**Concept Note**

**(Draft)**

**12TH AFRICA SYMPOSIUM ON STATISTICAL DEVELOPMENT**

*“*

*“Strengthening basic economic statistics for the compilation of national accounts in Africa***”**

1. **Background and justification**

The first six Africa Symposia on Statistical Development (ASSDs) were launched in January 2006, and they focused on the 2010 Round of Population and Housing Censuses. Since then, all but four African countries have successfully undertaken the censuses. The last five ASSDs have made a big push for the development of the Civil Registration and Vital Statistics (CRVS) in Africa. It is important to assemble representatives of all major national stakeholders in the compilation of basic economic statistics to harness the achievements of population censuses and civil registration in support of national accounts compilation and development in Africa. These include National Statistical Offices (NSOs), economic and finance ministries, and central banks, as well as representatives of regional, pan-African and international organisations, as well as development partners.

The 11th Africa Symposium on Statistical Development (ASSD) that was held in Libreville, Gabon from 23 to 25 November 2015 adopted a resolution that shifted its focus area from Civil Registration and Vital Statistics (CRVS) systems to economic statistics and national accounts for the next five symposia beginning in 2016.

* 1. **Status and challenges of producing basic economic statistics in Africa**

Economic statistics, including national accounts are still at the early stages of development in the African continent. The quality, availability and timeliness of these statistics vary, depending on the statistical development of countries. For instance, in the production of national accounts, African countries fall into three categories: (i) those that produce detailed national accounts regularly and in a timely manner; (ii) those that produce accounts but do not publish them regularly; and (iii) countries that have difficulty in producing regular accounts.

The problems with the production of economic statistics in Africa stems from a weak statistical capacity and infrastructure of some countries in general. Some NSOs do not enjoy full institutional independence. Others do not have adequate capacity and infrastructure to regularly conduct basic surveys, or have not yet set up institutional arrangements with a wide range of data producers such as ministries or government agencies to acquire administrative data on a regular basis. In several countries the problem is aggravated by low political engagement at the national level to produce quality and timely economic statistics that can be subsequently used in policy decision-making.

There are challenges of limited human, financial and technical resources also. Many NSOs in Africa are understaffed and face high staff turnover rates. Becoming an expert in national accounts, for example, can take years, and high fluctuations of staff in national accounts departments can be especially sensitive. The reason for the lack of financial resources is often linked to unpredictable and unsustainable funding arrangements, inadequate administrative autonomy and professional independence in National Statistical Offices. Finally, several NSOs in Africa do not have an adequate number of computers to support statistical activities, and therefore some data are either not digitalised or not digitalised in a timely manner. The lack of use of appropriate software to compile national accounts is another issue that contributes to these shortcomings.

The production of basic economic statistics is generally under-developed and not harmonised across the continent. Different versions of the System of National Accounts (SNA) are used in different countries. According to the United Nations Statistics Division (UNSD), as of April 2016, only 4,2% (i.e. only 2 out of 48) of African countries are compliant with the 1968 SNA. There are presently 36 African countries that are using the 1993 SNA, while only 10 countries are fully compliant with the 2008 SNA.[[1]](#footnote-1) In addition, even when countries use the same SNA, there are significant discrepancies between some countries’ accounts because their estimates do not fully cover everything in some important basic headings. Another important difference is the choice of base year. According to national data provided to the African Statistical Yearbook 2015, current Gross Domestic Product (GDP) base years for African countries range from 1982 to 2012.

Other reasons behind economic data availability problems in Africa are inconsistencies and incompleteness in covering the economy; in other words, the lack of primary sources, both of a statistical and administrative nature. Most national statistical offices are under-resourced to carry out regular population, economic, and social censuses and surveys. Business and household surveys are often characterised by irregularity, incompleteness, inaccuracy, and poor archiving of the data collected. Due to the poor state of data collection and technologies available, industry and product categories used for presenting statistics are often too aggregated. To handle these issues, the major sources (business registers, household surveys, and administrative sources) of the essential economic indicators should be identified and extended so that NSOs are able to collect sufficient primary data.

* 1. **On-going efforts for improving economic statistics in Africa**

Over the last decade or so, the following programmes and initiatives have attempted to foster the development of economic statistics on the continent.

