RECOMMENDATIONS

Expert Group Meeting on Harmonization of National Accounts

JOINTLY ORGANIZED BY

THE UNITED NATION ECONOMIC COMMISSION FOR AFRICA (UNECA)

AND

THE NATIONAL AUTHORITIES OF REPUBLIC OF MAURITIUS

23-25 November 2010, Port Louis, Mauritius
1. **The Implementation Guide**: The participants commended ECA for developing the draft implementation guide and organizing this Expert Group meeting. The draft Implementation Guide provides useful ideas on three components of a programme/project for implementing SNA 2008. It is however still a very preliminary draft. Some of the tasks, such as the research component as well as part of the IT component, may be more suitably carried out by the Group at the regional level than at the country level. It is simplified and thus several important steps in the global and regional strategies are missing. For example, while the “evaluation” and “quality assurance” are mentioned, issues such as “user-producer meetings” and assessment components have not been included yet. The implementation guide may provide input into the preparation of the material planned in the African Strategy for the Implementation of the 2008 SNA. The following are some specific recommendations:

   - Requested ECA to undertake a thorough review process with member countries through consultations and meetings to finalize the Implementation Guide. The final draft is expected to be submitted to StatCom-Africa III in January 2012 for consideration.

   - While agreed with the broad structure of the guide, it was recognized that some topics like R&D, Military Expenses, Imputed Rent, Orchard Growth, and Mineral Exploration require further and specific country applications; and further country relevance and applications on these topics will enrich the document. Accordingly, requested ECA to organize expert group meetings and/or training workshops during the course of 2011 for African countries on the related topics.

   - Called upon countries to develop their national implementation plan based on the implementation guide, and if necessary launch national workshops and establish the three working groups on methodology, institutional framework, and computation strategy.

   - Called upon countries to rebase their national accounts every five years and requested countries which will rebase their accounts shortly to introduce the 2008 SNA during the benchmarking.

   - Called upon countries to provide adequate human resources for SNA compilation, especially for countries expanding the scope of accounts beyond the existing ones, including compilation of GDP from the expenditure approach at the basic headings for the ICP round, Input-Output tables, quarterly satellite accounts, and balance sheets among others.

   - In principle, agreed to the following schedule for review:
- Chapters and topics identified by experts during this EGM to be further discussed in the coming ECA-UNSD Seminar on the Implementation of the SNA for African Countries (1st quarter 2011)
- Disseminating the draft Guide to countries and regional organizations including sub-regional institutions such as SADC, ECOWAS, EAC for comments (June 2011)
- Consolidation of comments (August 2011)
- Editing and finalizing the Guide (October 2011)
- Submitting for consideration to StatCom-Africa III (Jan 2012)

2. Documentation for the Implementation of SNA 2008: SNA was designed to be universally applicable. In Europe, for the purpose of the specific needs of European policies, such as the common currency, there is a need for a common standard which may not be the same as in Africa at the current stage. To compile an African version of SNA, similar to the European version, would not be very appropriate as it will be time-consuming thus may delay the process; as well as costly in terms of resources while we might not have the needed resources to do so. On the other hand, there is a need for guidance on how the SNA can be best adapted to specific conditions in Africa. In this respect, a series of manuals and handbooks addressing on specific and mutually agreed issues will be helpful. The approach or working steps however can be improved. For example, the topics should be chosen in a more transparent way and jointly made by the Group.

3. Proposed Topics for Manuals or Handbooks: As discussed in the EGM, the following are a list of potential topics for the starting of discussion on the specific and mutually agreed issues to be addressed and developed by the series of manuals and handbooks:

- The basic data are crucial. How to obtain data for all the new changes in SNA 2008?
- Among all the new changes in SNA 2008, what are the most important and priority topics and issues for countries in Africa?
- Military Weapons System and how to disaggregate the total military expenditure?
- There are two groups of countries: one will move from SNA 1968 to SNA 2008 and another from SNA 1993 to SNA 2008. What kinds of challenges are faced by these two groups?
- Non-observed economy is an important issue for many countries in Africa.
- Allocation of FISIM to users.
- How to make a full use of Financial Statements and VAT records for the compilation of National Accounts aggregates?
- How to make a full use of the data collected from surveys and censuses for the compilation of National Accounts aggregates?
- What are those urgent issues related to globalization for countries in Africa?

4. To Organize the Implementation of SNA 2008 in Africa as a Regional Project: The document “African Strategy for the Implementation of the 2008 System of National Accounts (2008 SNA)” prepared by the AGNA has already laid down a good framework and foundation for the implementation of SNA 2008 in this region. This will be followed by preparation of a detailed work plan on how to carry out and implement the Strategy. This should be realistic,
taking account of the capacity of countries to implement SNA. Based on the Strategy, ECA and AfDB have committed to work together with AGNA to come up with a regional project document which will be used to mobilize resources for the implementation of SNA 2008. In this regard, the two institutions, ECA and AfDB, will put their resources (technical and financial) together in order to deliver the results as mandated. This Expert Group agrees that it will be very important and necessary to organize the implementation of SNA 2008 as a regional project and for the project to be carried out by AGNA.

- As mentioned above, some of the tasks can be difficult to be carried out at the country level but can be more suitably carried out at the regional level. For example, for research and information technology components, the regional project may reduce the workloads of working group at country level, in case that there are no needs for further national definitions or adaptations.

- The group of National Accountants in this continent needs to meet regularly during this period of time before 2014 when countries start producing data according to SNA 2008 to resolve problems together and to discuss and get training and prepare for the transition to SNA 2008.

- Working together as African Group by all countries, people can get experience from each other so that no body is left behind. Otherwise, it could take much longer time to reach there. We need to prepare a road map for the next three to five years.

5. **Work of AGNA:** The idea of AGNA is for the regional and sub-regional organizations to work together with member countries with better collaboration and cooperation:

- There is a need for national accounts experts to be better informed about AGNA.

- Requested ECA to set up a discussion forum where countries, sub-regional, regional, and international organizations can discuss practical issues, to put good country case study together for sharing experiences.

- ECA was urged to publicize the dates of related meetings well in advance, as well as the agendas, and keep to the dates announced.

- At country level, while NSO will take the lead, it should work closely with other line ministries including the Ministry of Finance and the Central Bank, to implement SNA 2008.

- ISIC-4 and SNA 2008 are closely related. Most countries will adopt ISIC-4 in various surveys, censuses, and administrative records first while moving to SNA 2008.

- The software, ERETES, will be very useful for National Accounts, as many French-speaking countries are already using it. The Group would request for more technical assistance from Eurostat in this aspect.
6. The Group acknowledged the supports that have been extended from and continuously offered by the EUROSTAT:

- Introduction of the European experiences in the implementation of SNA 2008.
- Introduction of the handbook of the Essential SNA and other tools for use in National Accounts.
- Support to the participation of participants from Africa and other regions to ISI 2011 in connection with a course to be offered on the Essential SNA.
- Free software of ERETES and ECOTRIM and training programme: The possibility of organizing a training course on ERETES in this region following an official request.

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