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Agenda item: VI

**The global implementation programme for the
System of National Accounts, 2008 and supporting statistics**

ISWGNA

**Extract of the report¹ of the
Intersecretariat Working Group on National Accounts
to the fortieth session (2009) of the
United Nations Statistical Commission**

¹ The full report is available at: <http://unstats.un.org/unsd/statcom/doc09/BG-SNA2008.pdf>

Implementation Strategy for the *System of National Accounts, 2008*
Intersecretariat Working Group on National Accounts

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I. Introduction

1. At its thirty-ninth session, the Statistical Commission adopted, in principle, volume 1 of the *System of National Accounts, 2008* as the international standard for national accounts statistics. The Commission encouraged Member States and regional and international organizations to implement and support all aspects of implementation, including the national and international reporting of national accounts statistics based on the *System of National Accounts, 2008* (2008 SNA). Also at the thirty-ninth session, the Commission requested the Intersecretariat Working Group on National Accounts (ISWGNA) to submit a strategy for the implementation of the 2008 SNA. This background document elaborates on a proposed implementation strategy summarized in the report of the ISWGNA to the fortieth session of the Statistical Commission. At this stage the documents describes a set of proposed actions to be undertaken over the next five years depending on the priorities identified by the Statistical Commission and available resources. A more developed plan will be developed by the ISWGNA, in due course, taking into account the comments provided by the Commission.

2. The proposed strategy for the implementation of the 2008 SNA takes into account, as point of departure, the different levels of implementation of the SNA in various countries and regions. It is recognized that the detailed strategy should reflect the need for regional and sub-regional coordination, given the different levels of statistical development between countries. An assessment of the current status of SNA implementation by United Nations Member States is presented in section II.

3. The proposed implementation strategy builds on the results of regional consultations undertaken by the member organizations of the ISWGNA between 2006 and 2008, elaborating on principles for the implementation, reflecting the perspectives of users, producers and those engaged in policy formulation and analysis. Among these events was the conference¹ held in Luxembourg in May 2008, from which the *Luxembourg Recommendations* emerged. From these consultations the need for institutional capacity building to produce source statistics as an integral part of national accounts compilation was identified.

4. The ISWGNA used the *Luxembourg Recommendations* as input to the proposed implementation strategy of the 2008 SNA. Section III describes these principles and demonstrates how the ISWGNA envisages applying them through specific instruments and modalities.

5. Section IV describes specific activities planned by the member organizations of the ISWGNA to strengthen the institutional capacity of countries. A proposed coordination, monitoring and reporting mechanism and a funding strategy are outlined in section V and section VI, respectively.

¹ International Conference on International Outreach and Coordination in National Accounts for Sustainable Growth and Development, jointly organized by the Statistical Office of the European Communities and United Nations Statistics Division, 6-8 May 2008, Luxembourg.

II. Assessment of the current level of SNA implementation

6. A study by the ISWGNA, that was presented to the Commission at its thirty-sixth session, and regional consultations between 2006 and 2008 have identified six key impediments to the successful implementation of the SNA for countries with less developed statistical systems.

- (a) The number of staff and training are insufficient, staff turnover is too high and recruitment efforts are insufficient;
- (b) Country, regional and international agencies providing assistance do not coordinate their activities very well;
- (c) Training and capacity building by international organizations could be more pragmatic. Reference manuals and compilation guidance are not easily accessible;
- (d) In order to exhaustively measure the activities of the whole economy, and household consumption and production in particular, data collection mechanisms need to be improved, including supporting infrastructure such as business registers and other frames;
- (e) Institutional statistical systems are lacking modern management and consultative arrangements, and ICT infrastructure needs upgrading; and
- (f) Quality and policy relevance of basic economic and macroeconomic statistics are not well promoted.

7. From the experience gained from various assistance projects undertaken to improve statistical capacity, it has become apparent to ISWGNA organizations that users need to be consulted more and a greater effort is needed to promote the use of national accounts data. Another related issue is the need to ensure that the implementation of the SNA is incorporated in countries' national statistical development plans.

