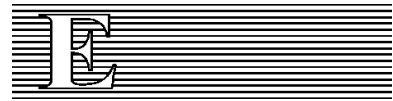




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First Joint Session of the Committee of Directors General
of National Statistics Offices and the Statistical
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**Report to the Joint Session of the Committee of Directors General
of National Statistics Offices and the Statistical Commission
for Africa on the implementation of the 2008
System of National Accounts in Africa**

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I. Development of the African Strategy and implementation plan

A. African Strategy for the Implementation of the 2008 System of National Accounts

The African Strategy for the Implementation of the 2008 System of National Accounts (SNA) was developed by the African Group on National Accounts under the umbrella of the Statistical Commission for Africa. The implementation of the 2008 SNA is an international initiative and commitment, and provides an opportunity to improve the quality, availability, consistency and harmonization of economic statistics and national accounts. The African Strategy was formulated in accordance with the global strategy for the implementation of the 2008 SNA, based on the recognition that there is a real need to strengthen human, technical and financial capacities in African countries. The African Strategy aims to overcome current statistical weaknesses through a continental project that brings together all African countries to work collectively to implement the 2008 SNA. Additionally, the Strategy brings together regional and subregional institutions, utilizing their respective strengths to support and facilitate the implementation of the 2008 SNA.

The overall objective of the African Strategy for the Implementation of the 2008 SNA is to improve the quality and availability of national accounts and related economic statistics, in support of good economic governance, regional integration and sustainable development in Africa. This objective is to be achieved by addressing the problems and issues faced by the African statistical system through project designs and interventions. The mandate for the African Strategy was given by African Heads of State and Government through the African Charter on Statistics and the Strategy for the Harmonization of Statistics in Africa. The implementation of the 2008 SNA was recognized as the first pillar of the Strategy at the fifth meeting of the Committee of Directors General of National Statistics Offices of African countries, which was held in 2010 in Yaoundé. At the meeting, the African Union Commission (AUC), the African Development Bank (AfDB), the Economic Commission for Africa (ECA) and the African Group on National Accounts were called upon to conduct an assessment of the current status of the compilation of national accounts and the capacity of member States to implement the 2008 SNA, and to prepare a common African project to implement the 2008 SNA for the period 2011-2015.

B. Project document as the action plan for the African Strategy

In response to that request, in early 2011 ECA conducted an assessment and identified five core problematic areas: limited human, financial and technical resources; weak statistical capacity and infrastructure; unharmonious national accounts systems; inconsistencies and incompleteness in covering the economy; and early stages in the development of national accounts (see table 1). Based on the findings, AfDB and ECA formed a task force team to discuss and prepare a project document aimed at addressing the problems and issues.

Table 1

Problems and issues to be addressed by project design and interventions

Problems and issues to be addressed	Project design and interventions
Limited human, financial and technical resources	<ul style="list-style-type: none"> - Continental project approach for all the countries to work together - Advocacy and formulation of the National Strategy for the Development of Statistics to mobilize resources for national statistical systems - <u>Building human and technical capacity</u>
Weak statistical capacity and infrastructure	<ul style="list-style-type: none"> - Strengthen statistical institutions and infrastructure

Unharmonious national accounts systems	- 2008 SNA provides an opportunity to upgrade and harmonize the national accounting systems in African countries
Inconsistencies and incompleteness in covering the economy	Adopt and apply: - Informal sector survey - Supply and use table and commodity flow approach - Integrate national accounts statistics with other sectoral statistics
Early stages in the development of national accounts	- Phased approach in the implementation of the 2008 SNA

The first version of the project document identified key activities, and set out a timeline for activities and resources requirements. The document was reviewed and discussed by member States at the ninth meeting of the African Group on National Accounts, which was held in 2011 in Addis Ababa. At the meeting, the participants expressed their appreciation for the progress made from the African Strategy to the project document; reaffirmed that the African Strategy was fully aligned with the international strategy for the 2008 SNA; pledged to give support to the finalization of the project document; and called for all development partners to be strongly committed in the implementation of the 2008 SNA through the common African Project.

The second version of the project document was thoroughly scrutinized, especially the objectives, outputs and activities, at the tenth meeting of the African Group on National Accounts, which was held in Pretoria, South Africa, in July 2011. The participants endorsed and adopted the project document; asked the secretariat of the Group to amend and finalize it by incorporating the comments and suggestions made during the meeting; and called upon pan-African institutions to coordinate their efforts to push forward the progress of the implementation of the 2008 SNA.

