

Toward a Framework for Collaboration among Development Partners in National Accounts Programs

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Abstract

The revised System of National Accounts (SNA) is complex and demanding in terms of the variety of different data sources that must be tapped, developed, and channeled into a regular, institutionalized process of statistical reporting. Some African national statistical offices (NSOs) do not have the breadth or depth of expertise to maintain and enhance such data flows, while programs for national data development often lack a coherent, long-term, thematic structure. Many countries have had to respond to various ad hoc and contingent demands emanating from different sources. There are several ongoing initiatives in the development of statistics in Africa, including National Accounts, in which different Development Partners (DPs) are involved. This paper proposes a framework for establishing an effective coordination mechanism among DPs to support the compilation of NA in Africa in order to avoid duplication of efforts and adhere to the Paris Declaration on Aid Effectiveness.

Key Words: *Coordination, Harmonization, Partnership, SNA implementation*

Résumé

Le nouveau Système de comptabilité nationale parait complexe et exigeant, en termes de variété des sources de données à exploiter, développer et canaliser dans un processus de production statistique régulier et mieux institutionnalisé. Certains instituts africains de la statistique manquent tant l'étendue que la pertinence de l'expertise nécessaire pour entretenir et accroître de tels flux de données. Les programmes de développement des statistiques nationales ne sont pas toujours orientés vers une structure thématique des données, dans une logique de long terme. Plusieurs pays doivent répondre plutôt à diverses demandes 'ad-hoc' émanant de différentes origines sur les besoins de l'heure. Diverses initiatives sont en cours dans le développement des statistiques en Afrique, notamment en comptabilité nationale, pour lesquels différents partenaires au développement interviennent. Cet article propose un cadre pour l'établissement d'un mécanisme efficace de coordination entre les différents acteurs dans leur appui à la compilation des comptes nationaux en Afrique, afin d'éviter la

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duplication des efforts en suivant les recommandations de la déclaration de Paris sur l'efficacité de l'aide.

Mots clés : *Coordination, Harmonisation, Partenariat, Mise en œuvre du SCN*

1. BACKGROUND

On the initiative of the African Development Bank (AfDB), and acting in its capacity as Global Office for the International Comparison Program (ICP), the World Bank (WB) organized two meetings in Washington DC in October-November 2007. The focus was on statistical discrepancies in 2005 GDP estimates compiled for 48 African countries participating in the ICP-Africa and in IMF estimates for the same year. The meetings sought to examine the 2005 GDP data available in the databases of each institution in each of the countries. The objective was to determine a framework for technical collaboration in order to achieve harmonization across all the various databases. In this way, the meetings represented the first step toward creating a collaborative framework among DPs for NA programs in Africa. The aim of this paper reinforces this approach by proposing some operational modalities for an effective coordination mechanism among DPs to support the compilation of NA in Africa.

2. UNDERSTANDING THE PROBLEM

The contribution of SNA 93 in implementing a harmonized data system with standard classifications and in establishing consistent concepts for GDP measurement is crucial to the operational application of theoretical economic assumptions. The new institutional structuring and integration of balance sheets and full reconciliation accounts into the system ensure greater consistency with identified economic flows and transactions. In this way, SNA 93 contributes to an enhanced understanding of macroeconomic interactions.

The revised System of National Accounts is complex and demanding in terms of the variety of different data sources that must be tapped, developed, and channeled to build a regular, institutionalized process of statistical reporting. Some African statistical offices do not have the breadth or depth of expertise to maintain and enhance such data flows.

To build up appropriate databases to meet statistical imperatives, countries need special help; primarily to gain a complete and thorough understanding of concepts, definitions, and classifications in the SNA 93. In this respect, the correct application of the production boundary, as defined in the SNA 93, is key to the compilation of NA.

The next step would be to consolidate national accounts based on the existing sources of data (filling gaps where they are significant). Only when the available data sources have been optimally used, and the gaps in the coverage of the NA (especially with regard to the production boundary) have been filled, should countries move to the extension of the other accounts recommended in the SNA 93.

Programs for national data development have not always centered on a coherent, long-term, thematic data structure. Many countries have had to respond to various ad hoc and contingent demands placed upon them from different sources. There is a need to establish an effective coordination mechanism among DPs to support the compilation of NA in Africa. In this respect it is also important for DPs to adhere to the principles of the Paris Declaration on Aid Effectiveness, to strategically align their donor activities, and avoid duplication of effort.