8. Assessments of the level of implementation of the 1993 SNA have been undertaken regularly by the United Nations Statistics Division (UNSD). They are based on the national accounts data reported annually by United Nations Member States, in response to the United Nations National Accounts Questionnaire (UN-NAQ). The data are either reported directly to the UNSD, through the United Nations Economic Commission for Europe (UNECE), through the Organisation for Economic Cooperation and Development (OECD), or through the Caribbean Community Secretariat (CARICOM). Assessments are made in terms of the scope of data compilation, reflecting the established milestone level methodology², compliance with the 1993 SNA and timeliness of national accounts data. Although the assessments do not address the quality of the statistics, when they are combined with country and regional consultations they should prove to be sufficient to determine where the implementation strategy should focus.

² The milestone methodology is described in the report of the Intersecretariat Working Group on National Accounts to the twenty-ninth session of the Statistical Commission; document E/CN.3/1997/12.

9. The reporting of national accounts data to the UNSD has improved markedly in recent years. The improvement comes entirely from developing countries, especially in Africa and Oceania. Almost all developed countries and countries in transition already report national accounts data to the UNSD. At the end of the 2007 reporting period, almost 84 per cent of developing countries had reported at least once between the 2003 and 2007 reporting periods.

10. Virtually all developed countries and countries in transition and about 60 per cent of developing countries compile national accounts data according to the 1993 SNA. Compliance with the 1993 SNA has shown a marked improvement during the last two reporting periods. This is due mostly to a 23 per cent increase of countries in Africa and a 21 per cent increase of countries in Asia that are compiling their national accounts according to the 1993 SNA.

11. Although the UNSD has seen an increase in the number of countries responding to the UN-NAQ, many of the countries that have responded in the last five reporting periods are not responding every year. This is particularly noticeable for small island developing states (SIDS) and least developed countries (LDCs). Many of these countries have attributed this to a lack of staff training, high turnover of staff and lack of resources to employ full-time national accounts statisticians, along with other aforementioned impeding factors. In some cases, the initial capacity established through external assistance could not be sustained.

12. Only 10 per cent for SIDS and LDCs are able to provide the seven tables of the minimum requirement data set (MRDS)³, compared with an overall rate 40 per cent. This clearly shows that there is a lack of a well developed national accounts system in many developing countries.

13. Assessments by UNSD and other international agencies point to structural weaknesses in basic source data and institutional statistical capacity. An analysis of these structural weaknesses indicates the need for strengthening three building blocks of the production process: a) business registers and frames, b) source data from annual and infra-annual surveys, and administrative sources, and c) institutional statistical capacity. Given that statistical production capacity varies greatly, both within and between regions and sub-regions, the global programme of implementation of the SNA and related economic statistics should be tailored to address the different levels of statistical development.

III. Proposed strategy for the implementation of the 2008 SNA

A. Objective

14. The proposed 2008 SNA implementation strategy aims to support sound macroeconomic management and evidence-based policy formulation through the sustained compilation and reporting of national accounts and related source data by national, regional and international statistical systems. The efficiency and sustainability of a global implementation programme for

³ The MRDS is defined in the report of the Intersecretariat Working Group on National Accounts to the thirty-second session of the Statistical Commission; document E/CN.3/2001/8.

the 2008 SNA rest on establishing agreed principles for more cooperation at the national, regional and international level.

15. Various outreach events have been undertaken to articulate these principles by consulting country compilers, sources of technical cooperation, and users of national accounts and related source statistics. The most important of these events was the conference held in Luxembourg in May 2008 that resulted in the *Luxembourg Recommendations*. This conference was jointly organized by the Statistical Office of the European Communities (Eurostat) and the United Nations Statistics Division (UNSD) and brought together representatives from international organizations, development banks and bilateral donors, as well as representatives from some 70 developing countries.

16. From the *Luxembourg Recommendations* the following principles emerged as useful to include in the implementation strategy of the 2008 SNA: (i) strategic planning; (ii) coordination, monitoring and reporting; and (iii) improving statistical systems. The rest of this section describes these principles and demonstrates how the ISWGNA envisages applying these principles through specific instruments and modalities.

B. Strategic planning

17. The ISWGNA proposes that countries should use strategic planning frameworks to develop a programme for statistical capacity building to achieve their national development objectives. Strategic planning has a number of benefits. Firstly, it is the best way to obtain political and financial support for investment in statistics. Secondly, it can be used to identify current strengths and weaknesses of statistical capacity in producing key economic indicators and basic source data. Thirdly, it can be used to lay out a schedule of tasks to remedy the weaknesses. Fourthly, it can be used by countries to produce the information needed for monitoring their own economic development programmes.