The revised and finalized project document was endorsed and adopted at the third meeting of the Statistical Commission for Africa, which was held in Cape Town, South Africa, in January 2012. At the meeting, pan-African institutions, regional economic communities and member States were urged to take ownership of the document and all African countries were asked to work together to adopt the 2008 SNA; African countries were also urged to allocate – and development partners to mobilize – the funds needed to support the implementation of the five-year regional project, as laid out in the project document. Subsequently, the document was endorsed and adopted at the Fifth Joint Annual Meetings of the ECA Conference of African Ministers of Finance, Planning and Economic Development and AUC Conference of Ministers of Economy and Finance, in March 2012.

C. Phased approach and prioritized activities for phase I

A special session of the African Group on National Accounts was held from 11 to 13 February 2013, in Addis Ababa, to review and finalize the project document. Participants agreed that the five-year African project would be carried out in a phased approach, with phase I lasting two years and phase II three years. A total of 21 activities were identified as priorities to be carried out during phase I. The 21 activities were further consolidated and streamlined into 14 activities. Subsequently, a task force on the project document, made up of national accounts experts from AfDB, Afristat, AUC, ECA, the Economic Community of West African States (ECOWAS), Morocco and South Africa, deliberated on various components of the document, including the governance structure, secretariat and estimated budget of the African Project. At the most recent meeting of the African Group on National Accounts, held in February 2014, country plans and actions and related activities were considered as very important and added to the list of 14 activities, bringing the total up to 17. As indicated in table 2, there are a total of 6 expected outcomes and 17 activities for phase I.

Table 2

Expected accomplishments, outcomes, activities and key players

Expected accomplishments	Expected outcomes	Activities for phase I	Key players
1. Improved capacities in production, analysis and dissemination of national accounts in member States	Country plan and actions	1. Formulate country implementation plans for the 2008 SNA	AfDB, Afristat, member States
		2. Take follow-up actions to change over to the 2008 SNA	AfDB, Afristat, member States
		3. Collaborate with members of the African Group on National Accounts and development partners to fill in the gaps	AfDB, Afristat, member States
	Technical assistance	4. Assist and support member States to adopt and apply modern and country-adapted IT tools	AUC, Afristat, ECA
		5. Launch assistance for countries lagging behind in the implementation of the 1993 SNA	AfDB, Afristat, member States, regional economic communities
	Institutional strengthening	6. Establish or strengthen existing governance and coordination structures for national accounts statistics at the national level	AfDB, Afristat, regional economic communities
		7. Create the African National Accountants Network	AfDB
2. Increased human, financial and technical resources for national accounts in member States	Compiling technical documents	8. Make an inventory of administrative data sources required for national accounts compilation	Afristat, ECA, member States, regional economic communities
		9. Develop a guidebook on processing data from administrative sources in national accounts	ECA
	Advocacy campaign	10. Prepare advocacy materials and tools	Secretariat
		11. Organize advocacy campaigns at continental, subregional and national/governmental levels	AUC, member States, regional economic communities
		12. Organize round-table meetings with current and potential funding partners	AfDB, AUC, ECA
3. Timely and effective completion of phase I to set a foundation for implementation of phase II	Monitoring, evaluation and reporting	13. Organize a meeting of the Continental Steering Committee	Secretariat
		14. Establish and strengthen the continental secretariat of SNA	AfDB, ECA
		15. Conduct a further, in-depth assessment on national accounts status and capacity of all African countries	AfDB, Afristat, AUC, ECA, member States, regional economic communities, secretariat
		16. Adapt and develop a framework and tools for monitoring, evaluating and reporting on the implementation of the 2008 SNA	Secretariat
		17. Produce and disseminate monitoring and evaluation reports	Secretariat

In addition to the expected accomplishments, outcomes, activities and key players, the project document highlights the governance structure of the African Project, encompassing the Continental Steering Committee, its Executive Board and its secretariat. The Committee, which is chaired by ECA, serves as the governing and decision-making body of the Project. Its responsibilities include approving the work plan and budget of the Project; overseeing coordination and accountability; administering implementation; and providing ongoing monitoring and oversight. The Executive Board, which is comprised of the three main pan-African organizations, acts as the bureau of the Committee. The Board meets more frequently than the Committee and undertakes day-to-day activities on its behalf. The meetings of the Committee are serviced by ECA,

the host of the secretariat, which provides ongoing support for the coordination and implementation of the African Project. As a result of the reorientation and restructuring of ECA, the strengthened Economic Statistics and National Accounts Section of the African Centre for Statistics has been serving as the secretariat of the African Project.

