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

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## INTRODUCTION

1. After the adoption of the System of National Accounts (SNA) by the Statistical Commission (SC) of the United Nations in 1993, the Inter-Secretariat Working Group on National Accounts (ISWGNA) was established to coordinate issues to the implementation of the 1993 SNA. The members of the working group are EUROSTAT, IMF, OECD, UNSD and the Regional Commissions and the World Bank. In addition, the working group is in close contact with other inter-secretariat groups, specialized agencies and city groups as far as the work of these organizations relates of the area of national accounting.

2. One of the main task entrusted by the Statistical Commission to the ISWGNA is the assessment of the implementation of the 1993 SNA in member States. It is therefore important to define criteria against which progress regarding the country implementation of the 1993 SNA could be judged.

3. This paper undertakes a review on the development of the assessment methodology and also reports on the results of the ECA survey in applying the new approach of assessing the 1993 SNA implementation.

## ASSESSMENT METHODOLOGY

### I. Country milestone assessment

4. The ISWGNA has developed a set of six levels of so-called “milestones”, composed of 26 key tables and accounts collected in the UNSD questionnaire on national accounts (See Annex I for the milestones definition). Countries at the level 1 are those which compile gross domestic product (GDP) at current and constant prices, broken down by kind of economic activity and final expenditure. Level 2 countries add to the GDP information, the main aggregates for the total economy and the complete accounts for the rest of the world. Then levels 3 to 6 introduce the institutional sector accounts, ranging from production accounts (level 3), income and capital

accounts (level 4) and financial accounts (level 5) to balance sheet accounts (level 6). With regard to specific sector, priority is given to the general government (level 3).

5. The procedure of the assessment methodology can be summarized as follows: the milestones are based on the UNSD database of national accounts updated continuously by countries responses to the annual UNSD questionnaire. Then the country data were analyzed on what was reported for a timeframe chosen (for the years 1990-1995 and 1992-1997).

6. A country was considered to have implemented a specific table provided it had reported data on this table at least once during the predefined time-frame. The ISWGNA prepared a report on “milestone assessment of the implementation of the 1993 System of National Accounts by member States” at each session of the Statistical Commission. It is presented for information in Annex 2.

## II. New approach

7. At its thirty-first session from 29 February to 3 March 2000, the Statistical Commission requested the ISWGNA to reconsider if the current definition and measurement of implementation of the 1993 SNA is suitable for countries. The existing milestones refer only to one element of implementation, that is, the coverage in term of tables and accounts recommended by the System. Indeed the milestones do not show whether countries are on 1968 SNA or 1993 SNA and they simply indicate the extent to which national accounting tables have been produced rather than the extent to which 1993 SNA has actually been implemented.

8. Therefore the ISWGNA has identified and developed dimensions two main areas to better assess to what extent countries have implemented the 1993 SNA: The two dimensions are: compliance with 1993 SNA and scope of accounts and tables.

a) Compliance with 1993 SNA concepts

9. The basic requirement to assess the conceptual dimension is the extent to which the 1993 SNA conventions, accounting rules and classifications are being implemented by a country. The ISWGNA thought that compliance with the 1993 SNA could be assessed reasonably by concentrating on the major conceptual differences between the 1993 SNA and the 1968 SNA that affect GDP and GNI and the main concepts of final consumption.

10. In Annex 3 the key concepts to be considered are listed in a format of a questionnaire. A “yes” is given 1 point and a “no” is given 0 point. The list is not exhaustive and at a minimum for a country’s accounts to be SNA 93 compliant, it is essential to implement the recommendations relating to:

- extensions to the assets boundary;
- consumption of fixed capital on government;
- chain volume indexes;
- changes in “social assurance”;
- breakdown of final consumption;

11. It is not necessary for all the key concepts listed in the questionnaire to be implemented for a country to comply with the 1993 requirements. However, for a country to not comply with a significant number of them could lead to doubts about the extent to which the 1993 SNA has been implemented in practice. For ECA member States significant number means at least 50% of the check list.

b. Scope of the accounts

12. The ISWGNA considers that splitting the 6 groups of tables of the milestones into a larger number of items, all of which score one point in assessing the degree of implementation, is a practical alternative. The data sets identified are shown in the table of Annex 4, which is presented in terms of the tables collected in the UN questionnaire. The new assessment will be

based for the implementation of the “minimum requirement data set”, “recommended data set” and “desirable data set”.