18. Best practices of existing initiatives should be used to shape the strategic planning and implementation framework of the SNA implementation. The manual of the Partnership in Statistics for Development in the Twenty-first Century (PARIS21) on National Strategies for the Development of Statistics (NSDSs) provides guidance for putting strategic planning frameworks together. The NSDSs are the most widely used guidelines and many developing countries already have or are updating their NSDS planning tool. Therefore, countries should review their NSDSs to ensure they incorporate the 2008 SNA implementation needs.

19. The regional commissions, in consultation and cooperation with their (sub) regional development partners, should coordinate this review of the NSDSs to meet the implementation needs of the 2008 SNA and where necessary supplement this information with other national and regional assessments. For this review of national strategies and the subsequent formulation of national and regional SNA implementation plans, it is envisaged that existing regional coordination mechanisms, like statistical committees or working groups, in addition to new steering groups where needed, will be mobilised, with the regional commissions acting as secretariats. The creation of new coordinating mechanisms should be envisaged only when strictly necessary. Consideration should be given to the broad based participation of stakeholders

in the coordination structures; they should include international organizations, regional development banks and agencies and other donor and representative recipient countries.

20. In order to ensure a cost effective monitoring and reporting of regional SNA implementation plans, the ISWGNA proposes the adoption of a common information system. The dimensions of the structure of the information system proposed by the ISWGNA are described in the next section.

21. A detailed timetable, showing the plans of regions and Member States for the SNA implementation programme, including the change over to the 2008 SNA, is still to be drafted, but it is expected that good progress will be made in 2009. In developing the programme, account will be taken of the different levels of statistical development between and within the regions.

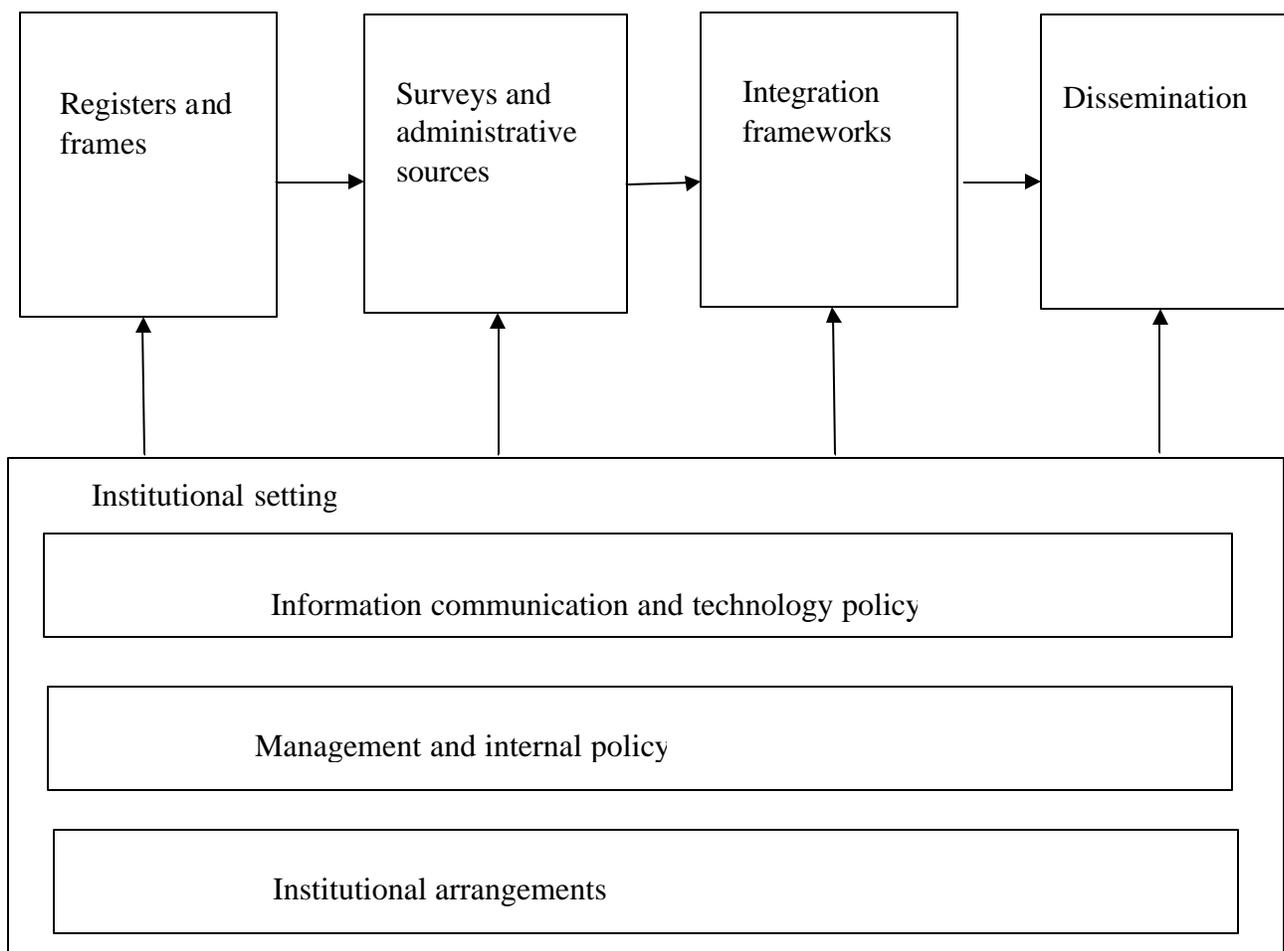
C. Coordination, monitoring and reporting

