

# International Technical Support

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## From the director



Philippe Cuneo, Head of Methodology and Statistical and International Coordination

**A**t INSEE, international cooperation has always been one of our core missions. By strengthening official statistical systems, cooperation helps statisticians in partner countries to improve economic management and satisfy social expectations.

INSEE's first area of involvement is national accounting, where we are using ERETES, a system for preparing accounts that we are developing in close partnership with Eurostat. Our Institute is also active in social statistics, where we are addressing new topics such as measuring exclusion and well-being. Other aspects of our work include meeting the need for information on regional imbalances and business statistics, particularly classifications and price indices.

INSEE maintains privileged ties with North African countries, where our cooperation projects have reached a record number of sixty per year. One notable initiative was a twinning agreement for the preparation of trade statistics with Morocco's Foreign Exchange Office, in collaboration with the Banque de France and French Customs.

Our other actions were equally distributed between Central/Eastern Europe and sub-Saharan Africa. In Europe, INSEE maintains long-term relations with countries including Russia, Ukraine, and Serbia.

Technical cooperation with sub-Saharan Africa consists almost exclusively of support to Afristat, the Economic and Statistical Observatory for Sub-Saharan Africa. Despite problems due to current events — Afristat is headquartered in Bamako, Mali — this cooperation endures. You will find an article about it on p. 2, followed by an interview with Afristat's new Director-General.

This new newsletter will provide fuller information on INSEE's cooperation work and strengthen our ties with all our partners. This first issue covers all of 2012, but subsequent issues will appear twice a year. I wish you good reading.

# A long-standing cooperation with Afristat

*Afristat, founded with French support in 1996, has largely contributed to the harmonization of statistics in countries that have ratified its membership treaty. They currently comprise nineteen French- and Portuguese-speaking countries of sub-Saharan Africa. Recognized in Africa and beyond, Afristat plays a pivotal role in INSEE technical cooperation south of the Sahara.*

The Economic and Statistical Observatory for Sub-Saharan Africa (Afristat), headquartered in Bamako (Mali), contributes to the development of economic and social statistics in the French-speaking countries of sub-Saharan Africa. Its budget is funded by the twenty Member States and the French Foreign Affairs Ministry. Afristat programs have two goals: to provide support for basic statistics in the least advanced countries, and to promote the adoption of more recent methods in the others.



Afristat headquarters, Bamako, Mali

At its inception in 1996, Afristat was staffed by twelve experts (six French statisticians, of whom two from INSEE, and six African statisticians). Today, it has approximately twenty staff, almost all of whom are African.

INSEE offers support by making its know-how available to develop common methodologies and assist in their implementation, as well as organizing and codirecting seminars. Our action, which consists mainly of short-term missions, is funded from the bilateral cooperation budget of the French Ministry of the Economy and Finance. We also participate in the meetings of Afristat's Executive Board and Scientific Council.

INSEE and Afristat have a long-standing partnership in national accounting and short-term economic analysis. Other areas

of cooperation include classifications of activities and products, social statistics, and consumer price indices.

A highlight of this teamwork is the joint organization of an annual regional seminar on national accounts. Two of the many topics discussed in 2012 were the latest developments in the ERETES tool for preparing national accounts and the strengthening of skills in analysis and dissemination of results.

We also collaborate with member countries to help them make up for delays in producing their national accounts. INSEE and Afristat have conducted several joint missions for this purpose to Lomé (Togo), where we applied a new method for interpolation in the accounts, tested in Mali.

INSEE helped to enhance Afristat capabilities in macroeconomic statistics by hosting an expert for a training course in 2012. Our specialists also provided support for developing methodologies to compile industrial production and producer price indices.

More recently, we have discussed new areas of cooperation with Afristat's new Director-General, such as sectoral statistics and the measurement of progress in the societies of member countries (see interview p. 3).

However, Mali's present difficulties are slowing this cooperation. Some activities have been relocated to other member countries, at great expense to Afristat.