D. Implementation plan of the African Project

The eleventh meeting of the African Group on National Accounts was organized by AfDB, AUC and ECA and took place in February 2014, in Addis Ababa. The meeting saw the launch of the implementation of the African Project, with the drawing up of a detailed calendar of the activities of phase I. The participants reviewed and agreed on coordination mechanisms among the various stakeholders, and came up with detailed measures and steps on how to carry out the activities laid out in the project document. The meeting culminated in the development of a project implementation plan for the African Project.

The project implementation plan is an effective coordination framework among stakeholders, clearly defining individual and collective roles and responsibilities, collaboration and cooperation. Based on the six pillars defined in the project document, the plan outlines the project activities of phase I to be implemented in 2014, with specific timeframes, as well as leading and responsible institutions. In particular: (i) member States will develop country plans and take actions for implementation; (ii) AfDB is the lead in the area of technical assistance; (iii) the regional economic communities and Afristat are leading the way in the area of institutional strengthening; (iv) ECA is the lead in compiling technical documents; (v) AUC is directing the advocacy campaign; and (vi) the secretariat is in charge of coordination, monitoring, evaluation and reporting.

II. Ongoing activities for the implementation of the 2008 System of National Accounts

A. Country plans and actions (pillar I)

The development of country plans permits member States to align the process of implementing the 2008 SNA with national and African statistical strategies and macroeconomic priorities. In formulating country plans and actions, it is critical to consider the policy priorities at the national and regional level so as to produce and provide the requisite national accounts data to best inform policymakers. Thus, with the aim of improving the scope, detail and quality of national accounts, the African Group on National Accounts has identified three concrete steps to support member States in formulating country plans and taking actions for implementation.

First, member States should develop country plans using various statistical tools to identify gaps, including the SNA compliance questionnaire and self-assessment diagnostic tools developed by the United Nations Statistics Division. To facilitate this process, member States are encouraged to establish a SNA task force team and to develop a programme to operationalize actions.

Second, in the process of formulating country plans or during the implementation process, member States are encouraged to request technical assistance and support from the members of the African Group on National Accounts, including AfDB, AUC and ECA, in areas where they encounter technical or institutional gaps.

Third, member States are encouraged to utilize the completed country plans to make a formal request for technical assistance from the International Monetary Fund in the area of integration frameworks and data dissemination for national accounts. Similarly, upon completion of

country plans, member States are encouraged to request financial and technical support from the World Bank by informing its African statistical team.

In the area of country plans and actions, the African Group on National Accounts has disseminated SNA diagnostic tools, including the Diagnostic Framework for National Accounts and Supporting Economic Statistics and the SNA compliance questionnaire, to assist member States in identifying current gaps and limitations in implementing the 2008 SNA at the national level. In addition, in accordance with the project implementation plan, pan-African institutions (AfDB, AUC and ECA) are collectively developing a strategy to hold regional workshops on country plans and actions to support member States.

B. Technical assistance (pillar II)

As identified by the assessment conducted by ECA in 2011 (see table 1), there are limitations with regard to human resources, technical capacities and statistical infrastructure in national statistics offices that adversely impact the production of high-quality, timely economic statistics and national accounts data. Thus, the aim of the technical assistance component of the project implementation plan is to strengthen statistical institutions, and the capacity and infrastructure of national statistics systems. AfDB will lead the provision of technical assistance in several important areas. The proposals that AfDB has made include assisting member States in adopting and applying modern and country-adapted IT tools (which is an area that will be jointly led by AUC) and providing technical assistance to member States lagging behind in the implementation of the 1993 SNA. AfDB will also conduct seminars on integrated business statistics in support of SNA implementation on topics such as development of business registers, integrated survey designs, use of administrative data and measuring the economic activities of the informal sector. In addition, it will conduct training workshops on the compilation of quarterly national accounts, and launch a twinning programme aimed at fostering South-South cooperation.

In the area of technical assistance, several activities have been carried out to help member States to adopt IT tools. As the leading agency on the use of IT tools for the compilation of national accounts, AUC has administered a survey questionnaire entitled “Use of IT tools in the compilation of national accounts in African countries”. Based on the results of the survey, a number of training workshops on ERETES have been held. The first of these took place in January 2014 and was organized by ECA in collaboration with the Subregional Office for North Africa and Eurostat. Participants discussed the ERETES software used to compile national accounts statistics, key areas of the new conceptual changes in the 2008 SNA compared to the 1993 SNA, and the use of administrative data in the implementation of the 2008 SNA.