22. The principle of coordination, monitoring and reporting ensures that the roles of international and regional organizations, other donors and recipient countries are clear and their actions are complementary and effective. Coordination comprises the timing and sequencing of events. Monitoring comprises assessing the efficiency of technical assistance programmes, evaluating lessons learned, and using resources effectively. Reporting communicates progress and operational issues to interested stakeholders. Better coordination, monitoring and reporting collectively help meet national and regional goals, as well as providing a means to evaluate international indicators against agreed benchmarks to assess the progress of expanding the scope and achieving compliance of the national accounts. Monitoring, reporting and evaluating should also be used to identify risks to the implementation process so that timely interventions can be made to keep plans on track.

23. The ISWGNA proposes to apply a programme information structure to facilitate the coordination, monitoring and reporting on the SNA implementation in this multi-stakeholder environment. This proposed information system is built on the structure of the statistical production process and an established data quality assessment framework for evaluating statistical project outcomes. Together, the two dimensions will allow the ISWGNA to develop a coherent information system for programming, monitoring and reporting. The statistical process dimension will be used to programme and monitor the implementation and the IMF Data Quality Assessment Framework (DQAF) dimension will be used to evaluate and report on outcomes.

24. The statistical production process can be stylized in a five-part structure: (i) Institutional setting; (ii) Registers and frames; (iii) Surveys and administrative sources; (iv) Integration frameworks; and (v) Dissemination. Figure 1 depicts the statistical production process in a stylized diagram. This structure is built on the well-established and recently revised UNECE *Classification of Statistical Activities*. The Coordinating Committee for Statistical Activities (CCSA) uses the *Classification* for assembling an annual report of the statistical work of international organizations. As such, it is an already established framework used by international organizations to promote coherent and complementary statistical work. Table 1 in Annex 3 shows how the five components identified in Figure 1 map into the *Classification of Statistical Activities*.

Figure 1: Statistical Production Process Framework



25. The IMF uses the DQAF in its data modules of the Reports on Observance of Standards and Codes (data ROSCs) as a tool to evaluate the quality of country practices in producing macroeconomic statistics. The DQAF comprises six dimensions. The first two, *Prerequisites of quality* and *Assurances of integrity*, broadly cover the institutional setting for the compilation and dissemination of statistics. *Methodological soundness* covers the standards adopted in compiling the statistics, while *Accuracy and reliability* covers the data sources and statistical methods used in compiling the statistics. *Serviceability* deals with fitness for use criteria, such as periodicity and timeliness, and temporal and inter-sectoral consistency. Finally, *Accessibility* deals with how effectively data and information about the data are disseminated to users. Table 2 in Annex 3 provides a more detailed breakdown of the DQAF into its indicator items.

