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***ASSESSMENT OF THE IMPLEMENTATION OF THE  
1993 SYSTEM OF NATIONAL ACCOUNTS  
IN AFRICA***

**Progress Report on the Implementation of the 1993 System of National Accounts  
(1993 SNA) in Africa**

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## **I-Background and assessment methodology**

1. This report summarizes the progress on the implementation of the 1993 SNA in Africa, in line with the assessment methodology agreed upon by the Inter Secretariat Working Group on National Accounts (ISWGNA), which was established to coordinate issues pertaining to the implementation of the 1993 SNA; the ISWGNA has recommended the use of country milestones assessment methodology and the conceptual compliance, which has been used for surveys and assessments.

2. The milestones refer to the coverage in terms of a set of accounts and tables produced by a country. Nevertheless the milestones do not show whether this set of accounts uses the 1968 SNA definitions, or the 1993 SNA concepts and methodology. The ISWGNA has identified two main areas to better assess the extent to which countries have implemented the 1993 SNA: the compliance with the 1993 SNA, and the scope of accounts and tables compiled.

3 During training sessions organized by ECA and country visits in 2005/2006, ECA was able to collect information on the 1993 SNA implementation for over twenty countries; additional information was received on the conceptual compliance from various regional and sub-regional organizations and statistical projects; therefore, forty-five countries have been assessed or have submitted a report (see attachment I).

4 Although, the set of accounts compiled by a country may already indicate the availability, the quality of the data sources and the institutional capability; to ensure that the accounts are compiled by qualified professionals who processed comprehensive and quality data sources, the workshop assessment was reconciled with other reports from regional, sub regional organizations and statistical projects, including the Data Quality Assessment Framework (DQAF), the country subscription to GDDS or SDDS, the assessment on a country's ability to participate in the international comparison program (ICP). As a result, the reports will also attempt to highlight the key issues and actions for the 1993 SNA implementation.

## II- Conceptual Compliance with the 1993 SNA

5 The country assessment indicates whether the set of accounts are largely compiled according to the concept of the 1993 SNA, and also point out the economic aggregates and operations, which are still compiled according to the 1968 SNA definition. The country assessment in table1 below confirmed the trends that an *increasing number and percentage of countries comply with the 1993 SNA concepts, from a percentage of 33% of compliance to 55%.*

*Table1: Assessment of the 1993 SNA Conceptual Compliance*

Year of Assessment	Number of Responses	Number of Countries compiling NA based largely on 1993SNA	Percentage
2006	45	25	55%
2004	28	9	33%
2001	21	6	24%

The three main conceptual difficulties identified are: the measurement of household and informal production, the FISIM and the measurement of the capital stock depreciation, required for the estimation of net aggregate such as the Net Domestic Products;

## III-Scope of Accounts

6 The assessments also confirm that there is no substantial increase in the number of countries compiling annually the Minimum Required Data Set (MRDS). So far, the bulk of countries only compile the GDP by expenditure and by industries at current and constant prices, although some progress is noted in the compilation of input-output (IO) tables which is not part of the MRDS, though the input-output tables is an essential framework for an accurate estimation of the Gross Domestic Products (GDP); the annual compilation of institutional sector accounts still remain a very challenging task for the compilers;

7. Eleven countries are 1993 SNA implementers i.e. both complying with the 1993 SNA concepts and compiling annually the MRDS. Therefore, the 1993 SNA rates of implementation are estimated at 24% of African countries. The 1993 SNA implementers

include the following countries: Botswana, Cameroon, Mozambique, Niger, Nigeria and, the four subscribers to the Special Data Dissemination System (SDDS), which include Egypt, Morocco, Tunisia and South Africa.

**Table2: Country Milestone Assessment and MRDS**

Year of Assessment	Number of Responses	Number of Countries 1993SNA Implementer	Percentage
2006	45	11	24%
2004	28	7	25%
2001	21	6	24%

#### **IV-Data Sources**

8. The availability, the coverage and the frequency of data sources greatly affect the quality and the timeliness of the national accounts. The three main data gaps observed in most cases are: the update of business registers, the household survey or censuses and the informal sectors survey;

The sporadic initiatives to fill these data gaps are contingent on the availability of financial and human resources; therefore, when funds are not encompassing, this leads to irregular surveys, in some cases exceeding five years.