3. BASIC PRINCIPLES FOR PARTNERSHIP IN NATIONAL ACCOUNTS

This paper concentrates on the technical aspects of a framework for collaboration among DPs, including subregional, regional, and international organizations. This framework is to be based on a common understanding of the following issues:

1. The System of National Accounts (SNA) is the reference framework (concepts, completeness, quality assurance, consistency, geographical coverage, timeframe, etc.) for the development and the harmonization of NA in African countries;
2. The NA structure and logic must be reflected in the organization of the statistical activities in the African countries and within the framework of the countries' National Strategy for the Development of Statistics (NSDS). This should cover different dimensions:
 - To promote harmonization of the entire National Statistical System (NSS) toward a comprehensive compilation of NA in Africa;

- To recognize the agencies in charge of the compilation of NA in the African countries (mainly the NSOs but not exclusively) as sole and primary source and/or portal for NA, to dissuade partners from establishing competing/conflicting/duplicating NA units in a country, and from externalizing the production of NA estimates outside these national agencies;
 - To stress the need for African NSOs to organize themselves as integrated NA compilation units;
 - To encourage a multidisciplinary approach in the review and the validation processes of the NA as well as for training in NA.
3. The support given to statistics in the African countries by all the partners in terms of surveys, censuses, capacity building, etc. must be geared toward the compilation of the NA. Particular attention should be paid to the different surveys – designed and promoted by various institutions and DPs – that are carried out by African countries as primary sources in the compilation of NA.
 4. A location for the unique data and metadata portal for African NA needs to be agreed upon. Any individuals or organizations interested in African NA statistics should have access to such a portal, which would be considered as the unique African reference database. Based on the ICP-Africa's country network, experience, and leadership in NA, it is proposed that this Africa reference database should be hosted by the AfDB. The development and the availability of methodologies, evolving in parallel with the availability of the data, would considerably facilitate their use both inside and outside the region. Furthermore, the regular review and validation process to be developed would safeguard the quality of the information posted under the unique NA portal.

The institutional coordination mechanisms will need to be defined and implemented jointly by the participating institutions. Three main levels of coordination should be covered:

1. *Administrative/Institutional*: a follow-up/steering committee/working group gathering officials from the Participating Development Partners (PDPs) should be established;
2. *Geographical*: to ensure coordination at the African level through the African Statistical Coordination Committee;

3. *Implementation/Technical*: to guarantee a timely information exchange among the PDPs on their respective roles. This should include the Terms of Reference (TOR) for activities that will inform the decision of others to participate in their respective programs.

On a case-by-case basis, the PDPs may consider formalizing their collaboration on a bilateral and/or multilateral basis. The coordination process will also be open to other institutions and agencies who express a willingness to join. Monitoring tools will be needed to assess the concrete impacts of the collaborative process on NA in the African countries.

The following basic and fundamental principles should guide the content and structure of the PDP partnership:

- To avoid duplication of effort, create synergies, and adhere to the principles of the Paris Declaration on Aid Effectiveness. There are several ongoing initiatives in the development of statistics, including NA in Africa, involving different actors. It is essential for PDPs to acknowledge what already exists in order to avoid reinventing the wheel. A major effort should therefore be directed toward assessing the existing mechanisms and the strengths and weaknesses of the various partners.
- To be sustainable, the proposed strategies and processes have to be realistic and consistent with national priorities and the NSDS.
- The proposed strategies also need to be fully congruent with the UN fundamental principles of official statistics.

The scope of the collaboration encompasses three main issues:

1. Improvement in the availability of NA estimates in RMCs;
2. Coordination and the optimization of the technical and financial support that the PDPs provide to the African countries;
3. Identification of statistical training needs for NA in Africa and a common strategy to strengthen coordination between the NSOs and statistical training centers.

These three interrelated issues are presented in detail in section 4 below.

The first issue concerns more specifically: (i) GDP estimates and some key NA aggregates for the reference year N-2, decomposed by main uses and

activity branches at market prices; (ii) Provisional estimates for key aggregates for the reference year N-1 and preliminary estimates for N. These objectives and their related technical and operational processes need to be guided by the following imperatives:

- The data to be used internationally should be produced and validated by the countries themselves;
- The calendar and obligations of the IMF necessitate preparation of final GDP estimates for April N+2 at the latest.

4 OPERATIONAL APPROACH

This section details the operational steps to be taken to achieve the objectives cited above.

