 43.	Reunion Zimbabwe South Af <b>ri</b> ca	Acceptance of the Control of the Con	1970 A 1975 A 1975 B	1973 A 1977 A 1976 B	1973 A 1978 B 1977 B	1973 A 1979 B 1979 B

A: FORMER SNA B: PRESENT SNA

## AVAILABILITY OF DATA RELATING TO GDP IN PURCHASERS' VALUES AT CONSTANT PRICES LATEST YEAR FOR WHICH DATA AVAILABLE (POSITION AS AT END OF EACH YEAR)

MOR	TH AFRICA	9				
1:011	III MILIOA		1977	1970	1979	1980
1. 2. 3. 4. 5.	Algeria Egypt Libyan Arab-Jamahiriya Morocco Sudan Tunisia	·	1971 1970 1977 1963 1972	1971 1977 1975 1963 1976	1971 1977 1977 1963 1970	1971 1973 1977 1970 1978
/ES	T AFRICA				;	
7. 8. 9. 10.	Benin Gambia Ghana Ivory Coast Liberia		_ 1971 1973	_ 1974 1977 1977	1977 1976 1973 1977	1977 1970 1976 1970 1977
12. 13. 15. 16.	Mali Mauritania Niger Nigeria Seneral		1973	- - 1973	1970 1975	1970 1977 1979
17. 13. 19.	Sierro Leone Togo Upper Volta		1974	1971	1977 - -	1977 
CENTI	RAL AFRICA					
20. 21. 22. 23. 24. 25.	Burundi Cameroon Un. Rep. of Central African Republic Chad Congo Gabon		1970 - - -	1976 1976 -	1976 1977 1976 -	1976 1977 1976
26. 27.	Rwanda Zaire		<u>-</u> 1974	1976	1974 1976	1977 1977
EAST	AFRICA					
28. 29. 30. 31. 32.	Botswana Djibouti Ethiopia Kenya Lesotho		1974 1975	1977 1975 1977	1977 1976 1977	1978 1977 1976 1979

	A/PSD.2/24 x 1 8		1977	<u> 1978</u>	1979	1980
33. 34. 35. 36.	Madagascar Malawi Mauritius Seychelles Swaziland		1974	1974 1977	1974 1977	1974
38. 39. 40.	Tanzania Un. Uganda Zambia	Rep. of	1974 1974 1975	1977 1976 1976	1978 1978 1977	1979 1976 1979
OTHE	R AFRICA					
41. 42. 43.	Reunion Zimbabwe South Africa		1974 19 <b>7</b> 5	1977 1976	1973 1977	1978 1979

A: FORMER SNA B: PRESENT SNA

### COMPARATIVE STATEMENT SHOWING THE COVERAGE OF NATIONAL ACCOUNTS TABLES

	COMPILED BY AFRICAN COUNTRIES																		
			la	lþ	2	3 Ha	4,b	5	ба	7a	Sá	9a	9b	10	11	   14a	14b	16	17
CII	RTH AFRICA				A COMPANY OF THE PARTY OF THE P														
2. 3.	Tunisia		X X X	×	X X X X X X X X X X X X X X X X X X X	ì ·	X	X X		X	x	X X X X	X	X	- 4	x x x	X		X X X X
7.	ST AFRICA  Benin Gambia		X X	X	x x	X	x	к	152	X		x		x	\$	х	កន់( <u>៤</u> ក្រុង( <u>៤</u>		<b>x</b>
1.C.	Ghana Ivory Coast Liberia	***	x x	X	x x x x x ,	X	x x	X		х	X	x x	X X X	7.		x		rΩ	X X
12. 13. 14. 15. 16. 17. 18.	Mali Mauritania Niger Nigeria Senegal Sierra Leone Togo Upper Volta		X X X X	S <sub>X</sub>	X X X X X X X X X X X X X X X X X X X	x x	x	х	x	x x x	X	x x x	x	x		x x	x	x	x x x x
CEVT	RAL AFRICA		į				4		1							Ŷ	X		х
20. 21. 22.	Burundi Cameroon Un. Rep. Central African Republic	of	x	X	хх	X X	Ì	X		x		X	х			X			x
23 24 25.	Chad Congo Gabon		x		x x	x x		x x	х	x		x				x	x		х <b>х</b>
25 <b>.</b> 2 <b>7</b> .	Rwanda Zaire		x	<b>X</b> 2	X X	x x	х					x							
EAST	AFRICA																		
23. 29. 30.	Botswana Djibouti Ethiopia		x x	7	х	x		×	x	x		x				X	х		
31. 32.	Kenya Lesotho		X X	\$ 2 0		X X	х х х	4		X		X X	4				X X	y.	x

x: Indicates that the table is compiled.