13. In conclusion, the ISWGNA agreed that the compliance questionnaire and the new scope of the accounts questionnaire show a more comprehensive picture of what is happening than the actual milestone. Combining the two questionnaires will allow a better assessment of the implementation of the 1993 SNA by a country. Therefore this new approach is being proposed to the Statistical Commission for consideration and approval.

## **RESULTS OF THE ECA SURVEY**

14. The Development Information Services Division (DISD) sent out to African National Statistical Offices the two questionnaires proposed by the ISWGNA to assess the implementation of the 1993 SNA according to the new approach. The survey was carried out by mail and electronic mail. 21 countries responded and the rate of return of the survey is 40%. Answers are tabulated in Appendix I. These countries include Botswana, Cape Verde, Chad, Congo, Côte d’Ivoire, Democratic Republic of Congo, Kenya, Lesotho, Madagascar, Mauritius, Morocco, Mozambique, Namibia, Rwanda, Sao Tome and Principe, Senegal, Seychelles, South Africa, Tanzania, Tunisia and Uganda.

### **I. Conceptual implementation of the 1993 SNA**

15. In our valuation, a country is considered to try to adhere to the 1993 SNA if that country answered 50% of the questions mentioned in the questionnaire. Four countries namely Cape Verde, Congo, Morocco and Senegal stated that they are still applying the 1968 SNA. According to the criteria cited above, the overall assessment of countries having implemented the 1993 SNA is the following:

Number of responses	Number of countries implemented the 1993 SNA	Percentage of countries implemented the 1993 SNA
21	6	24%

The six countries are: Botswana (53%), Côte d'Ivoire (67%), Lesotho (71%), Mozambique (57%), South Africa (70%) and Tunisia (87%).

## II. Scope of accounts and tables of the 1993 SNA

16. The responses of countries to the questionnaire are tabulated in Appendix 1. However, only the six countries cited above will be assessed for the implementation of the three data sets. The result is as following:

Country	Minimum requirement	Recommended	Desirable	Percentage
				Total
Botswana	100	67	35	67
Côte d'Ivoire	88	100	47	78
Lesotho	88	67	24	60
Mozambique	100	100	47	82
South Africa	63	67	18	49
Tunisia	100	100	41	80

## III. Overall assessment of the 1993 SNA implementation

17. In combining the results of the two questionnaires, the rate of implementation of the 1993 SNA for the six countries is as follows:

Botswana: 60%

Côte d'Ivoire: 73%

Lesotho: 66%

Mozambique: 70%

South Africa: 60%

Tunisia: 84%

## POINTS FOR DISCUSSION

18. The meeting is required to:

- (a) Express its views regarding the new approach in assessing the implementation of the 1993 SNA;
- (b) Suggest, if considered necessary, improvements for the assessment method that is being applied by ECA for the conceptual implementation of the 1993 SNA.

## **MILESTONE DEFINITION**

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**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;
- Supply and use tables at current and constant prices.

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

- Total economy, main aggregates or;
- 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, 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.

## ANNEX II

**MILLESTONE ASSESSMENT  
1990/95 AND 1992/97**

<b>Countries</b>	<b>Milestone 1990/95</b>	<b>Milestone 1992/97</b>
Algeria	0	0
Angola	2	0
Benin	1	1
Botswana	1	1
Burkina Faso	1	1
Burundi	1	0
Cameroon	1	1
Cape Verde	0	0
Central African Republic	1	1
Chad	1	1
Comoros	0	0
Congo	0	0
Cote d'ivoire	2	2
Djibouti	1	1
Egypt	1	0
Equatorial Guinea	1	0
Eritrea	0	0
Ethiopia	0	0
Gabon	1	1
Gambia	1	1
Ghana	0	0
Guinea	0	0
Guinea-Bissau	1	0
Kenya	2	2
Lesotho	2	2
Liberia	0	0
Libyan Arab Jamahiyira	0	0
Madagascar	0	0
Malawi	1	2
Mali	2	2
Mauritania	1	1
Mauritius	2	2
Morocco	2	2
Mozambique	0	0
Namibia	2	2
Niger	1	1