## Interview with...

# Cosme Vodounou, Director-General of Afristat

**One of your priorities is to expand Afristat's role as Observatory. In your view, on which areas should the Observatory focus?**

An Observatory such as Afristat has two missions. The first is to establish a statistical information system on its member countries and on a geographic sphere extending beyond the Afristat area. The second is to analyze this information in order to feed the public debate.

With these goals in mind, we've begun by focusing on the quality of statistical output in each country, on archiving and dissemination, and on transparency in the methods used to calculate the indicators produced. Second, Afristat is producing manuals to serve as the basis for strengthening statistical capabilities. Third, we produce analytical studies. We've chosen to work on a broader theme connecting employment, the informal sector, and household living standards, initially by using data from Mali. The choice of topic is not neutral, as the informal sector creates jobs. As you know, employment is a major factor in reducing poverty—a key concern in our region and in Africa in general. After producing the analyses, we'll organize workshops for national statisticians aimed at enhancing their analytical skills.



Dr. Cosme Vodounou, Director-General of Afristat

*Dr. Cosme Vodounou, a Benin citizen, was appointed Director-General of Afristat in 2012. Previously, he served as Director-General of the National Institute of Statistics and Economic Analysis (INSAE) of Benin. Dr. Vodounou holds a doctorate in economics from the University of Montreal. He is seconded by Paul Henri Nguema Meye, appointed Deputy Director-General in 2013.*

**Since Afristat's founding, its membership has grown from 14 to 20 countries. What's your position on the Observatory's geographic scope and on potential applications for membership from non-Francophone African countries?**

Technically speaking, Afristat has already reached beyond the French-speaking sphere, since its members include Portuguese-speaking countries. We're also teaming up with English-speaking countries such as Nigeria, Zambia, and Uganda on the Labour Market Information System (LMIS).

I'm working to open the Observatory to non-Francophone countries. This will help to make Afristat more visible and more credible in an environment marked by a determination to harmonize statistical methods such as ShaSa (Strategy for Harmonizing African Statistics) and intensify regional economic integration.

We'll need to proceed in stages. First, Afristat will add English and Portuguese to its working languages. The latest Council of Ministers took the decision by approving the recommendations of the study on "Strategic Review of the Institutional and Organizational Restructuring of Afristat and the Reconstruction of its Financing Fund for the Period 2016-2025." Afristat will thus be able to increase its technical work outside the French-speaking domain, as we're doing with the LMIS project. In the second phase, countries wishing to join Afristat will be able to initiate the political

**You would like Afristat to remain a benchmark center for the strengthening of statistical capabilities. How does cooperation with INSEE help to achieve this goal?**

INSEE is a strategic partner for Afristat. For over fifteen years now, we've cooperated closely in the economic field, particularly in national accounting, the harmonized consumer price index, short-term economic analysis, and modeling. The combination of French assistance and work by African experts has helped the Observatory to achieve recognition as a center of excellence.

To stay on course, we'll reinforce cooperation in traditional fields while extending it into new areas such as climate change, satellite accounts, and the increased use of ICTs in data collection and the development of information systems.

# Sixty cooperation projects a year with North African countries

*INSEE cooperation with North African countries involves an average of sixty projects a year, a volume that represents over one-third of our total cooperation work. The projects rely on our close, long-standing relationships with the statistical institutes in the region and are chiefly carried out under bilateral programs.*

In the past five years, cooperation between INSEE and the statistical institutes of three North African countries (Morocco, Algeria, and Tunisia) comprised an average of sixty projects a year, including seminars, study visits, and missions. This represents over one-third of the Institute's cooperation work. We conducted two-thirds of the projects under bilateral programs financed by France; one-third were funded multilaterally.

INSEE technical assistance relies on our Institute's own resources and our ability to call on other statistics producers such as statistical offices in French ministries and the Banque de France. Our offering includes:

- study visits to supply partner national statistical institutes (NSIs) with information on their methodological options
- technical missions to solve specific problems
- strategic consulting missions on targeted subjects
- organization of regional workshops on topics of common interest to several NSIs.

The projects can be conducted under bilateral cooperation agreements.