The Strategy for the Harmonization of Statistics in Africa (SHaSA) is a program adopted by African Heads of State and Government in July 2010 in Kampala, Uganda, and it provides a systematic and coherent approach to scale up the efforts of the African Statistical System to produce harmonised and quality statistics. It identifies critical data for the African integration agenda and the transformation processes needed to deliver these data. It also delineates the roles stakeholders should play to ensure that the ASSD stays aligned to the strategy.

The International Comparison Program for Africa (ICP-Africa), in 2002, 2011 and 2015, is a program that assisted participating countries strengthening their economic statistics and compilation of consumer price indices, GDP, and related indices; as well as the production of purchasing power parities (PPPs). The AfDB has used the ICP-Africa as a springboard for its continent-wide statistical capacity building programs.

The African Group on National Accounts (AGNA) developed the African Project on the Implementation of the 2008 SNA under the umbrella of the Statistical Commission for Africa (StatCom-Africa). The African Project on the 2008 SNA is aimed at improving the quality, availability and harmonisation of economic statistics in Africa. After the Phase 1 which was carried out in 2014–2015, the project has now entered into its second phase for the period of 2016–2018.

The Reference Regional Strategic Framework for Statistical Capacity Building in Africa (RRSF) is a framework designed for implementing the Marrakech Action Plan for Statistics (MAPS). The overarching strategy of the RRSF is the design and implementation of the National Strategy for the Development of Statistics (NSDS). It showcases best practices in statistical development in Africa. It also apportions responsibilities to national institutions, Regional Economic Communities (RECs), pan-African organisations, and the international community.

The global strategy for the improvement of agricultural and rural statistics came as a response by the [Food and Agriculture Organization of the United Nations](http://www.fao.org/home/en/) (FAO) to the declining quantity and quality of agricultural statistics. The purpose of the global strategy is to provide the vision for national and international statistical systems to produce the basic data and information on biofuels, global warming, the environment and food security. It is also based on a thorough assessment of data user needs and what is currently available.

1. **The significance of the 12th ASSD on Africa’s Journey of Statistical Development**

The 12th ASSD to be held on 2–4 November 2016, in Tunis, Tunisia will be the first in the series to be convened focusing on economic statistics. Its significance is three-fold. Firstly, it marks the beginning of the economic statistics round of symposia and the unveiling of a new focus area. Secondly, it serves as an advocacy platform to raise awareness among policy makers and the African statistical community of the importance and challenges of compiling basic economic statistics in Africa. Thirdly, it serves as a monitoring platform to inform where gains have been made, and report on ongoing progress on the Africa Programme on the Acceleration and Improvement of CRVS (APAI-CRVS) and the 2020 Round of Population and Housing Censuses which are characterised by the use of ICT will be shared. To harness the three focus areas, the 12th ASSD will be held under the theme: *“Strengthening basic economic statistics for the compilation of national accounts.”*

The overall objective of the 12th ASSD is to rally Member States around a united statistical programme aimed at improving basic economic statistics in Africa for the compilation of quality national accounts, share progress made on CRVS and RPHCs in support of monitoring the implementation of the Sustainable Development Goals (SDGs) and the Africa Agenda 2063. The specific objectives include:-

(i) The approach of integrated economic statistics for national accounts compilation;

(ii) Methods and processes to improve the collection and processing of basic economic statistics; (iii) Strengthening methods and processes for measuring the informal sector, use of administrative data, GDP rebasing and quarterly GDP, compiling Supply and Use Tables (SUTs), and application of information and communication technology tools for a more complete coverage of national accounts;

(iv) The application of economic statistics and national accounts to strengthen policy formulation and decision making,

(v) Progress made and lessons learnt, and progress on 2020 ICT-based censuses, as well as

(vi) Progress made on APAI-CRVS.

* 1. **Reporting and planning on the implementation of the 2008 SNA**

The African Project on the Implementation of the 2008 SNA is continuously making steady progress. The SNA is an overarching coordinating framework for economic statistics in two important ways: as the conceptual framework for ensuring the consistency of definitions and classifications; and as an accounting framework to ensure the numerical consistency of data drawn from different sources. The African Project on SNA has successfully brought together Member States, RECS, Afristat, pan-African Institutions (United Nations Economic Commission for Africa (UNECA), African Development Bank (AfDB), and African Union Commission (AUC), regional and international organizations, and development partners to support the efforts being made by African countries to move towards the 2008 SNA; with the objective of overcoming current statistical weaknesses and strengthening the technical and institutional capacity of Member States to produce timely, quality, and harmonised economic statistics and national accounts