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	* :		la	1b	2	3	4a	4'n	5	ба	7	Зa	9a	9ъ	10	11	14a	14b	16	17	-
33. 34. 35. 36.	Madagascar Malawi Mauritius Seychelles Swaziland		x x x x	x	х	x x x	х х х х	X X	x		x x	х	x x x	x x			x :x	x x	X	X X X X	
38. 39. 40.	Tanzania Un. Uganda Zambia	Rep. of	x x	x	x x	x	x x x	X X X	x	х	x	x x	x x x	x x	x	х	х	x	х	x	
OTHE	R AFRICA								1											: -	
41. 42. 43.	Reunion Zimbabwe South Africa		X X X	X X	x	XXX	x x x	X	X		x	X	X X	X	Х	х	X	X X	X X	x x x	: 

x: Indicates that the table is compiled.

### Description of the Tables

- la Expenditure on the Gross Domestic Product in Purchasers' Values, at Current Prices
- 1b Expenditure on the Gross Domestic Product in Purchasers' Values, at Constant Prices
- 2 National Income and National Disposable Income
- 3 Capital Transactions of the Nation
- 4a Gross Domestic Product by Kind of Economic Activity, in Producers Values, at Current Prices
- 4b Gross Domestic Product by Kind of Economic Activity, in Producers Values, at Constant Prices
- 5 Domestic Factor Incomes According to Kind of Economic Activity
- 6a Supply and Disposition of Commodities, at Current Prices
- 7a Government Final Consumption Expenditure According to Purpose, in Purchasers' Values, at Current Prices
- 8a Private Final Consumption Expenditure by Object, in Purchasers' Values, at Current Prices
- 9a Composition of Gross Capital Formation, in Purchasers' Values, at Current Prices
- 9b Composition of Gross Capital Formation, in Purchasers' Values, at Constant Prices
- 10 National Income and Distribution of National Disposable Income
- 11. Distribution of Capital Flows
- 14a Income and Outlay and Capital Transactions of General Government
- 14b Income and Outlay and Capital Transactions of Central Government
- Income and Outlay and Capital Transactions of Households including Private Non-financial Unincorporated Enterprises
- 17 External Transactions

### PROPOSALS FOR A NATIONAL ACCOUNTS CAPABILITY PROGRAMME.

### Development objective

The National Accounts Capability Programme (NACP) is essentially a programme to build up the capability of African developing countries in the field of national accounts statistics. The development objective of the programme is to equip the statistical offices of the countries in compiling timely and reliable national accounts statistics as part of their regular programmes of work. The programme aims at ensuring a proper place for national accounts in the integrated statistical systems being developed by African countries. Achievement of this objective should enable national accounts to perform three continuing functions: (1) they will provide a guideline for generating wellbalanced flows of data from the subject divisions of the statistical services and its field survey organisation, (2) serve as a tool for integrating and analysing economic data for the formulation of short and long-term policies with respect to reneral strategy and specific projects and (3) provide a means of progressing towards more elaborate analytical arrangements such as input-output tables and social accounting matrices, including the integration of social and economic data. building of a solid statistical infrastructure is the long-term objective.

### Immediate objective

The immediate objective of the programme is to assist the National Statistical Offices (NSOs) in all possible ways to activate the process of building their capability in compiling and using national accounts as an integral and coordinated part of their statistical development programme. It should overcome the present unfortunate situation where African work on national accounts has largely become an isolated compilation exercise contributing little to policy formulation or to the generation of adequate data flows. The short-term objective will thus involve a rethinking of the purposes of national accounts in the African context and a serious effort to relate national accounts to other existing projects concerned with the development of survey capabilities, industrial statistics, training etc., so as to result in the development of an integrated system of national statistics subserving the needs of African countries. It will aim at assisting the NSOs in examining the availability of basic statistics, providing guidance for the development of statistics, imparting conceptual and on-the-job training to the staff through individual and group training methods and also in providing guidance in actual compilation and use of national accounts estimates.

