

International conference on International Outreach and Coordination in National Accounts for Sustainable Growth and Development

Session 6 - NA data for policy making – promotion of the use

Title: Experience of the WAEMU Commission

Institution: WAEMU Commission

In line with the broad outlines which emerged from the first conference of Heads of State and Government held in Ouagadougou on 10 May 1996, the WAEMU Commission drew up a work programme based on the agenda of economic reforms which are among the Treaty objectives, namely:

- ◆ establishment of multilateral surveillance of the member countries' macroeconomic policies;
- ◆ creation of a common market;
- ◆ harmonisation of the legal and regulatory framework for economic activity;
- ◆ development of common sectoral policies.

From the outset, statistical activities have been viewed as vital by the WAEMU Commission, since they provide the necessary pointers for compiling, monitoring and evaluating regional policies¹. In addition, these data are used by the Commission for management purposes².

Historically, the WAEMU Commission statistics have focused primarily on macroeconomic indicators, prices and external trade, but the Commission hopes to extend them to sectoral statistics in order to prepare and monitor such policies.

Indeed, with programmes (PARSTAT, PARI II) supported by the European Union, the Commission's Department of Economic Policies and Internal Taxation has helped the member countries to produce primarily the statistics needed for multilateral surveillance.

The implementation of the Convergence, Stability, Growth and Solidarity Pact has led to the adoption of convergence criteria deemed suitable for conducting multilateral surveillance. The main convergence criterion comprises ratios in connection with Gross Domestic Product (GDP).

This paper outlines the experience of the WAEMU Commission with regard to the use and promotion of national accounts data.

It covers:

- the degree of harmonisation of the data produced by the member countries with a view to allowing better comparison for conducting multilateral surveillance;
- the analysis of the member countries' economic situation, using these data together with the pattern of change of the convergence criteria;
- the preparation and implementation of the WAEMU Commission's multiannual programme.

Harmonisation of national accounts data

The urgent convergence requirements, especially after the entry into force of the Pact in 2000, meant that "soft measures" were introduced in order to attain better comparability of the selected variables as quickly as possible. Indeed, most of the convergence indicators consist of ratios in relation to GDP. But the fact is that the national accounts were not comparable for at least four reasons:

- i- the basic data used to compile the national accounts are of differing quality and obtained using different methods;
- ii- there are differences from one country to another in the methods used to compile the national accounts;

¹ The Commission fully endorses the "advocacy" actions pursued by Paris21 on behalf of statistics.

² The data are used in calculating the community solidarity levy and in checking recovery and settlement of the levy.

- iii- the fields covered by the accounts vary from country to country;
- iv- the tools used, especially for forecasts, differ from country to country.

Work on the national accounts thus began as part of the PARSTAT programme and this made it possible to harmonise fields and compilation methods in accordance with the recommendations of the UN System of Accounts. On the basis of the ensuing results, the WAEMU Council of Ministers on 19 September 2002 adopted Regulation No 11/2002/CM/UEMOA adopting the procedures for calculating Gross Domestic Product (GDP) in the member countries of the WAEMU.

However, arriving at more comparable GDP figures is an intermediate step towards achieving fully comparable figures for the member countries of the WAEMU. For the member countries there is a medium-term programme to update their national accounts to bring them in line with the new SNA93 system, using a common tool and in accordance with a harmonised methodology. The work of updating the accounts is in process in seven of the eight WAEMU countries: Benin, Burkina Faso, Côte d'Ivoire, Mali, Niger, Senegal and Togo. They are using the same data processing tool for the compilation of national accounts – ERETES – and this is a supplementary factor in improving the comparability of the macroeconomic figures.

Use of data to conduct multilateral surveillance

Conducting multilateral surveillance requires producers to use data which are as up-to-date and accurate as possible. User requirements create conflict between data freshness on the one hand and the reliability, accuracy and comprehensiveness of the data on the other. In response to this situation, the member countries generally send the Commission provisional data, which are then revised when better-quality information is available. Revision is a means of including new and more accurate information in the estimates without causing any break in the time series.

It turns out that including "more comparable" GDP figures when revising the data has an effect on the profile of the convergence criteria, especially those involving GDP ratios. Referred to here are the basic budgetary position, the debt ratio, the tax burden and the current external account excluding aid.

In fact, the adjustments which have been made match the coverage recommended by the SNA. They increase the level of GDP. This means that the pattern of criteria based on more comparable GDP figures becomes better in the case of three criteria: basic budgetary position, debt ratio and current external account. On the other hand, it gets worse in the case of the tax burden.

Multiannual statistical programme

In general terms, the WAEMU Commission has equipped itself with a multiannual regional statistical programme. This programme outlines the activities of the Commission and the member countries in the field of economic and social statistics. The work of the programme focuses on consolidating the gains of PARSTAT, monitoring the progress of regional PRSPs, involvement in the work needed for sectoral statistics, the development of regional agricultural statistics and institutional capacity-building. The first priority area of this programme should provide better statistical information on the short-term economic situation, modernise the national accounts, boost the ability to assess the convergence criteria and collect new data for the study of competitiveness and for trade surveillance.

Transversal actions such as support for regional training of statisticians, merging of databases, definition of a single geographical information system and dissemination on the WAEMU Commission website are grouped together under a heading entitled "Institution building for those involved in the statistical field".

Prospects

At the current point in the development of the surveillance mechanism, improving the management of the database is a primary requirement if the current multilateral surveillance mechanism is to perform better. The Commission is obliged to provide data which are as reliable and comparable as

possible in order to avoid any misinterpretation or distorted judgment concerning each member country's economic situation in connection with the convergence criteria. As part of the work of improving the database, it will be useful to strengthen the national economic policy committees, while placing special focus on the national statistical institutes and the forecasting departments which are essential parts of the WAEMU member countries' national statistical systems.

Lastly, as the result of a decision by the WAEMU Council of Ministers, the WAEMU has launched a regional economic programme 2004-2008. This programme has four main areas:

- rehabilitating and modernising infrastructure;
- improving the competitiveness of industry;
- reducing poverty and promoting human development;
- promoting centres of excellence in higher education and high-level hospital care.

The monitoring and assessment of this programme will also call for statistics, which for the moment are not available. These are business statistics, social statistics, etc.