9. However, the efficient use of administrative records is not fully investigated; among others, the key administrative records critical for national accounts compilation are: the VAT database, the corporation's financial statement, and the banking and monetary statistics. Though, the accessibility to the administrative data may be contingent on formal agreements between the central statistical offices, the central bank and the tax revenue department, except for a couple of countries.

10. Availability and quality of data sources are only part of the process compilation, which also require highly skilled staff for the processing of data sources; this data processing also poses a challenge for compilers, particularly if the national accounts are understaffed.

## V-Institutional Issues

11. In 39 African countries out of 45 (87 %), the national accounts are compiled by the national statistical offices, jointly with the Central Banks (5%) in two countries, Namibia and South Africa, and by the Ministry of Economic and Planning (8%), in four countries: Congo, Egypt, Ethiopia and Gambia. However, in terms of substantive collaboration, human resources and data sources, the Central Bank is the closest associate of the Central Statistical Offices;

Since these national institutions are encouraged to collaborate, the report will not analyze the issue of the suitable institutions to be mandated by the statistical acts for the compilation of national accounts; nevertheless the NSO mostly respond to the criteria set out by the UN fundamental principle for official statistics.

12. The assessment points out that national institutions are overloaded with several duties including censuses, surveys, money, balance of payments and national accounts; in six countries out of 45 (13% of cases) a department or a program which consist of over twenty five staff, compile the national accounts. Among these countries with encompassing staffing resources allocated to national accounts, are some 1993 SNA implementers such as Cameroon, Egypt, Morocco, Tunisia and South Africa.

In the bulk of cases (86%), the responsibilities of compiling national accounts fall under the responsibility of a section or a unit, which consists of four professional staff and five support staff; apparently, the staffing constraint and turnover are highlighted as a key issues to an annual compilation of MRDS.

13. In terms of statistical demand, these institutions are required to compile harmonized, timely national accounts, including definitive national accounts and a preliminary, provisional and definitive set of accounts; and the institutions are also expected to compile not only the MRDS and the institutional sector accounts, but also quarterly national accounts (QNA), GDP in purchasing power parity (PPP) and satellite accounts on education, environment, tourism and gender. These demands are mostly emerging from the regional integration, national and international development policies.

## **VI Recommendations and ECA's Role**

14. According to the findings of the assessment, African countries have manifested their need for technical assistance with regard to several aspects of the 1993 SNA, including:

- a) Advisory services on statistical organization and management, including design of National Strategy for the Development of Statistics (NSDS);
- b) Provision of intensive and regular training sessions and workshops on national accounts;
- c) Pilot studies on the development of basic data sources, especially in household, informal sector measurement and non profit institutions (NPISH);
- d) Processing of basic data into national accounts and the development of bridge tables;
- e) The implementation of the 1993 SNA Revision.

F) Compilation of gross fixed capital formation computation and the capital depreciation.

## **VII Points for Discussion**

15. The meeting may wish to express its views on the following points:

- a) The adequate size of the national accounts program at the National Statistical Offices, to address the human resource constraints at country level; for instance, depending on countries, between 15 to 25 professionals is highly indicated during previous meetings;
- b) The retention policy of skilled staff and the means to reduce staff turnover;
- c) The provision of on-the-job training for statisticians, especially in the processing of data sources;
- d) The level and format of collaboration between the statistical office, central bank and the ministry of economy, finance and planning; specifically in the development of memorandum of understanding on information sharing and processing, including financial statements, VAT database and business registers.

I: Country tables  
CODI/5/7

Country	Institutional arrangement: NSO, Central Bank and Ministry of Finance		Conceptual Compliance		Set of Accounts Compiled annually				Data Sources: survey, censuses and administrative records
	Office structure or program	Size of Office: number of Professional Staff	Methodology largely based on the concept of	Capital Stock/ Depreciation	Milestone phase	Quarterly National Account (QNA)	Subscription to GDDS/SDDS	Latest Base Year	
Angola	Department	-	68 SNA		2		GDDS	1992	
Burkina Faso	Section	7	68 SNA	X	2	X	GDDS	1985	X
Cameroon	Section	4	93 SNA	X	4	X	GDDS	1994	X
Central African Republic	Unit	8	68 SNA	X	2		GDDS	1985	X
Cote d'Ivoire	Department	19	93 SNA	X	3		GDDS	1989/90	X
Guinea	Unit	6	68 SNA		1		GDDS	1980	
Madagascar	Unit	-	93 SNA		2		GDDS	1985	
Mali	Division	-	93 SNA	X	2	X	GDDS	1995	X
Morocco	Section	1	68 SNA		1			-	
Niger	Section*	-	68 SNA		1		GDDS	1990	
Senegal	Department	15	93 SNA	X	3		GDDS	1996	X
Togo	Unit	-	68 SNA		2		GDDS	1987	



