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**Report on the Implementation of the 1993 System of
National Accounts**

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. Following the adoption of the 1993 SNA, the Inter Secretariat Working Group on National Accounts (ISWGNA) was established to coordinate issues regarding the implementation of the 1993 SNA.

This report summarizes the progress reports on the implementation of the 1993 SNA in Africa. In this respect, the ISWGNA recommends the use of country milestones assessment methodology, which has been used for the current survey and the previous surveys undertaken in 2001 and 1996. In fact, following the 31st session of the Statistical commission, it was requested that the ISWGNA reconsiders the current definition and measurement of the implementation of the 1993 SNA.

2. The existing milestones refer only to the coverage in terms of set of accounts and tables minimum, recommended by the 1993 SNA. 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 and developed two main areas to better assess the extent to which countries have implemented the 1993 SNA. These are compliance with the 1993 SNA, and the scope of accounts and tables compiled.

3. Over the last few years, the ISWGNA has assessed the scope of data availability, conceptual compliance with the 1993 SNA¹, and data quality of national accounts². Results have regularly been reported to the annual sessions of the Statistical Commission, and articles on national and regional implementation of the 1993 SNA were published in various issues of *SNA News and Notes*.

The main findings are that *“in spite of years of joint efforts of national statistical offices and international agencies, the number of countries that have implemented the 1993 SNA remains low, particularly in certain regions. The most recent evaluation of data submitted by countries to the UN shows that only 47 countries have compiled the minimum requirement data set. As of March 2004, only 84 out of 207 countries and territories (41 percent) worldwide had implemented the 1993 SNA. A large number of countries expressed concern about the low level of implementation. The ongoing 1993 SNA updating process provides a new incentive for responding to this concern”*.

¹ E/CN.3/2004/10

² E/CN.3/2004/08

4. An additional questionnaire module was developed to highlight factors that hindered the 1993 SNA implementation. The various impeding factors were: institutional environment, staff resources, training, and data availability.

The present report will review the progress of African countries in terms of country milestones assessment and the set of accounts compiled. The report will also consider recommendations to address the impeding factors in the 1993 SNA implementation.

II-Result from the UNECA Survey

5. The UNECA sent out to African National Statistical Offices (NSOs) and compiler agencies a questionnaire including the milestones assessment and the scope of accounts and tables. The UNECA survey was carried out through field visits to countries and meetings, mail, and electronic mail. Out of the 53 member States, 28 countries responded, a significant response rate. Responding countries included: Benin, Botswana, Cape Verde, Egypt, Ethiopia, Ghana, Guinea, Kenya, Madagascar, Mali, Morocco, Mauritius, Mozambique, Namibia, Niger, Sierra Leone, South Africa, Swaziland, Tanzania, Tunisia, Uganda, and Zambia.

6. Preliminary information also points out that six countries are still using the 1968 SNA. These countries chose to forward the filled forms on a later date. Moreover, 17 countries out of 53 have responded to the UN questionnaire on factors that limit implementation.

A-Compliance with the 1993 SNA

7. A country may be considered to comply with the 1993 SNA, if it significantly applies the concepts and definitions of the 1993 SNA. According to the responses tabulated in Annex I, increasing number of countries comply with the concepts and definitions of the 1993 SNA.

Table1: UNECA Survey on the 1993 SNA Conceptual Implementation

Year of Survey	Number of Response	Number of Countries Significantly Implemented the 1993SNA concept	Percentage
2004	28	9	33%
2001	21	6	24%

The countries that comply with the 1993 SNA concepts are namely: Benin, Botswana, Egypt, Mauritius, Morocco, Mozambique, Niger, South Africa and Tunisia.

B Scope of Accounts and Tables

7. A country compiling the Minimum Requirements Data Set (MRDS) should be necessarily in an advanced milestone phase.

The number of countries compiling annually over five sets of accounts of the MRDS is increasing significantly. Further, some countries compile the full set of the MRDS. As can be observed in the table presented in the Annex I, seven countries - Botswana, Egypt, Morocco, Mozambique, Niger, South Africa and Tunisia - meet this additional provision. *So far, seven out of 28 countries both comply with the 1993 SNA concepts, country milestones and the MRDS.* Moreover, some of the 1993 SNA implementers also compile the recommended data set of accounts including quarterly national accounts. In contrast, the UNECA 2001 survey points out that *six countries out of 21 are 1993 SNA implementers*³.

8. Among the seven 1993 SNA implementers, four countries are located in Sub-Saharan Africa. The implementation rates for Sub-Saharan Africa remains low at 16%. *More needs to be done to speed up the implementation of the 1993 SNA in the sub region.* Over the last five years, the implementation of the concepts and set of accounts have improved. However, for several countries, these joint efforts are not satisfactory in order to annually compile the MRDS in compliance with the 1993 SNA concepts.

9. These results may be partially confirmed by country milestones assessments, based on the set of national accounts tables updated continuously, and reported to the United Nations database: “ *so far nine out of 53 African countries compiled over six accounts of the minimum requirements data set MRDS in 2002*⁴ ”. Fewer than one fifth of African countries are over level 2 on the milestones assessment and in compiling the MRDS.

By reconciling survey results and country reports with database reporting, it is reasonable to state that *around one fifth of African countries are 1993 SNA implementers.*

³ E/ECA/DISD/CODI.2/12

⁴ E/CN.3/2005/4

Table2: UNECA Survey, UNSD Milestone and MRDS

Year of Survey	Number of Response	Number of Countries 1993SNA Implementer	Percentage
1996	28		
2001	21	6	24%
2004	28	7	25%
2002 UN Database reporting- Milestone	53	9	17%

10. For several countries⁵ using national accounts software, these findings may be reconciled with the completed software process. So far, the majority of the countries are in the early stage, namely first stage out of six, which consists of data entry in software packages. A few countries, including Cameroon, are at the later stages.