### Background and justification

- 3. National accounts have a key role to play with regard to both statistical development and economic analysis. They provide a consistent statistical picture of the development of an economic system. They are therefore indispensable in describing and analysing economic change and so contribute to many forms of economic decision-making. They help in assessing the overall effect of existing economic and social policies and can suggest means of revising these policies. National accounts provide the basis for analysis of productivity, analysis of factor shares, analysis of savings and investment, distribution and redistribution of income etc. The most common use to which national accounts are put in African countries is possibly for preparing economic development plans and/or in assessing the overall economic performance of the country. They find therefore an important place in the annual economic reviews undertaken by planning or fiscal authorities.
- 4. The importance of national accounts was reconized in Africa even before independence, but in very few countries have the accounts been fullfilling the development objectives listed earlier. Many developing countries of Africa have initiated work on compilation of national accounts during the last two decades. Yet only in a few of these countries has the necessary capability to compile the estimates systematically and regularly been built up in an enduring fashion, although for a number of these countries results of isolated compilation exercises are available. This is largely because the accounts have been treated as a separate subject rather than an integral part of a co-ordinated and comprehensive effort to develop statistics and the related analysis. The purpose of the present project thus is to rectify this position and to put the work on a more businesslike and pragmatic basis.
- A broad examination of the development of basic statistics vis-a-vis national accounts statistics has been undertaken. This reveals that compilation of national accounts aggregates is undertaken in many African countries as isolated compilation exercises, independent of any serious effort at development of basic production statistics. In about 5 countries it appears that the availability of national accounts statistics is fairly up-to-date though the basic statistics in most fields lag behind. On the other hand, in about 19 countries the national accounts statistics lag behind considerably despite availability of basic statistics for later years. Further, in 5 countries the national accounts for the latest years have been compiled by agencies other than the NSOs (usually the Central Bank) on an ad-hoc basis. It is also noticed that in many cases official national accounts data become available too late to be of much practical use for planning and policy purposes. The summary table given below is illustrative of the above conclusions.

NUMBER OF AFRICAN COUNTRIES CLASSIFIED BY LATEST YEAR

OF AVAILABILITY OF STATISTICS ON SELECTED TOPICS

(OCTOBER 1981)

tion (1) ing/slec- tricity Water	m	8	ţ	I	i	Ω
Index Numbers of Industrial Production (1) Wining/Manufacturing/Elec- trici	70	<b>.</b>	I	ı	<b>1</b>	42
Index N Industr Wining/	٣	Υ	1	ı		7.7
Consumer Price Index	30	70	8	2		σ
Balance of Payments		21	5	N	4	14
Public Finance Expen- diture	12	13	11	4	9	7
Road Trans. port	1	٣	σ	7	15	6.
External Trade	Н	20	æ	<b>∞</b> ,	7	9
GDP by Expen- diture	ĸ	12	11	<u></u>	10	ω
GDP by indust- rial origin	ſζ	12	1.1	4	73	بط ح
	1980	1979	1978	1977	1970-76	NOT AVATLABLE

Index numbers of production have been considered here in view of the difficulties of covering individual commodities in any meaningful way in a short summary table. (1)

53

53

53

53

53

53

53

53

π. ...

Total

- 6. The basic position for a good part of Africa appears to be that short-term planning (including annual government budgeting) is undertaken in the light of incomplete data. Government planners have to work without adequate information and pragmatic planning is frequently resorted to. Without increasing demands for data from the planners, NSOs have developed only slowly and have not been given the resources to achieve a more adequate performance. It is a situation where both demand and supply have tended to stagnate. The main reasons for such a state of affairs are (1) the fact that in many cases, the preparation of accounts was taken up in the past as isolated compilation exercises rather than as integral parts of a coordinated and comprehensive effort to develop statistics and the related analysis, (2) the complexities of this highly technical field, (3) the frequent turnover of trained personnel and (4) shortage of funds.
- 7. To overcome this position, sustained effort on the part of NSOs, with assistance from international agencies is necessary over a period of time. The aim of NACP is to provide the developing countries of Africa, especially the LDCs and NICs, with such assistance at minimum cost to enable them to build up their capabaility in this field, by providing the national staff with guidance in the development of basic statistics and the special tabulations required for national accounts purposes as part of a coordinated effort by all Divisions, by providing necessary theoretical and practical training, by assisting them in the actual compilation of the accounts suited to their local requirements and conditions while ensuring broad conformity with the international recommendations in this regard and by supporting their efforts at minimising the timelar progressively.
- There are naturally significant variations among the developing 8. countries of Africa with regard to their size, availability of resources and stage of development of statistical work, especially national accounts Some of the countries may not require any special assistance from international arencies to carry along their national accounds work. Some of the others, while not self-sufficient yet, may have made substantial progress in this direction and may require only partial assistance from outside agencies. The remaining countries, mainly the least developed and newly independent countries may require intensive attention for some years to develop their capability in this regard. Thus, the technical assistance envisaged under NACP will have to be tailored to suit the circumstances and needs of each country and will have to be appropriately flexible. It will therefore be necessary to examine the actual conditions obtaining in each country and to prepare programmes that suit the specific requirements of each country individually.