Egypt	Unit	20	93 SNA	X	4	X	SDDS	2001/02	X
Ethiopia	Department*	5	93 SNA	X	1		GDDS	1996	X
Gabon	Unit	16	68 SNA		1		GDDS	1989	
Gambia	Section*	7	68 SNA	X	2	X	GDDS	1976/77	X
Ghana	Section	6	68 SNA	X	2	X	GDDS	1993	X
Guinea	Division	7	68 SNA		2		GDDS	1986	
Guinea-Bissau	Department	7	68 SNA	X	2	X	GDDS	1986	X
Kenya	Section	3	93 SNA	X	2		GDDS	2001	
Lesotho	Section	-	93 SNA	X	2		GDDS	1995	
Liberia	Unit	5	68 SNA		1		GDDS	1981	X
Madagascar	Section	6	68 SNA		2		GDDS	1995	X
Malawi	Department	-	68 SNA		2		GDDS	1994	
Mali	Division	8	68 SNA		2		GDDS	1987	X
Mauritanie	Department	5	68 SNA		1		GDDS	1985	
Mauritius	Unit	12	93 SNA	X	2	X	GDDS	-	X
Morocco	Directorate	36	68 SNA		4	X	SDDS	1980	X
Mozambique	Section	7	93 SNA	X	3		GDDS	1996	
Namibia	Section	-	93 SNA	X	2		GDDS	1995	
Niger	Unit	11	93 SNA	X	3		GDDS	1987	X
Nigeria	Department	22	93 SNA	X	4	X	GDDS	1990	X
Rwanda	Division	4	68 SNA		1		GDDS	1995	
Sao Tome and Principe	Department	-	93 SNA		1		GDDS	1996	

Legal	Bureau	11	93 SNA	X	2		GDDS	1987	
Chelles	Unit	1	68 SNA		1		GDDS	1986	
ra Leone	Section	3	93 SNA		3		GDDS	2001	X
th Africa	Division	25	93 SNA		4	X	SDDS	2000	
an	Directorate	5	68 SNA		1		GDDS	1981/82	
zania	Department	5	93 SNA		1		GDDS	1992	X
o	Division	9	93 SNA		2		GDDS	2000	X
isia	Department	16	93 SNA		3	X	SDDS	-	
unda	Section	6	68 SNA		1		GDDS	1997/98	
mbia	Section	3	68 SNA		1		GDDS	1994	
babwe	Section	4	68 SNA	X	2		GDDS	1990	X

## **ANNEX II : CODI I RECOMMENDATIONS**

### **Implementation of the 1993 SNA in Africa (CODI-I)**

The sub-Committee considered this agenda item and the following documents:

- (a) Implementation of the 1993 System of National Accounts
  - Progress report on the implementation the 1993 System of National Accounts in Africa
  - AFRISTAT Programme in National Accounts
- (b) Report on a survey on the use of micro-computers and specialized software for compiling national accounts in Africa

### **Actions taken by the Sub-committee**

The Sub-committee:

- (a) Took note of the unsatisfactory progress in the implementation of the 1993 SNA in Africa;
- (b) Further took note of the AFRISTAT programme in National Accounts;
- (c) Considered that National Accounts are an essential tool for policy formulation, planning, monitoring and evaluation of economic performance at the national level, as well as for the promotion of regional and sub-regional integration and;
- (d) Urged African governments to give the implementation of the 1993 SNA the required attention on a sustainable basis, by taking the appropriate steps in this context, and ensuring that these tie in with pertinent medium and long-term strategies,
- (e) Further urged ECA to continue providing technical assistance to the countries of the region in the preparation of project documents, as well as National Accounts compilation, within the framework of the 1993 SNA;
- (f) Requested ECA to draw the attention of the Conference of Ministers to the importance of implementing the 1993 SNA.
- (g) Requested bilateral and multilateral cooperation agencies to launch a five-year multifaceted and coordinated regional assistance programme for the implementation of the 1993 SNA, with emphasis on the compilation of institutional sector accounts;
- (h) Encouraged (AFRISTAT) to continue providing technical assistance to its member States in National Accounts compilation within the framework of the 1993 SNA as well as on improving basic economic statistics.