A second ERETES training workshop was organized by ECOWAS for its member States and it took place in August 2014. In line with the project implementation plan of the African Project, ECOWAS is promoting the adoption of ERETES software for the compilation of national accounts in the subregion. The workshop provided participants with a platform to comprehensively discuss and understand the ERETES software for compiling national accounts. Five countries took part – Ghana, Sierra Leone, Liberia, Nigeria and the Gambia – and the participants were national accountants from national statistics offices.

Third, based on the survey results, AUC has developed a project proposal to promote ERETES with the aim of increasing the technical capacity of national statistics offices and harmonizing methodologies and procedures in the compilation of national accounts. The project is expected to build capacity through regional training workshops and support countries in applying ERETES through follow-up technical assistance missions to member States upon request.

C. Institutional strengthening (pillar III)

As mentioned above, there are institutional weaknesses in the capacity of national statistics offices to produce and disseminate national accounts and economic statistics data. The aim of the institutional strengthening component of the project implementation plan is to develop and strengthen coordination structures and systems for data collection, compilation, processing, analysis and dissemination. In this area, the regional economic communities and Afristat will support national statistics offices in their respective jurisdictions to establish or strengthen governance and coordination structures for national accounts statistics at the national level.

The African Group on National Accounts has identified several key steps to facilitate the process of institutional strengthening. First, the establishment of the African Network of National Accountants (a network of experts from various regional institutions with expertise in national accounts); second, the development of calendars for regular and consistent statistical data dissemination; third, the establishment of the knowledge and skills profile required for national accountants; and fourth, the organization of national workshops to bring together statistical users and producers.

D. Technical documents (pillar IV)

To further develop the statistical capacities of national statistics offices, a set of technical documents (guidebooks, manuals and handbooks) has been identified as important to serve as operational guides in the compilation of national accounts. Led by ECA, the technical documents, in the area of supply and use tables, administrative data and the informal sector, will lay out clear and specific procedures and methods on how to apply and implement the 2008 SNA in member States, in line with African countries' experiences and best practices. As outlined by the African Group on National Accounts, the process of compiling technical documents includes establishing a virtual "community of practice" to gather country experts for sharing African countries' experiences and practices; preparing drafts of the *Guidebook on use of administrative data in national accounts* and the *Handbook on supply and use tables: compilation, application and good practices* (the technical documents will incorporate international standards and recommendations and African countries' experiences and best practices); and organizing expert group meetings for reviewing and validating the drafts of the *Guidebook* and *Handbook*.

In the area of technical documents, several activities have been carried out. First, ECA has initiated the preparation of the *Guidebook on the use of administrative data in national accounts*. It is intended to be an effective reference for strengthening the capacity of African countries in using already available administrative data to improve the quality and availability of national accounts. Currently, there is no single guidebook from the international agencies that covers all major administrative statistics and their use in national accounts. Therefore, the *Guidebook* is expected to fill this gap for African countries. Second, ECA and the Subregional Office for East Africa convened an expert group meeting in June 2014, in Kigali, with a view to broadening delegates' understanding, helping countries to widen the use of administrative data in the compilation of national accounts, and discussing and reviewing the first draft of the *Guidebook*.

In addition, ECA has initiated the preparation of a *Handbook on supply and use tables: compilation, application and good practices*. The main objective of the *Handbook* is to highlight African countries' experiences and practices in compiling such tables and to provide the basic information for the derivation of detailed input-output tables, which are extremely useful for the purposes of economic analysis and projections. The first expert group meeting on the *Handbook* was held in October 2011, in Addis Ababa, with a second meeting organized by ECA together with Statistics Mauritius in June 2014, in Port Louis. The meetings provided a platform for national

accounts experts to share and discuss African countries' experiences and best practices in compiling supply and use tables; to review the *Handbook*; and to discuss methods to establish a cooperation framework between ECA and member States.

E. Advocacy campaign (pillar V)

A consistent and effective advocacy campaign is critical to the successful implementation of the 2008 SNA. A lesson drawn from past attempts to implement the previous versions of the SNA is that no significant result can be obtained without an active and coherent advocacy strategy. Thus, an advocacy campaign is being organized in support of national statistical systems at the continental, regional, and national levels. Led by AUC, the advocacy campaign will address Heads of State and Government, members of parliament, ministers of finance, planning and economy, governors of central banks, civil society and development partners.