Thanks to our common culture and language, these initiatives can, in some cases, be regional in scope. In 2012, of the twenty-one bilaterally funded projects, three regional operations were organized in national accounting and the sub-annual monitoring of prices and industrial production.

Bilateral cooperation potentially concerns all areas of official statistics. In 2012, technical support focused on the observation of the population and living conditions, ahead of national accounting, data-collection methods, and the calculation of indices.

Also in 2012, INSEE conducted strategic consulting missions on the organization of statistical systems and the production of regional data.

Multilaterally financed projects extend over two or three years and often require substantial resources. Recently, INSEE participated, with the Banque de France and French Customs, in a twinning agreement on trade statistics with the Moroccan Foreign-Exchange Office.

Under the terms of the agreement, INSEE experts carried out 25 missions concentrated in four areas: assistance in the execution of a survey on the service sector, preparation of an in-house manual on statistical procedures, advice on the introduction of a metadata server, and processing of seasonally adjusted data.

A post-twinning follow-up, incorporated into INSEE's annual cooperation program, will take place in selected fields over the next two years.

North African countries also benefit from the MEDSTAT-3 program launched by the European Union and managed by ADETEF. The program is supervised by a team of nine senior experts, including two INSEE statisticians. This ambitious initiative covers statistical work in six sectors—agriculture, trade, energy, migration, society, and transportation—as well as the more cross-sectional themes of dissemination and training. Funding will total €7 million over four years.

For a long time, NSIs were primarily concerned with economic statistics, national accounts, demography, and the labor market. Today, NSIs are increasingly focused on topics such as statistical governance and the observation of regional and local imbalances. INSEE will adjust its offering to these changing priorities.

# Poland: an exemplary exchange of know-how on poverty and social-exclusion indicators

*A long, fruitful cooperation between the Polish NSI (GUS) and INSEE on poverty and social exclusion is about to conclude.*

The first comparative analyses on these topics began in 1998, showing the data's potential but also their limitations. The GUS accordingly decided to organize an ambitious survey aimed at measuring not only poverty but also exclusion from many angles. With its coverage of multiple topics, the survey sought to innovate in its field. Because of the lack of generally accepted benchmarks, particularly for defining and measuring exclusion, a gradualist approach was adopted. The first stage was a pilot survey in the Bydgoszcz region of northern Poland in 2008. It was followed by a general, nationwide survey of 15,000 respondents in 2011.

The exchanges between GUS and INSEE throughout the project were rich and complex. In this sector of social science more than in any other, it is hard to develop observation methods that are neutral yet make it possible to address the various aspects of poverty and exclusion. These encompass monetary poverty, living-conditions poverty, budget imbalances, social isolation, dissatisfaction with components of daily life—both at home and at work—and physical and mental health.

The chosen framework had to display good statistical properties while matching the reality of

Polish society today. The range of statistical investigation methods (such as the econometrics of qualitative data and correlation analyses) applied to the data yielded a consensus on the priority indicators, sometimes by proposing variants when no single indicator was more relevant than others.

The survey already seems to have won recognition in Poland as the essential source of all information on living-standards inequality and exclusion (see box). Its importance is such—notably in the current context of the Europe 2020 strategy—that there are plans to repeat it in the near future in a version incorporating improvements suggested by the ongoing analyses of the data.

The survey results will be released shortly. Their publication should conclude the cooperation with INSEE on the survey itself, but the adoption of the Stiglitz Report recommendations has opened new prospects for exploiting the data. In particular, a comparison between Poland and France and other European countries on selected aspects of quality of life should yield a wealth of lessons.

These prospects are currently being examined. They may result in two new meetings in 2013.

## GUS pays tribute to French-Polish cooperation on social statistics

In October 2012, during INSEE's final visit to the Polish NSI, Daniel Verger received the GUS medal of honor for services rendered to Polish social statistics in the course of the project that he supervised for our Institute.

The ceremony, organized by the GUS Director-General, was attended by most of the people who had taken part in the project over the years and without whom nothing could have been achieved. More than an individual distinction, the medal is a tribute to French-Polish teamwork.