In the area of National Action Plans, the first pillar of the African Project, the ECA Survey and Report on the Current Status and Needs Assessment of the Implementation of the 2008 SNA in Africa found that among the 48 countries that responded to the survey, 32 countries indicated that they have formulated national action plans for implementing the 2008 SNA. Ten countries indicated that they are currently in the process of formulating national action plans, and five countries reported having no action plan for implementing the 2008 SNA.[[2]](#footnote-2)

Furthermore, as highlighted by the Progress Report for Phase 1 of the African Project, the International Monetary Fund (IMF), through its training centres in Africa (AFRITAC), AfDB, AUC, ECA, Afristat, RECs, and jointly with Eurostat and [National Institute of Statistics and Economic Studies of France](http://www.insee.fr/en/) (INSEE), are carrying out training workshops and technical assistance missions in support of countries for capacity building in national accounts. These technical assistance missions and training workshops cover technical areas, including quarterly GDP, GDP rebasing, classifications, establishing business registers, accounting for the informal sector, compiling SUTs, and applying ICT tools for national accounts compilation,

In addition, three methodological operational guidebooks have been developed and are in the process of being finalised by ECA together with AGNA on the use of administrative data in national accounts, compilation of the supply and use tables, and integration of the informal sector in the national accounts. The three operational guidebooks have been reviewed by country representatives in Expert Group Meetings and these will be circulated to countries for wider consultation.

Finally, the Progress Report of Phase 1 of the Project and the Project Document for Phase 2 have been completed. These two important documents have been adopted by the Continental Steering Committee of the Project and endorsed by the Ninth Committee of African Directors-General of National Statistical Offices (CoDG) in November 2015.

* 1. **Integrated economic statistics for national accounts**

The scope of economic statistics programmes should go beyond the production of national accounts so as to also cover the statistical production processes of basic economic statistics and aspects of the institutional environment. The scope should also be based on an integrated statistics approach which: (i) produces statistics that present a consistent and coherent picture of economic activities for policy, business and other analytical uses; (ii) uses common concepts, definitions, estimation methods and data sources for statistical reconciliation; and (iii) moves away from a narrow stove-pipe statistical production model to a cross-functional holistic model.[[3]](#footnote-3)

In addition, a number of recent emerging initiatives on the measurement of sustainability, social progress and well-being (i.e. the SDGs and Agenda 2063) have raised the need for integrated and coherent official statistics to shed light on those complex issues. The development of integrated and multi-dimensional statistics requires developing the capacity to integrate the production of relevant statistics.

Comprehensive integration of economic statistics begins with the adoption of the SNA as the organising conceptual framework. Moreover, integration must recognise the inter-linkages of macroeconomic accounts: national accounts statistics, external sector statistics, balance of payments accounts, government finance statistics and monetary and financial statistics. The macroeconomic accounts, along with associated macro price and employment data, are the cornerstones of economic policy and business strategy, and of business and household expectations.

Three interlinked building blocks support the integrated approach to economic statistics. Firstly, the SNA provides the common conceptual framework. Secondly, institutional arrangements (including legislative, organisational, budgetary, managerial, and customer arrangements) further support the environment for integration in both centralised and decentralised statistical systems. Thirdly, an integrated statistical production process provides a production chain from the collection of basic data to the dissemination of the resulting statistics.

The benefits of integration not only accrue to the users of the data, but also to data producers and data providers. The use of common concepts, definitions, business registers and frames, estimation methods and data sources improves consistency and reduces respondent burden, and may reduce statistical agency costs, at least in the longer term. That, in turn, allows agencies to direct their scarce resources better to answering demands by users for updating and extending their statistical programmes. Such integration in data collection also facilitates the introduction of consistent, automated edits and other best practices that reduce the likelihood of errors and improve accuracy and at the same time increase consistency. The ability to share micro-data within the statistical system and reconcile major differences in business lists, and the use of common concepts, definitions, classifications, data sources and estimation methods, such as seasonal adjustments, balancing techniques and extrapolation, can produce large gains in consistency, accuracy and efficiency.

Overall, an integrated approach can increase the transparency and consistency in concepts and definitions so that decision-makers are using common metrics for monetary, fiscal, trade policies and other areas such as the environment and questions related to sustainability. In addition, an integrated system can also produce more relevant statistics that are able to address more quickly user needs through the development of integrated links to advisory committees, new management and legal structures and more accessible data dissemination systems.