The African Group on National Accounts has identified several critical steps for organizing an effective advocacy campaign. First, high-level advocacy missions to member States and subregional, regional and continental organizations need to be carried out, with the aim of delivering targeted messages, providing project updates and improving resource mobilization. Second, the country missions should target Governments, parliaments, civil society and the private sector. Third, the progress of the African Project should be reported to the relevant conferences of Heads of State and Ministers. Lastly, advocacy materials and tools, including the publication of reports, newsletters, flyers, brochures and a website, will be developed.

F. Coordination, monitoring, evaluation and reporting (pillar VI)

The coordination, monitoring, evaluation and reporting mechanism is critical for the successful and timely implementation of the 2008 SNA in Africa. Led by the secretariat, several detailed steps have been developed for coordination, monitoring, evaluation and reporting of the African Project. First, the project implementation plan, consolidating concrete actions and activities proposed voluntarily by project stakeholders, will be monitored closely and serves as a coordination mechanism and a useful framework for monitoring, evaluation, and reporting on the progress of the Project.

Second, the Continental Steering Committee is critical in the monitoring, evaluation and reporting process, in its capacity to examine project achievements and provide recommendations for any appropriate corrective measures to be taken based on the progress and project reports available.

Third, the secretariat of the Project will take the lead in producing and disseminating monitoring and evaluation reports on the implementation of the African Project on a biannual basis by collecting information from all stakeholders. In order to produce project monitoring and evaluation reports, pan-African institutions, the regional economic communities, Afristat, member States, relevant international and regional organizations, and development partners will, on a biannual basis, provide the requisite information and progress reports to the secretariat, in line with the agreed framework of the project implementation plan. The monitoring and evaluation reports will be reviewed during meetings of the Continental Steering Committee, the African Group on National Accounts and the Joint Sessions of the Committee of Directors General of National Statistics Offices and the Statistical Commission for Africa.

In the area of coordination, monitoring, evaluation and reports, several important milestones have been accomplished. First, the Continental Steering Committee of the African Project was established in September 2013, in Addis Ababa. Since then, the Committee has assumed its roles and functions as the governing and decision-making body of the African Project. At its inaugural

meeting, the Committee: (i) reiterated the importance of the African Project; (ii) agreed and adopted the terms of reference of the Committee, the Executive Board and the secretariat; (iii) established the governing body of the Project; (iv) agreed upon the framework for collaboration and operation; and (v) scheduled the Project to launch on 1 January 2014.

Second, the secretariat of the African Project was established. In accordance with the recommendations of the special session of the African Group on National Accounts and its task force meeting, the secretariat started functioning in April 2013. The office of the secretariat is located within the ECA premises and benefits from the support of the Economic Statistics and National Accounts Section of ECA and the African Centre for Statistics. As part of its functions to monitor and report on the progress of the African Project, the secretariat regularly issues and circulates the *AGNA Account*, a newsletter designed to inform and update members and regional and international development partners on national accounts activities and events. The secretariat also organizes meetings of the Steering Committee.

Third, a meeting of the Friends of the Chair of the Continental Steering Committee for the African Project was held in Addis Ababa, in April 2014. Participants reviewed the progress made towards implementing the African Project, including the project implementation plan; discussed best practices and experiences for developing country plans and follow-up actions for implementing the 2008 SNA; and deliberated on effective mechanisms for sharing information among regional and international organizations.

III. Upcoming activities and the way forward

The next meeting of the Continental Steering Committee is scheduled to take place in December 2014, as a pre-event to the first Joint Session of the Committee of Directors General of National Statistics Offices and the Statistical Commission for Africa. The aim of the meeting is threefold: (i) to review and assess the progress made in carrying out the African Project; (ii) to provide policy recommendations, oversight and guidance regarding the implementation of the 2008 SNA; and (iii) to oversee the overall coordination and accountability of the Project.

The most recent meeting of the African Group on National Accounts, which took place in February 2014, was attended by 45 member States. As the meeting was widely attended by directors of national statistics offices from across Africa, it was a great opportunity to discuss the state of national accounts and the need for technical assistance with regional and international organizations and funding partners. Some participants suggested keeping up this good practice and holding regular meetings of the African Group every year. The date of the next meeting depends on the availability of funding, but it is tentatively scheduled for the first half of 2015.

IV. Points for discussion

The Joint Session of the Committee of Directors General of National Statistics Offices and the Statistical Commission for Africa is invited to:

- (a) Express its views on the activities undertaken in implementing the 2008 SNA;
- (b) Provide guidance on how to strengthen implementation activities;
- (c) Provide guidance on how to strengthen the reporting framework;
- (d) Express its views on resource mobilization for the implementation of phase I activities.