4.1 Data and metadata production and validation cycle

Two main outputs are expected from the African countries: (i) regular GDP estimates and other key NA aggregates, and (ii) detailed methodological notes on the production of NA. To ensure the availability of these two outputs by April of each year, a cyclical and iterative process needs to be set up for the production and validation of the NA estimates and metadata. This process should be regulated by fixed benchmarks. A core benchmark would be the venue for the regional and/or subregional workshop(s), to be organized in March of each year. This should be supported by earlier efforts on the rationalization of metadata and the development of a unique NA portal. The process is composed of two types of milestones:

1. Some are *cyclical*, meaning that they are part of an annual cycle and that each year at the same period, specific tasks/events/outputs are systematically expected;
2. Others are *punctual*, meaning that efforts would need to be concentrated at the beginning of the work. They would not have to be repeated but might require regular monitoring.

4.1.1 Cyclical milestones

March: Review & Validation Workshop

A multilateral validation approach, like the one adopted by the AfDB for the ICP-Africa program, is proposed. This would be carried out at three operational levels:

1. *NA users* both in the countries and from outside, e.g. from government agencies, the academic world, and the private sector;
2. *The peers*, each country making its data and methods available to others;
3. *The national technical experts*, who will be mobilized by the PDPs as well as from other international and regional agencies.

The idea is to bring countries together, in March of each year, ideally at both a regional (the whole of Africa) level and at subregional level (African countries grouped according to geographical or technical criteria). The agenda of the workshop would be to review and discuss the NA accounts and tables that they have produced, as well as the ongoing work on the metadata rationalization. International agencies would facilitate the review process by contributing their technical expertise, and by commenting on the data and metadata provided by the countries. They would also be asked to provide joint support to subregional organizations, who would offer technical assistance (TA) to the countries. Users from different countries would also be mobilized in this process.

This gathering, in form of a regional workshop with 2-3 country representatives, following subregional meetings, would have the following objectives:

- To review the level of development of the NA estimates and of the metadata provided by the African countries;
- To assess the situation of each country;
- To make recommendations and to identify steps to improve the situation in each country.

With regard to the subregional meetings, having smaller groups of countries facilitates in-depth work and discussions. It is envisioned that these would lead to (i) compilation of a list of proposed activities and/or national work programs to be implemented by the countries and (ii) the

identification of the kind of TA needed from PDPs. Five to six subregional workshops per year are envisaged. These could be organized with the support of the statistical departments of the African subregional and regional organizations.³ Country teams will be expected to come prepared to the workshops with their data files, aggregate estimates, forecasts, and other materials. Also, questions to be raised for discussion during the proceedings would need to be determined in advance. Detailed information on the material to be prepared for the workshops should be communicated in a timely fashion to the countries concerned.

March + 15 days: National formal validation

At the end of the Review & Validation Workshop, countries would return to their authorities with technically validated data. Countries have to commit to the fact that 15 days after the March regional workshop, the NA will be deemed to represent official estimates and sent for uploading onto the unique NA data portal. Also, countries should endeavor to upload NA data onto their own websites.

April: Data Online

Once countries have delivered their NA data, it will be immediately uploaded to a unique data portal, at the latest one month after the Review & Validation Workshop. Exchange protocols should normally allow an automated upload process. Nevertheless, minimum human intervention could be envisaged for the NA data portal maintenance. This work would most probably be the responsibility of the organization that will host and manage the portal.

Year long: Technical Assistance

Technical assistance (TA) can be subdivided into four categories according to its purpose:

1. *TA to prepare country materials for the Review & Validation Workshop.* As mentioned earlier, countries will be obliged to come fully prepared to the March workshop with their files, aggregates estimates and forecasts, metadata, and questions, etc. If requested by the countries, a TA mission could be carried out beforehand, in January–February, to support RMCs in the collection and preparation of the necessary workshop materials.

³ The main subregional economic communities recognized by the African Union Commission (AUC) are COMESA, ECCAS, ECOWAS, UEMOA, and SADC.

2. *TA to support the implementation of the March workshop recommendations.* The objectives of the Review & Validation Workshop are (i) to assess the situation of each country and (ii) to make recommendations and identify steps to be followed for the improvement of the aggregates (data and metadata) in each country. Therefore the outcome could be the identification of countries' TA needs. This outcome could be used as a TOR for missions to be jointly approved and implemented by the PDPs.
3. *TA to subregional organizations:* To establish vibrant statistical units in their respective secretariats.
4. *TA to Statistical Training Centers:* To establish NA training programs for both students and staff involved in statistical production.

These four types of technical assistance could be subject to one or two expert missions, depending on the topics to be treated.

4.1.2 “Punctual steps”

List of the key NA aggregates

The PDPs would need to jointly agree on a list of key NA estimates on which the whole production and validation process would be based. As already stated, it is crucial for each DP to refrain from establishing competing/conflicting/duplicating NA units in a country, as well as to desist from externalizing the production of NA estimates.