GUS Director-General Janusz Witkowski (left) awarding GUS medal of honor to Daniel Verger, INSEE expert in statistical methodology



## Russia: intensive cooperation in targeted fields

In 2012, staffers from Rosstat, the Russian Federal State Statistics Service, attended a two-week training course in regional statistics organized by INSEE.

French-Russian cooperation in regional statistics originated in the close resemblance between the geographic organization of Rosstat—which has a nationwide presence—and that of INSEE.

The training sessions enabled 20 senior Rosstat statisticians, including 11 heads of regional offices, to discover INSEE's regional organization and the main issues we address at regional level: local statistics, urban policy, regional action, dissemination of data and results, and development of statistical mapping tools.

The program included visits to two INSEE

Regional Offices each week, offering a further opportunity to observe the great similarity between the regional units of the Russian and French NSIs in terms of organization and missions.

The other major facet of statistical cooperation between INSEE and Rosstat concerned national accounts (general-government accounts and quarterly accounts) and classifications. An INSEE expert visited Moscow in October to assist Russia's official statistical system, currently based on NACE Rev 1 and CPA 2002, in the transition to NACE Rev 2 and CPA 2008.

Exchanges between Rosstat and INSEE should intensify in 2013 as INSEE is due to conduct several monitoring missions starting in the spring.

## Methodology: ERETES 2008, a national accounting system compliant with SNA 2008

*ERETES, developed by Eurostat and INSEE, made substantial progress in 2012 with the achievement of compliance with SNA 2008 and the introduction of new tools, notably for analyzing and publishing long-term series.*

In 2010, the ERETES system was upgraded to a new version compatible with the System of National Accounts (SNA) 2008. This is actually a dual version, enabling users to work in SNA 2008 as well as in the preceding SNA 1993. When a user opens a database, ERETES recognizes the SNA to which it is linked and automatically switches to the corresponding variant. The new version, named ERETES 2008 in reference to SNA 2008, now allows the preparation of nearly all tables for SNA annual accounts, including financial accounts.

The only module still incomplete is the one needed to compile balance sheets. The data needed for balance sheets can be stored, but users must then build their own table for tracking annual changes.

ERETES 2008 features a long-awaited tool for storing long-term series. It consists of a base that can be loaded with fifty years of accounts, which should suffice for most users. The tool includes about thirty ready-to-use data edit grids that make it easier to analyze and publish results. But users can also create tables customized to their needs.

To ease national accountants' workload entailed by the 2011 International Comparison Program in Purchasing Power Parity terms (ICP-PPP), an interface with ERETES has been added. The ICP Global Office has confirmed that the result meets its requirements. Both tools—the storage for long-term series and the ICP interface—were developed in cooperation with working parties of ERETES Group member users.

To make the most of all the ERETES 2008 innovations, the ERETES team at INSEE will devote 2013 to their dissemination and to user training.



Paris, September 2012: training of new ERETES users (INSEE staff in overseas départements and national accountants from North African countries)

# 2012 country news

## ► Europe

**Poland:** A mission and a visit to and from the GUS regional office in Bydgoszcz and INSEE's regional office in Lille. This initiative has led to a joint publication. Two missions and a visit on methodology relating to the survey on poverty and social exclusion also took place.

**Macedonia:** Technical mission on import/export price indices under a twinning agreement coordinated by Destatis and Statistics Denmark.

**Serbia:** Three Serbian delegations hosted in Paris to discuss agricultural, regional, and customs statistics. We carried out a technical mission to set up a business purchasing survey.

**Turkey:** Study visit for meeting of TurkStat and INSEE experts on Prodcom.

**Russia:** Two one-week training sessions in France with Rosstat to examine INSEE solutions to problems arising in regional statistics. On classifications, a technical mission to Rosstat at end-2012 to prepare transition to NACE Rev. 2 and CPA 2008.