26. As already described, the SNA implementation strategy uses standards for the statistical production process to support programming and monitoring, and the DQAF to support programme reporting. Both are vital for overall coordination at regional and country level and, the ISWGNA will work with the regional commissions to seek the adoption of an information system. A commonly accepted system is highly desirable for effective project programming, monitoring and reporting, especially in the SNA context with multiple compiler stakeholders within a country and often multiple funding agencies within and across countries.

D. Improving statistical systems

27. The principle of statistical system improvement is undertaken through the strengthening of the national statistical system, which covers each of the building blocks of the statistical production process.

28. The ISWGNA proposes to retain, but refocus, the four modalities used in the SNA implementation strategy for the 1993 SNA by providing training and delivering technical cooperation, preparing manuals and handbooks, and sponsoring research. These modalities should focus more than in the past on the various stages of the statistical production process that precede the integration of the data into the national accounts, namely in the collection and processing of basic source data and the institutional context.

29. Organizing national and regional training seminars and workshops are still considered appropriate modalities in support of the transfer of knowledge in national accounting and related economic statistics at the country level. Likewise, providing technical cooperation through advisory missions by working directly with the staff of national offices will advance the use of the 2008 SNA as the principal integration framework for national statistical systems.

30. Publishing new handbooks and compilation guides and revising existing ones will elucidate best practices in establishing modern institutional environments, compiling registers and frames, collecting survey and administrative data, implementing and maintaining integration frameworks, and disseminating data on the national accounts and related economic statistics.

31. Research will be required to maintain the relevance of SNA recommendations in a changing economic environment. It will also be required to draft related methodological guidelines and contribute to the development and use of satellite accounts in areas such as social well being and environmental sustainability.

32. Extending the 2008 SNA website (hosted by the UNSD) to include a web-based knowledge base on economic statistics and macroeconomic standards sourced from and hyperlinked to other relevant organizations will facilitate easy access to statistical standards, compilation guidance and best practices.

33. In conjunction with the web-based knowledge base, it is envisaged to mobilise the existing regional knowledge and training networks to take part in an internationally agreed training and teaching programme for the SNA and related macroeconomic standards. These regional networks will be invited to collaborate with the ISWGNA to develop and deliver standard training and teaching programmes (including distance learning programmes) on the SNA and related macroeconomic standards.

34. It is recognized that the well-tested four modalities used in the past are insufficient for a fully successful implementation of the SNA as they only address the support provided to countries for implementation. To be fully successful, the implementation strategy should also take into account the responsibilities of the countries to take ownership of the implementation process by including it in the development of their national statistical systems. Therefore, an additional element, advocacy, is added to the existing modalities with the aim to stimulate the demand for

national accounts data and encourage the use of the accounts. Advocacy will play an important role in encouraging national support for acquiring and maintaining viable economic statistics and national accounts programmes and to communicate its policy relevance. In this regard the experience gained by PARIS21 will play an important role.

IV. Activities by the Intersecretariat Working Group on National Accounts for the implementation of the 2008 SNA

35. The activities of the ISWGNA relate to the existing modalities of support, which the member organizations of the ISWGNA used for the implementation of the 1993 SNA. This section provides an overview of the issues that need to be addressed with these activities. Annexes 1 and 2 provide more detail on planned technical cooperation and training activities and the production of handbooks and manuals by the member organizations of the ISWGNA.

A. Training and technical cooperation

36. To meet the challenges of national accounts development in countries with less advanced statistical systems in the next decade, training and technical cooperation activities need to give greater emphasis to institutional capacity building and development of data sources. At the same time, countries with advanced statistical systems have programmed a sequence of activities to implement the 2008 SNA, in many cases with specific deadlines. European Union countries and a great majority of OECD countries have indicated their intention to implement the 2008 SNA by 2014 through a sequence of activities pertaining to the adaptation of the revised ISIC and CPC classifications, the adaptation of the business registers and surveys, and procedures for backcasting time series.

37. Training and technical cooperation programmes for countries requesting assistance put a further emphasis on direct country involvement, while promoting a common information structure of programming, monitoring and reporting. The training and technical cooperation programmes will emphasize the integration of statistical capacity building in national planning and programming cycles to secure resources for sustainable statistical programmes for national accounts and related basic economic statistics. Moreover, this training and technical cooperation will share and promote best practices on results based management approaches for national statistical offices.

38. The training programmes will be implemented mainly through organizing training seminars, workshops and meetings. Actively pursuing these initiatives at a (sub) regional level should enable regional organizations and their member countries to share experiences (peer-to-peer) in developing sustainable economic statistics programmes.