* 1. **Methods to improve the collection and processing of basic economic statistics**

Data collection and processing are critical to the production of high quality economic statistics and national accounts. Furthermore, a wide range of data is needed to produce basic economic statistics and national accounts, from value added tax data, through household income, consumption and expenditure data, to production, price, or agricultural data, not to mention government finance data, balance of payments and trade data, and increasingly informal sector data.

However, the quality of the data highly depends on the data sources and their coverage. A source can be defined as any document that helps to collect economic information to be included in a database. Sources of specific data can depend on the institutional framework of a given country; therefore, NSOs need to make an inventory of sources that also must include a certain amount of information that will serve as an identification form for each source. The inventory of sources usually includes the following elements: conditions of data collection (format, the period covered, reference document(s), producer(s), time of collection, content), coverage, techniques, data processing methods, and so on. This inventory and source tracking should be done year after year and must be updated in light of changes in the statistical system.

The collection should include gathering of all the economic data that have an interest for the compilation of national accounts and consequently, to policy makers and other data users. At the heart of data collection are business registers, which provide an economy-wide population of the statistical units for which data have to be collected. Surveys and administrative sources represent the data collections, including the design and operation of a broad range of surveys and censuses and the use of administrative sources. These are often undertaken by different agencies for different purposes. Significant amounts of the data collected may come from administrative sources.

Furthermore, in Africa, the role of the informal sector is increasingly recognised as a significant contributor to employment, income, goods and services, and thus to GDP. Therefore, for countries to correctly measure GDP, it is essential that the size of the informal sector be adequately incorporated in national accounts. According to recent estimates, the informal sector in a broad sense (including agriculture) accounted for 63,3% of GDP in Africa in the 2000s, and 31,3% of the GDP in its restrictive sense (without agriculture).[[4]](#footnote-4) These indicators are on an upward trend since the 1980s. Furthermore, depending on the definition in the different countries, the informal sector employs from 10% (Tanzania)[[5]](#footnote-5) up to 92% (Chad)[[6]](#footnote-6) of the total active and employed population across the African continent. Nevertheless, the proper measurement of the size and contribution of the informal sector and informal employment to GDP is a significant challenge for data collection and compilation of official statistics.

With regard to the processing of economic statistics, each source is specific, but before starting, it is recommended to specify the nature and volume of work to be involved. Too much detail may sometimes be counter-productive. This phase can be divided into three stages, namely: the analysis of the data source, data entry and adequate data processing. Through the transformation of data into relevant statistics and indicators, consistency checks should also be scheduled regularly.

In addition, IT tools are essential to the compilation and processing of economic statistics and national accounts data. In this regard, the national accounts compilation software ERETES is recognized as a useful system for the elaboration of national accounts according to the SNA. ERETES permits the storing of basic economic data; organization of data in an integrated manner; and to reconcile the economic data. Through the application of ERETES, it is possible to calculate GDP according to the production, expenditure and income approaches.

* 1. **Data Application and Analysis**

The application of economic statistics and national accounts data is critical to policy formulation and implementation, monitoring and evaluation of national and international development programmes, and forecasting future trends. In this regard, the Sustainable Development Goals (SDGs) include a large number of indicators for which high quality economic statistics are essential for monitoring, evaluating and reporting progress. Examples of such goals and indicators include, Goal 8: “Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all”; Goal 9: “Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation”; and Goal 10: “Reduce inequality within and among countries.” In order to respond to the increased demand for detailed and timely economic statistics to analyse, monitor and report progress towards the goals and indicators of the SDGs, it will require a considerable, concerted and sustained investment in improving the statistical production process of economic statistics using an integrated statistics approach.

Furthermore, economic statistics and national accounts are essential for formulating effective trade policies to facilitate socio-economic growth, development, and regional integration. In this regard, ECA in collaboration with the Organisation for Economic Co-operation and Development (OECD), and World Trade Organisation (WTO) are working to develop a trade in value-added database for Africa in support of the continent’s regional integration and economic transformation agenda. Trade in Value-Added (TiVA), provides statistical data on global value chains (GVCs) by disaggregating gross trade flows on the basis of the origin country and industry of the value-added. The TiVA database enables countries and regions to better understand the nature and degree of their integration within GVCs.