- 9. In those LDCs, where there is no section or unit to deal with national accounts, the first task may be to set up a small unit for the purpose, identify the persons to be trained, and to initiate a critical examination of the current situation and flow of basic statistics. It may even be advisable to provide for ad-hoc compilation of preliminary estimates so as to bring to light the various gaps in available basic statistics and to facilitate laying down priorities in bridging them.
- 10. In those countries where the sections dealing with industries, transport, etc. are well or anised and a smooth flow of basic data without much time-lat is assured, the National Accounts Section will work essentially as a coordinating and/or consolidating agency. In the other countries, the National Accounts Section may have to assist the subject divisions in organizing the collection of data by clearly indicating requirements, by laying down standards and definitions and by assisting in finalising tabulation plans.
- 11. The statistical development work undertaken by INSEE of France in Tunisia and certain non-African countries is similar and complimentary to the work programme envisaged under NACP. An INSEE team of four or five persons is working with groups of national accountants in selected countries. The object is to provide guidance on how to improve national accounts and regular missions are organized to establish capabilities. Two countries are dealt with at a time and the work is financed jointly by France and U.N. Such work may be extended by INSEE to other African countries and it will naturally be complimentary to the work of NACP.

### <u>Activities</u>

As an essential prerequisite for building national accounts capability, it is necessary, as already indicated, to undertake a thorough examination of the availability of basic data in each selected country at the initial stage itself and to prepare an appropriate plan or pro ramme to improve the data flows from subject divisions and to organise collection of additional information where required. The next step will be to develop the skill - conceptual and methodolo ical in compiling national accounts and finally the organisational arrangements required to ensure proper continuation of the work. programme for developing the skill i.e. for training in national accounts work, should envisage the integration of their work with that of other specialised staff of the NSOs. It is also essential to form a clear idea even at the outset of the work as to how the national accounts data will be used. This will call for discussions with fiscal, planning and other authorities. A national accounts capability project organized along the lines indicated above will have to (1) examine the current availability of data and their use, (2) evaluate future data requirements for short and long-term economic planning, (3) prepare

a plan for a national accounts capability which is fully coordinated with basic data collection and processing activities, (4) specify related or anisational arrangements for the national statistical system, (5) train national accounts personnel in coordination with those for other activities, (6) prepare, a all stages of its implementation, increasingly up-to-date national accounts estimates and (7) consult with planners regarding applications.

- 13. A plan for national accounts along these lines falls not far short of a full-fledged plan for national statistical development. This follows from the nature of national accounts themselves as a means of integrating economic data and guiding the development of data supplies.
- 14. National projects are of course entirely the responsibility of individual countries and the components listed earlier can all be implemented at the national level if technical and other resources are available. Unfortunately many African countries do not have the resources, particularly those acquired from technical experience, to formulate and implement a plan for a national accounts capability as outlined in this proposal.
- there is therefore a need for a modest regional supporting component which will provide advisory services to individual countries and also rive practical help in reviewing estimates, organising training courses, etc. The remainder of this proposal deals with the way in which the regional component will co-operate with individual countries.
- As activities of the regional component, NACP envisages several missions to each LDC covered by the programme. One regional adviser under NACP could be made responsible to assist three specified LDCs to start with in the first year, and 4 or even 5 LDCs in the subsequent years to develop their basic statistics and the national accounts capability on the lines discussed. He would spend 3-4 weeks in each selected country possibly once every six months or more frequently where required, and collaborate in (1) the organisation of collection and scrutiny of basic data through NHSCP and other projects, (2) in actual compilation of national accounts and (3) in imparting on-the-job training. He would also organise training seminars once every year for personnel from these and other developing countries at some central place. Thus, to start with in the first year three English speaking and three French speaking countries may be covered by NACP for intensive attention with the help of two experienced regional advisers - one English speakin and the other French speaking. The actual tasks or activities may differ from country to country and these will have to be defined more specifically after initial factfinding visits to each country. The essential consideration in organising field operations must be the capacity of individual countries to make effective use of technical assistance.