39. These training and technical cooperation programmes need to focus more than in the past on (a) the design and maintenance of business registers and data collection programmes to generate relevant source data; and (b) the institutional processes and structures through interagency agreements, creating advisory committees and strengthening the legislative and regulatory framework on data sharing.

40. Overall, technical assistance for the implementation of the 2008 SNA needs to focus more than in the past on improving collaboration among technical and financial development partners, nationally and internationally. Furthermore, the implementation strategy suggests that the ISWGNA cooperates with other existing coordination bodies such as the Committee for the Coordination of Statistical Activities (CCSA) and PARIS21, to further promote the implementation of the 2008 SNA. Annex 1 provides details on the planned technical cooperation and training activities of the member organizations of the ISWGNA.

B. Manuals and handbooks

41. The publication of a series of new and revised manuals and handbooks will support the implementation of the 2008 SNA. These methodological guides will provide practical compilation guidance on new recommendations, such as measuring the gross fixed capital formation of R&D. They will also address data quality issues, including data dissemination. Moreover, guidance will be provided on the integration of the balance of payments, government finance statistics, monetary and financial statistics and environmental statistics into the national accounts statistics. The latter will take into account that the process of updating the 1993 SNA strove to maintain harmonization with other international standards. Responsibility for the preparation of the manuals will be shared among the member organizations of the ISWGNA in collaboration with other international organizations. Annex 2 presents the manuals and handbooks planned and recently produced by the ISWGNA member organizations for supporting the 2008 SNA implementation.

42. There is a need to make the methodological guides available in all six official languages. Experience and feedback from the countries have shown that the availability of guides in languages other than English significantly enhances their use in the implementation of the SNA. The ISWGNA will strive, in cooperation with the statistical community, for the translation of the manuals and handbooks to the extent possible.

C. Research

43. Research will continue to be undertaken under the leadership of the ISWGNA member organizations as part of their support of the implementation of concepts from the 2008 SNA and its satellite accounts. The results of the research will be shared widely and incorporated in the SNA knowledge management system mentioned earlier.

44. The High-Level Forum for the Long-Term Development of the System of National Accounts held on 17-18 November 2008 in Washington, D.C., and organized by the ISWGNA at the request of the Statistical Commission, deliberated on research aspects. A summary of the outcome of the Forum is included in the ISWGNA's report to the fortieth session of the Statistical Commission, document E/CN.3/2009/8.

45. In the context of the 2008 SNA implementation strategy, research efforts will focus in particular on the development of compilation guidance. An output of this research should be guidance by the ISWGNA on improving the scope, periodicity and timeliness of the national accounts statistics of the "core accounts" given the different levels of statistical capacity of countries.

46. The OECD Working Party on National Accounts (WPNA) will address issues on the national accounts research agenda in the 2008 SNA - over twenty items have already been proposed. Members of OECD WPNA will take part in task forces created to address them, sponsored by the ISWGNA. In addition, the WPNA may form its own task forces to address other issues it considers important.

47. In the framework of the Joint UNECE/Eurostat/OECD Working Group on the Impact of Globalization on National Accounts, for which the UNECE provides the secretariat, research is under way to develop recommendations on how to deal with the distortions caused by globalization in the national accounts. The IMF is actively involved in the work of the group. The WTO and UNCTAD also participate.

48. The UNSD in collaboration with the other international organizations will continue its coordination function in organizing work under the SNA research agenda among its various contributors. It will ensure the involvement of national accounts experts of the Member States in the discussions and seek the continued services of members of the Advisory Expert Group on National Accounts. A broader and sustained dialogue with representatives from academia, the business accounting sector, the regulatory authorities and the corporate sector will be developed.

D. Advocacy

49. As an integral component of the implementation strategy, advocacy aims to support an ongoing dialogue among statistical producers, the various levels of government, business sector, the academic community, and the general public about user needs for official statistics and the progress in meeting those needs. This recurrent communication can be established through targeted workshops, conferences, press releases and promotional materials that highlight the benefits of good quality official statistics in general, and national accounts in particular. These regular engagements between the producers of statistical outputs and the providers of basic data on one hand and the users of national accounts on the other will reinforce a better funded and more effective national accounts programme that provides reliable data for an evidence-based economic policy formulation. The focus of the advocacy should be on stimulating demand and engaging with users.