Countries	Milestone 1990/95	Milestone 1992/97
Nigeria	2	2
Rwanda	0	0
Sao Tome and Principe	0	0
Senegal	1	1
Seychelles	1	1
Sierra Leone	2	0
Somalia	0	0
South Africa	2	2
Sudan	0	0
Swaziland	1	1
Togo	1	1
Tunisia	2	2
Uganda	1	1
United Republic of Tanzania	2	2
Zaire	1	1
Zambia	1	0
Zimbabwe	2	0

## ANNEX III

Does your country's published national accounts data currently include estimates for:

Description	Yes	No	Partly
<b>Gross capital formation (GCF)/Output</b>			
Is government defence expenditure on fixed assets that can be used for civilian purposes included in GCF?			
Is consumption of fixed capital included on all government fixed assets (roads, dams and breakwaters and other forms of construction except structures)?			
Is all mineral exploration (successful and unsuccessful) capitalised?			
Is expenditure on computer software purchases included in GCF and on software development capitalised and included in output?			
Is expenditure on entertainment, literary or artistic originals included in GCF and on their development capitalised and included in output?			
Is expenditure on valuables included in GCF?			
SNA 93 extends the production boundary of households to include goods that are not made from primary goods – are these goods included in output?			
SNA 93 extends the production boundary of households to include goods that are processed from primary goods which are not self-produced – are these goods included in output?			
Is the natural growth of cultivated forests included in GCF?			
<b>Volume estimates</b>			
Are chain volumes estimated using a chaining procedure with annually changing weights?			
<b>Social contribution/Insurance</b>			
Are unfunded social contributions (for sickness, unemployment, retirement, etc.) by enterprises, imputed as compensation of employees and included as contributions to social insurance?			
Do non-life insurance estimates include premium supplements rather than being based just on premiums less claims?			
<b>Elements affecting GNI</b>			
Are reinvested earnings estimates included in the rest of the world account?			

Are foreign workers' remittances excluded?			
<b>Elements not affecting the level of GDP/GNI</b>			
<b>Final consumption</b>			
Is government final consumption expenditure broken down into individual and collective consumption?			

## ANNEX IV

Does your country's published national accounts tables and accounts currently include:

Numbers of related tables of UN questionnaire on SNA		SNA segments	Annual tables and accounts	Yes	No
<b>Value added, GDP and Employment</b>					
2.1		Value added and GDP in current prices by industry	Min req't		
2.2		Value added and GDP in constant prices by industry	Min req't		
1.3		Expenditures of the GDP in current prices	Min req't		
1.4		Expenditures of the GDP in constant prices	Min req't		
2.3		Value added components by industry, current prices	Min req't		
		Employment by industry	Min req't		
<b>Integrated accounts and tables, including integrated satellite accounts</b>					
1.5/4.1		Accounts for the total economy	Min req't		
		Supply and use table	Recomm		
5.1		Cross-classification of output/value added by industries and sectors	Recomm		
		Integrated economic accounts	*		
		Tourism accounts	*		
		Environmental accounts	*		
		Social Accounting Matrices	*		
		Other socio-economic accounts	*		
<b>Purpose classification of expenditures</b>					
3.1		General government final consumption (and other) expenditure by purpose in current prices	Recomm		
		General government final consumption expenditure by purpose at constant prices	*		
3.2		Individual consumption (and other) expenditures by purpose in current prices	Recomm		
		Individual consumption expenditures by purpose at constant prices	*		
		Purpose classification of intermediate and final consumption across all sectors	*		
<b>Sector accounts (up to net lending)</b>					
4.2		Rest of the world account (until net lending)	Min req't		
4.3		Non-financial corporations sector accounts (until net lending)	*		
4.4		Financial corporations accounts (until net lending)	Recomm		
4.5		General government sector accounts (until net lending)	Recomm		
4.6		Household sector accounts (until net lending)	*		
4.7		Non-profit institutions serving households sector accounts (until net lending)	*		
<b>Financial and capital stock accounts and tables</b>					
4.1-4.7		Financial accounts for all sectors	*		

	Balance sheets, revaluation and volume changes in asset accounts	*		
	Asset accounts for financial assets	*		
	Asset account for produced assets	*		
	Asset accounts for non-produced assets	*		