Since the software packages are consistent with the 1993 SNA concepts, and various stages comprise the compilation of certain sets of accounts, countries in advanced stages in the software are expected to be 1993 SNA implementers.

⁵ Around twenty countries.

III IMPEDING FACTORS IN THE 1993 SNA IMPLEMENTATION

A Data Sources

11. The increasing number of countries that compile the set of accounts is partly due to increasing availability of data sources, and their processing into National accounts data. Several initiatives to remedy data sources gaps by organizations are undertaken in various areas including: household, informal sector, industrial, and agricultural surveys. The methodology, scope, definitions, and frequency of these surveys are still perfectible to meet the requirements of the 1993 SNA. Short-term effect and over reliance on surveys must be investigated. Further, administrative records should be used efficiently.

12. Availability of data sources is not the only concern. Indeed, processing these data into national accounts poses a challenge for compilers. The challenge is of particular concern when national accounts institutions are understaffed and resources limited. To ensure the development, availability and quality of basic data remains a priority as during the last decade. On the other hand, more consideration should also be focused on building capacity to process available data sources.

B-Institutional Issues

13. According to surveys and national statistical offices profiles, it is essential to strengthen capacity of African NSOs, in order to carry out major statistical operations, including annual compilation of MRDS. Indeed, the number of staff in national accounts statistics has not significantly increased. According to preliminary information, the turnover is nearly negative for most African countries non-implementers of the 1993 SNA: almost one third of the staff has left, while one fourth of staff had joined the team over five years.

For many countries, the number of national accountants fluctuates between three and twelve with the exception of Morocco, Nigeria, South Africa, Egypt, Tunisia, Cameroon, and Gabon with respectively 60, 57,38, 25, 20, 19 and 20 staff members in the SNA.

14. Professional staff number from half a dozen to, in exceptional cases, ten professionals. Staff size and level may be related to the profile of national statistical agencies. From country to country: department, division or section may be in charge of compiling national accounts statistics. The size, the number of officers and the skill of employees are still perfectible. Different upgrading may be considered, including increasing number of national accountants, extensive training and workshops.

IV ECA ROLE IN THE IMPLEMENTATION OF THE 1993 SNA

15. According to surveys and previous findings, African countries have manifested their need for UNECA assistance with regard to several aspects of the 1993 SNA:

- a) To advise on national statistical offices organization and management, including development of statistical master plans;
- b) In the long term, to develop a National Strategy for the Development of Statistics (NSDS). To update real case studies, the international community may provide advisory services. The probable use of software packages is also an opportunity to reshuffle the national accounts function;
- c) To conduct regular trainings and workshops on national accounts, which are essential to ensure the high quality of national accounts officers;
- d) To assist countries in the development of basic data, consistent with the 1993 SNA;
- e) To assist with the processing of these basic data into national accounts;
- f) To assist with various materials including documents and software application in line with the available national accounts software.

16. Member States have increasingly requested technical assistance, regarding the compilation of accounts on specific sectors and on specific operations, including household sector accounts, non-profit institutions accounts and gross fixed capital formation computation.

Many countries are also interested in the possibility of using software packages for national accounts compilation. So far, according to preliminary information, several countries using software are in the launching process. Moreover, some countries advanced to next stages. Proposal of possibilities may be considered to address these limitations, and to ensure that the basic requirements of member countries are satisfied, since the majority of African countries are on early milestone phases.

V POINTS FOR DISCUSSION

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

- a) The assessment methodology of the implementation of the 1993 SNA. The document needs to be completed by real case studies on selected countries.
- b) Recommendations to address the impeding factors in the implementation of the 1993 SNA.
- c) Overall progress in the revision of the 1993 SNA,
- d) The opportunity of the 1993 SNA revision to speed up its implementation in Africa.

ANNEX I:
Table1: UNECA Survey Results

	Country	Conceptual Compliance	Percentage of Compliance	Compliance	Milestone Phase	Over Phase 2	MRDS	Percentage MRDS	MRDS	SNA93 Implementer
1	Benin	8	53%	1	2	0	8	89%	0	0
2	Botswana	8	53%	1	2	0	9	100%	1	1
3	Capt Vert	0	0%	0	1	0	2	22%	0	0
4	Egypt	11	73%	1	3	1	9	100%	1	1
5	Ethiopia	6	40%	0	1	0	5	56%	0	0
6	Ghana	7	47%	0	2	0	5	56%	0	0
7	Guinea	0	0%	0	0	0	0	0%	0	0
8	Kenya	7	47%	0	1	0	6	67%	0	0
9	Madagascar	6	40%	0	1	0	6	67%	0	0
10	Mali	7	47%	0	2	0	9	100%	1	0
11	Maroc	13	87%	1	4	1	9	100%	1	1
12	Mauritius	9	60%	1	3	1	8	89%	0	0
13	Mozambique	9	60%	1	4	1	9	100%	1	1
14	Namibia	6	40%	0	3	1	7	78%	0	0
15	Niger	10	67%	1	2	0	9	100%	1	1
16	Sierra Leone	4	27%	0	1	0	6	67%	0	0
17	South Africa	8	53%	1	4	1	9	100%	1	1
18	Swaziland	3	20%	0	1	0	3	33%	0	0
19	Tanzania	4	27%	0	3	1	6	67%	0	0
20	Tunisia	10	67%	1	3	1	9	100%	1	1
21	Uganda	2	13%	0	1	0	7	78%	0	0
22	Zambia	0	0%	0	1	0	6	67%	0	0

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 the 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 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 that 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

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;
- Supply and use tables 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.