In order to determine the key NA outputs, the following steps should be taken:

- Identify core elements for the characterization of the estimates (economic agents, producing units, core goods and services, sectors, etc.);
- Define common estimation methods;
- Define a benchmark for the data and metadata files to be prepared for the March workshop;
- Prepare pedagogic materials detailing the types of tables/data needed for the calculation of the selected estimates and the processes to be followed. These materials will be useful for the countries when preparing their files for the March workshop.

Metadata systems

The lack of metadata for most of the aggregates is a real concern for many African countries and impedes improvement in the quality and availability of the NA aggregates. For each country, metadata systems need to be rationalized and regularly updated. National metadata compendia should be readily available and a country benchmark report should be formulated, subject to regular revision. It is proposed that this be done primarily within the framework of the March Review & Validation Workshop.

A unique portal for NA and metadata

There is a need to have a single data entry/portal for the NA aggregates estimates and forecasts. An NA database should be developed to house the aggregates validated by the countries. This database should be widely accessible and regularly and systematically updated.

4.2. Coordination and optimization of the support to NA

Two main outputs are expected regarding this objective:

- *From the PDPs:* To optimize or jointly organize their respective NA support in Africa;
- *From the African countries:* To build up an integrated and optimized information system conducive to the production of quality and comparable NA estimates.

Mutual information on programs and plans to support NA in Africa

To improve the coordination between the PDPs and to maximize their respective efforts, a complete knowledge of their operations is needed. Indeed, this is essential for PDPs that provide direct support to a country.

In the short term, a mechanism to ensure a timely exchange of information on NA activities should first be established. Sufficient time between the announcement of an operation and implementation would be required, to give each partner time to respond or possibly to collaborate in the effort. A shared calendar of operations is a potential tool to contribute to this exchange of information.

In the long term, PDPs might consider having a common work program for NA, in which activities to be implemented in African countries are jointly identified and their implementation is allocated to the partners, through mutual agreement. The planning, implementation, and monitoring of

a common work program would have to be entrusted to a coordination body.

Complete review of the sources for the NA

A complete review of existing NA sources is needed. This review should cover all sources, both statistical and administrative. Among the statistical sources, some have been developed with the financial and technical support of international organizations.

For these statistical sources, and more particularly for the surveys, an in-depth analysis should be undertaken, to try to optimize their potential for NA. This analysis should focus on the organization of the surveys, their content, and final outputs. Their potential and relevance for feeding into the compilation of NA should be assessed thoroughly. If necessary, the surveys/questionnaires could be revised to make them more responsive to NA needs.

Integration of source outputs in the NA system

Once all the sources and their contribution to the compilation of the NA have been analyzed, the resultant information needs to be organized. This requires a framework to identify and support data flows from the sources into the NA system. This information system would serve as a template for partner institutions to build a common approach for supporting NA in the African countries. The system could later be developed for all the African countries, taking into account the specificities of their national contexts.

Promotion of NA in African countries

This approach, which focuses on the coordination and optimization of PDP efforts, is only feasible if the System of National Accounts is understood and fully mastered by each African country. This task cannot be left solely to national statisticians, particularly the ones who build the national accounts. The use of the SNA 1993 requires contributions from a larger number of partners, both inside and outside the NSOs. All the partners who directly or indirectly contribute to the NA need to be involved in the promotion of the system and in the related training programs. This aspect is further elaborated in the next section.

4.3. Joint training strategy

This section proposes a partnership strategy for training, with some concrete and detailed actions that will contribute to the capacity building of African countries in the field of NA.

Global framework

The global engagement of the PDP partnership in the field of training should be fully consistent with:

- The National Statistical Development Strategy (NSDS), to be considered as the national framework that defines national priorities and which favors the convergence of national statistical systems toward the compilation of the NA;
- The 1993 System of National Accounts, to be considered as the universal methodological reference framework.

Objectives

The specific objectives of the partnership in the field of training are two-fold: (i) to arrive at a common and comprehensive answer to statistical training needs; and (ii) to strengthen the coordination between the NSOs and the Statistical Training Centers (STCs).

Strategic approach

The expected outcomes of the strategic approach to training are:

- To propose curricula that are better adapted to training needs;
- To extend the NA training coverage at national and sector levels;
- To improve the coordination between the NSOs and the STCs.

Better solutions to statistical training needs in Africa

National accounts are part of the curricula in most statistics and economics training institutions. However, NA is never addressed as an issue in itself. In addition, training in NA tends to be highly theoretical, with little attention paid to the practices in NA compilation. When taught by statisticians, NA is depicted only as a statistical framework; whereas when taught by economists, NA is reduced to a model for the representation of a national economy. Few NA practitioners are involved in the design and the delivery of the existing curricula, at regional or national levels.