With regard to data application and analysis, TiVA statistics support trade policy formulation, the development of industrial policies, and shed light on critical elements of international trade, including: global imbalances, market access, trade and employment, growth and competitiveness, and the environmental impact of trade. However, in order to comprehensively understand the nature of Africa’s integration in GVCs, good quality statistics, and in particular National Accounts Supply-Use or Input-Output tables, is critical. Currently, SUTs are available only on a piece-meal basis, and with varying temporal coverage, quality and degree of industry and product disaggregation.

1. **Expected accomplishments**

The 12th ASSD is expected to deliver the following:

* A continental programme of action to apply an integrated approach to produce basic economic statistics across Africa;
* A collection of best practices and lessons learnt in improving the collection and processing of basic economic statistics in Africa;
* A plan of action to support the measuring of the informal sector, use of administrative data, GDP rebasing, quarterly GDP, compiling SUTs, and application of IT tools for a more complete coverage of national accounts; and
* 12th ASSD recommendations and resolutions.
1. **Activities**

The activities to be undertaken in organising the 12th ASSD will include the following specific pre-symposium activities:

* Preparatory meetings of the ASSD Secretariat and members of the planning committee;
* Preparing the concept note and work programme;
* Undertaking advocacy and resource mobilisation activities;
* Sending out of invitations and arrangement of logistics; and
* Identification and communication of resource persons.

Activities during the symposium will cover the actual implementation of the work programme of the meeting. On the other hand, post-meeting activities will include handling of administrative and logistics issues and preparation of reports and related activities. Accordingly, the organisers are expected to handle financial and logistics issues and prepare and disseminate the meeting reports.

1. **Organisers of the Symposium**

The 12th ASSD will be hosted by the Government of Tunisia, which has constituted a National ASSD Committee (NASSDC) headed by the Executive Director of the Tunisian Institute on National Statistics and drawing membership from all government ministries and key development partners. The NASSDC is supported by an International Planning Committee which includes Statistics South Africa as the ASSD Secretariat, the ECA as the CRVS Secretariat, the AfDB, AUC, UNFPA, UNICEF, WHO and other partners.

1. **Participants**

The 12th Symposium is expected to bring a total of about 400 delegates, including heads and experts from NSOs, Ministries of planning, finance and economic development, central banks, representatives of regional, pan-African and international organisations as well as invited participants from different institutions and associations.

1. **Date and venue**

The 12th ASSD will be held on 2–4 November 2016, Tunis, Tunisia.

1. **Preliminary programme**

The three-day programme will cover the following topics, and also allow for sharing of progress made on RPHCs and CRVS.

|  |  |  |
| --- | --- | --- |
| **Time** | **Session** | **Topics** |
| *Day 1 –Wednesday, 2 November 2016* |
| a.m. | Session 1 | Opening session (Keynote speakers) |
| *Coffee break* |
| Session 2 | Progress made, current status, and African common projects on SNA |
| *Lunch break* |
| p.m. | Session 3 | Tracking the integrated economic statistics approach |
| *Coffee break* |
| Session 4 | Conducting household/enterprise surveys |
| *Day 2 –Thursday, 3 November 2016* |
| a.m. | Session 5 | Use of administrative data |
| *Coffee break* |
| Session 6 | Establishing statistical business registers |
| *Lunch break* |
| p.m. | Session 7 | Measuring and incorporating informal sector into national accounts |
| *Coffee break* |
| Session 8 | Supporting GDP rebasing and quarterly GDP |
| *Day 3 –Friday, 4 November 2016* |
| a.m. | Session 9 | Compiling supply and use tables (SUTs) |
| *Coffee break* |
| Session 10 | Applying ERETES |
| *Lunch break* |
| p.m. | Session 11 | Participating in TiVA and globalisation |
| *Coffee break* |
| Session 12 | Closing session |

\*\*\*

1. Source: ECA, “Report on the Survey of the Current Status and Needs Assessment for the Implementation of the 2008 SNA in Africa”, May 2016. [↑](#footnote-ref-1)
2. Source: ECA, “Report on the Survey of the Current Status and Needs Assessment for the Implementation of the 2008 SNA in Africa”, May 2016. [↑](#footnote-ref-2)
3. Source: UNSD, “Guidelines on Integrated Economic Statistics”, 2013. [↑](#footnote-ref-3)
4. [↑](#footnote-ref-4)
5. [↑](#footnote-ref-5)
6. [↑](#footnote-ref-6)