**Ukraine:** Three missions on consumer price indices, trade statistics, and producer price indices respectively.

**Moldova:** Technical mission on transition to NACE Rev. 2. Cooperation with Moldova on this subject is about to conclude.

## ► North Africa

INSEE conducted six study visits and three support missions on social and regional statistics (demography, living conditions and household consumption, poverty, and exclusion) to Algeria, Morocco, and Tunisia in 2012. In the field of business statistics, we carried out four support projects on new methods for collecting data from businesses and on the acquisition of expertise in producer price indices. We stepped up support for national accounting to countries in the region. Tunisia received support in statistical governance and organization.

Under the terms of INSEE and the Banque de France's twinning agreement on trade statistics with the Moroccan Foreign Exchange Office, about ten

INSEE experts each participated in an average of two projects in 2012. Activities included the introduction of a survey on transportation services, the structure and activities of foreign affiliates, seasonal adjustment, the preparation of an in-house manual of statistical procedures, and metadata management.

We carried out a support mission on general-government accounts in Lebanon. In the Palestinian Territories, an INSEE expert conducted a training session in economics at the Public Finance Institute in Ramallah.

## ► Sub-Saharan Africa

INSEE carried out a dozen projects with Afristat. Our annual seminars on macroeconomic issues were held in Burkina Faso, Cameroon, and Côte d'Ivoire, and we arranged two study visits designed to strengthen local capabilities. Two technical support missions to Togo enabled the country to catch up on the production of national accounts.

In the field of business statistics, we provided support to Burkina Faso for the preparation of a producer price index. In the area of social statistics, a study visit was arranged—as part of the RECAP project—to strengthen capabilities for the production and analysis of decent-work indicators. An INSEE representative took part in the international conference marking the 40th anniversary of IFORD, on the theme of African youth.

Bilateral cooperation with Côte d'Ivoire notably included two study visits on census mapping and on dissemination and communication. We carried out three missions to Abidjan on the assessment of the statistical system and on national accounting. INSEE also participated in the 8th Symposium on Statistics in Yamoussoukro.

In Latin America and the Caribbean, an INSEE expert attended the ECLAC annual seminar on national accounting in Santiago de Chile and a workshop on the latest developments concerning the ERETES tool in Lima. In Haiti, we provided the Haiti Statistical Institute with support for a survey on the impact of the 2010 earthquake on household living conditions. Another expert evaluation mission concerned the establishment of a business register in Haiti.

## In brief

► Croatia: INSEE has been working with Croatia on business statistics since January 2013 as part of a project funded by the European Union's Instrument for Pre-accession Assistance (IPA) program. We are participating in partnership with ADETEF.

► FYROM: INSEE is offering support to the twinning program led by Destatis and Statistics Denmark, aimed at strengthening the capabilities of the country's State Statistical Office (SSO). A bilateral cooperation program will also be adopted in February 2013.

► Turkey: INSEE and TurkStat will set up an action program in 2013 funded by a European Union subsidy for Upgrading the Statistical System of Turkey phase III (USST III). The projects will largely concern business statistics, statistics on foreign affiliates, and seasonal adjustment. Our Institute is also hosting a Turkish statistician for a six-month internship in 2013.

## Who does what?



Raoul Depoutot, Head of Statistical and International Coordination Division



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Constance Torelli, Sub-Saharan Africa



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Logistical Support Team (left to right): Karine Hubert, Nicole Manon, and Marie-Pierre Caillebot

### Tribute to Alain Tranap

Alain Tranap, head of INSEE's international cooperation activities from 1997 to 2009, died on September 21, 2012.

A senior administrative manager at INSEE, and an expert in national accounting and short-term economic analysis, Alain Tranap worked for many years in our Economic Studies and National Accounts Directorate.

After five years as head of the Antilles-Guyane Inter-Regional Office, he served as head of the International Relations and Cooperation Department then as head of the International Cooperation Unit for a total of thirteen years.

After his retirement in November 2011, he remained closely involved in technical cooperation. He managed the twinning project with the Moroccan Foreign Exchange Office and played a key role in the introduction of quarterly accounts in sub-Saharan Africa.