### **ANNEX III : CODI II RECOMMENDATIONS**

According to the previous assessment of the implementation of the 1993 SNA, which was submitted to CODI 3 and endorsed by the sub committee on Statistics, the report pointed out the following issues:

- 1) The methodologies used to assess the implementation of the 1993 SNA in Africa and the results of the survey conducted to that effect.
- 2) The low response rate, which was due to the reluctance of national statistical services to respond to this type of survey;
- 3) The poor level of transfer of technical knowledge to national experts by visiting experts and lack of sustainability in the actions taken to this effect;
- 4) Persistent lack of financial and human resources to enable effective actions for the implementation of the 1993 SNA;
- 5) The reluctance of authorities to fully utilize the data produced within the framework of the 1993 SNA, due to the change in concepts and additional details leading to the sharp increase in the value of the aggregates;

Moreover, they expressed concern at the inadequate assistance provided by ECA to African countries in the implementation of the 1993 SNA. The CODI and its subcommittee on statistics emphasized that the implementation of the 1993 SNA requires extensive details such as the proposed timeframe of 15 months for the publication of the data is hard to attain, since the basic data are not easy to obtain.

And finally, they recommended the establishment of a mechanism at the national and regional level for monitoring the implementation of the 1993 SNA

## **ANNEX IV : CODI III RECOMMENDATIONS**

### **The 1993 System of National Accounts (SNA) in Africa (CODI-III)**

#### **Document received:**

- The status of the 1993 SNA implementation

#### **Issues raised**

- It was noted that human resource constraints at ECA secretariat prevented the Commission from carrying out an in-depth assessment of the implementation of the 1993 SNA;
- An overview of the activities of AFRISTAT and ECOWAS in the area of national accounts, harmonization of methodologies, data quality, timeliness, comparability and compliance with international dissemination standards was highlighted.

#### **Actions recommended:**

- An implementation strategy should be adopted at the country level;
- African governments should provide adequate financial and human resources to NSOs; and
- Specialized training programmes should be encouraged.

## **ANNEX V : CODI III RECOMMENDATIONS**

1. The Sub-committee took note of the poor level of transfer of technical knowledge to national experts by visiting experts and lack of sustainability in the actions taken to this effect; and persistent lack of financial and human resources to enable effective actions for the implementation of the 1993 SNA.
2. The Sub-committee expressed concern that only a small proportion of member states have made sufficient progress in the implementation of the 1993 SNA.
3. The Sub-committee expressed concern about the inadequate assistance provided by ECA to African countries in the implementation of the 1993 SNA.
4. The Sub-committee recommended that UNECA play a substantial role in the implementation of the 1993 SNA, with special emphasis on capacity building activities, including workshops, training, material provision and advisory missions, and ensure effective collaboration with other regional institutions.

## **ANNEX VI**

### **MILESTONES DEFINITION**

**Milestone 0: Development of basic data on production, trade prices, etc....**

**Milestone 1: Compilation of basic indicators of gross domestic product (GDP):**

- Final expenditures on GDP at current or at constant prices,
- GDP by kind of economic activity at current and constant prices;

**Milestone 2- Compilation of gross national income and other primary indicators:**

- Total economy, main aggregates;
- External accounts of primary incomes and transfers;
- Capital and financial accounts for the rest of the world.

**Milestone 3- Compilation of institutional sector accounts (first step):**

- Production accounts for all institutional sectors.
- Generation of income, allocation of primary income, secondary distribution of income, use of income, capital and financial accounts for general government.

**Milestone 4- Compilation of institutional sector accounts (intermediate step):**

- Generation of income, secondary distribution of income, use of income, capital and financial accounts for general government.

**Milestone 5- Compilation of institutional sector accounts (final step):**

- Financial accounts for all institutional sectors other than general government.

**Milestone 6- other flow accounts and balance sheets:**

- Other changes in assets accounts for all institutional sectors.
- Balance sheets.