The revision of the NA training curricula has to rely on a comprehensive training needs assessment. Training needs in the field of NA have to be

correctly and objectively identified. In each country, this needs assessment has to be made both at the level of the NSO, as the primary source of demand for NA training, and at the level of the entire National Statistical System. The assessment has to be fully consistent with the reality in the African countries and has to respond adequately to the priorities identified in the NSDS. In parallel, training supply in the field of NA has to be assessed within both statistical and economics curricula. This assessment must be as complete as possible and must encompass all types of training delivered by the international organizations, the various subregional and national statistical training centers, the NSOs, and universities.

To be comprehensive, the identification and the derived analysis and proposals need to cover three interrelated dimensions: (i) the regional level (STCs), (ii) the national level (national training centers), and (iii) the NSS/NSO level.

An analysis of the supply and demand for training will help to highlight existing gaps in provision. It will provide solid elements for the revision, where needed, of statistical and economics training curricula. Without preempting the identification outcomes, one might suggest that curricula revision and/or creation should be articulated around four types of training courses, to be fully developed after completion of the identification process:

1. *General training courses*: Such training would target a large public, from NSO staff involved or not in the elaboration of NA, to other administration staff directly or indirectly working on NA sources. The objective of this general training course would be to create a large “National Accounts culture” at country level. An e-learning tool might be a good approach to promote NA concepts and methods. The IT infrastructures should be assessed too, as they have to meet the minimum requirements to ensure a successful e-learning process.
2. *Practical training courses*: From the needs assessments, specific practical problems encountered by national accountants will be identified. To answer a practical problem/need, there should be a practical training course proposal/answer. For example, to the question “How to build up products/outputs accounts?” the best solution might be on-the-job training. Another possibility would be to “subcontract” this question to an STC, which will then use it as a practical example in its curriculum.

3. *Highly specialized training courses:* These would target national accountants who have to deal with highly technical issues. For example, the valuation modes of government expenditure could be considered as an issue requiring a highly specialized training course.
4. *An annual Review & Validation Workshop:* This can be considered part of a larger capacity-building process, given its multilateral and multidisciplinary dimensions.

Broader NA training coverage at the country level

The compilation of NA requires the collection of data from different sources and covering different sectors. Furthermore, the compilation of satellite accounts has to follow a framework that is coherent with the NA. Since the System of National Accounts 1993 has to be used as a reference methodological framework, there is a need to promote this framework both inside and outside NSOs. A new approach would consist in extending training in NA to experts in all the statistical fields, through the following:

- To introduce them to the basics of NA;
- To underline the linkage between their fields and NA and to stress the criticality of their statistical inputs/outputs in the set of SNA accounts and tables;
- To define effective flows of information between statistical sectors and the SNA convergence framework;
- To ensure proper synergy between sector survey activities and the NA work;
- To mainstream the compilation of NA in the review of macroeconomic and social situations of countries, in the context of their Poverty Reduction Strategies or development programs.

Strengthened coordination between NSOs and STCs

The strengthening of the cooperation between the NSOs and the STCs could take different approaches, including:

- Agreement by NSOs to provide to an STC their basic data and files, and to authorize the STC to use its figures in training case studies. In return, the STC would support the NSOs with the compilation of its NA, based largely on on-the-job-training.
- Agreement by PDPs to mandate some of their staff to assist in training courses and to help STCs to coordinate and contribute to some training sessions.

5. MONITORING AND EVALUATION

It may take some time for the first concrete results of the PDP collaboration to become evident. It is therefore recommended that such an ambitious and long-term process be regularly monitored and that clear benchmarks be established at key stages of the process. The monitoring mechanisms to be developed should be adapted to the institutional and technical dimensions of the collaboration. The technical monitoring should be adapted to the specific nature of the PDPs' operational approaches developed in section 4.

The cyclical steps developed in subsection 4.1 should be subject to systematic and benchmarked monitoring and address the following questions:

- What contribution is expected at each stage of the annual cycle?
- What was the quality of the country contribution?

The PDP partners should meet annually to review the cycle, assess the achievements, and agree on the way forward for the next cycle. Specific mechanisms should be developed for (i) the monitoring of the “punctual steps” of the cycle mentioned above, (ii) the coordination and optimization of the support to African countries and (iii) the joint training strategy should be continuous. The outcome of the monitoring should be subject to the joint review by the PDPs.

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