- 17. The programme on these broad lines may have to continue for an appropriate period (possibly two to four years) before the country may be expected to ather sufficient experience to warrant a definite reduction in the duration and frequency of the regional adviser; s visits. One or two new countries (from each group) may be added each year from the second year onwards and it should thus be possible, with the help of two experienced regional advisers, to cover about 20 countries (10 English speakin and 10 French speaking) over a period of seven years. It is presently envisaged that about 20 IDCs and NICs out of the over 50 developing countries of Africa may require assistance of this type. Those few countries with individual country experts on national accounts may not be covered under NACP normally.
- 18. The NACP plans to provide one scholarship of one year's duration for a suitable candidate from each country for further training in national accounts in the U.S. Department of Commerce, or the Centre de perfectionnement economique et financier (CEPEF) or any similar organisation elsewhere. In view of the high turnover of staff, provision for a larger number of scholarships is desirable. This may be arranged subject to availability of funds.
- 19. It is envisaged that at end of a suitably long period of assistance of this nature, each LDC should to a large extent be able to develop sufficient local expertise and may require only minimal assistance thereafter from the project. Thus each country covered by NACP will remain in the programme and continue to receive assistance under the project for varying periods of 2 to 4 years and each regional adviser will have to give concentrated attention to 4 or 5 countries simultaneously, involving about 3-10 missions a year.
- 20. Provisions may be made under NACP to supply minor equipment such as pocket calculators, duplicating machines, spare parts, etc. where necessary.
- 21. The NACP thus aims at providin all possible assistance in the form of a package programme to hasten the development of a national accounts capability in as many African countries as possible at minimum cost. The life of the project as presently envisaged is for a period of seven years so as to be able to cater to the needs of about 20 countries on the lines discussed. The first three years may be considered as constituting the first phase of the project and the last four years as the second phase. The second phase of the project may be modified in the light of achivements and experience during the first phase.

### Output

22. As a result of the implementation of the programme, it is expected that about 20 developing countries of Africa should become better equipped to compile timely and reliable national accounts statistics for use in planning and economic policy formulation as part of their regular programme of work. They should have a more reliable and internally consistent set of national accounts statistics for a few years. They should also have a more organised and comprehensive flow of basic statistics. It should lead to a fuller use of data collected under various projects such as the National Household Survey Capability Programme, and other censuses and surveys and should contribute to the improvement of policy making capacity of planning and finance ministries. It should also lead to comprehensive country mission reports containing guidelines on various technical problems confronting NSOs.

### Inputs

- 23. Project personnel: Two experienced national accounts specialists one English speaking and the other French speakin will be required. Both of them should have had long experience of national accounts work in Africa. Services of consultants (two man-months each year) will be required to assist in the organisation and conduct of seminars and for any special missions. Administrative support in the form of secretaries will have to be provided to both the specialists.
- 24. The ECA Regional Adviser in National Accounts will naturally devote the bulk of his time to NACP activities for the English speaking countries and as such, it may not be necessary to recruit under NACP the specialist meant for the English speaking countries. Possibilities of financing the rest of the project inputs are being explored.
- 25. Travel: Travel and per diem for both experts for an average of 3-9 missions a year for each expert will have to be provided.

### ECA input

26. Technical backstopping of the project has to be provided by the Statistics Division of ECA. ECA will have to provide office accommodation, office equipment and supplies and also meet other miscellaneous costs. The ECA Regional Adviser in National Accounts, as already mentioned, will devote the bulk of his time to NACP activities.

### Institutional framework

27. The team appointed under the project will be located at ECA Headquarters at Addis Ababa. In the secretariat, the Statistics Division will have primary responsibility for the running and co-ordination of the project. It will work in close collaboration with all agencies interested in the development of statistics in Africa. The interested or concerned

### TENTATIVE BUDGET OF NACP

	1982/3	1983/4	1984/5	1985/6	1986/7	(US\$ 000) 1987/8 1988/9	
Salaries Chief Technical Adviser	80	86	94	104	114	125	137
Second specialis		86	94	104	114	1 <b>2</b> 5	137
Secretaries (2)	16	18	20	22	24	26	29
Consultants (two man months each year)		11	12	13	14	15	16
,	186	201	220	243	266	291	319
Travel Training seminar (2 unilingual		40	44	49	54	60	66
seminars)	80	88	96	105	115	126	138
Fellowship (3 each year)	45	50	<b>5</b> 5	60	66	72	80
Miscellaneous Assistance to countries (pocket- calculators, spare parts, etc.)	5	5	6	6	7	7	8
Miscellaneous (at ECA)	3	3	3	4	4	4	5
Total	355	387	424	467	512	560	616
Administrative overhead (14% of Total)	50	54	59	65	<b>7</b> 2	78	86
Appendix D coverage (1% of Total)	4	4	4	5	5	6	6
Grand Total	409	445	487	53 <b>7</b>	589	644	<b>7</b> 08