50. Advocacy should be achieved through the development of a communication strategy promoting the overarching framework of the SNA. This strategy should make it clear that through statistical integration of basic statistics with macroeconomic accounts, a coherent set of statistics and indicators can be derived for evidence-based policy formulation for a sustainable development at regional, national and international levels. Therefore, promoting good quality national accounts statistics is essential in establishing a sound macroeconomic policy within a coherent medium-term budgetary framework.

51. An explicit communication strategy will become an integral component of technical assistance and training programmes undertaken by the ISWGNA member organizations, Eurostat, IMF, OECD, UNSD and World Bank. Supporting materials and guidelines are to be developed for this purpose by the ISWGNA in cooperation with PARIS21.

V. Mechanism for coordination, monitoring progress and facilitating cooperation

52. In the multi-stakeholder environment for the SNA implementation strategy, a mechanism is needed in order to coordinate, monitor and report progress at (sub) regional and international level. The purpose of this mechanism would be to share information on the development and the execution of the SNA implementation strategy.

53. The ISWGNA proposes to establish a mechanism, possibly in the form of an interagency and intergovernmental advisory group, in order to seek advice on the implementation of the SNA and related macroeconomic standards. In particular, it is proposed that this group will consist of representatives of regional coordinating mechanisms and will advise the ISWGNA on maintaining and managing a coherent programme of work to implement 2008 SNA. If these proposals were accepted, the ISWGNA would further reflect on the modalities of the mechanisms.

54. This proposed group will advise the ISWGNA on maintaining and managing a coherent programme of work. The new project information model described in this document will be used to facilitate cooperation among agencies in delivering technical assistance and training through more timely and effective communication on work programmes and programme developments. Agencies will characterize their programme activities in terms of the statistical process and in terms of DQAF indicators to evaluate and report the activities in the recipient countries. It is expected this coherent information system will assist in providing timely notice of possible synergies and impending duplications and gaps in work programmes. For the review of national and regional SNA implementation plans, regional coordination mechanisms may wish to establish such advisory groups to share information on the development and the execution of the SNA implementation strategy on the regional level.

55. In addition to implementing a standard programme documentation structure across its member agencies, the ISWGNA proposes to support a web-based knowledge base on economic statistics and macroeconomic standards sources from and hyperlinked to other organizations as relevant to ensure a single point access to normative documents, compilation guidance and country experiences. This instrument will help ensure that ISWGNA organizations are delivering a consistent message on the implementation of the SNA and related macroeconomic standards.

56. It is expected that the advisory group will further assist in promoting practical instruments of implementation across the (sub) regions such as handbooks, compilation guides, textbooks, advocacy modules, software tools for the various components of the statistical production process and the use of SDMX as a common data transmission system.

VI. Strategy for funding

57. The strategy for funding arrangements for the 2008 SNA implementation can only be based on a cooperative and partnership model. It should build largely on the existing resources and comparative advantages of all stakeholders and partners. The ISWGNA considers various sources of funding viable:

- a) countries should include funding needs for 2008 SNA implementation in their national plans and actively seek sources of funding for their plans;
- b) international agencies providing technical assistance and financial support should make a case for the importance of their support for the 2008 implementation and to the extent possible scale up their support;
- c) all agencies involved should build on synergies with the other similar programmes such as the International Comparison Program, GDDS, work of PARIS21, provision of training and technical assistance; and
- d) donors should provide financial support for research towards and implementation of cross cutting issues and development of tools.

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² The full report is available at: <http://unstats.un.org/unsd/statcom/doc10/BG-NationalAccounts2008.pdf>

**Progress on the implementation programme for the
System of National Accounts, 2008 and supporting statistics**

Intersecretariat Working Group on National Accounts

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Progress on the implementation programme for the 2008 SNA and supporting statistics

I. Introduction

1. The Implementation Programme for the System of National Accounts 2008 (2008 SNA) and supporting statistics represents a global statistical initiative, which was mandated by the Statistical Commission at its fortieth session following the adoption of the 2008 SNA as the international standard for compilation and dissemination of national accounts and its support for the implementation strategy of the 2008 SNA proposed by the Intersecretariat Working Group on National Accounts (ISWGNA).

2. This background document to the ISWGNA report to the forty-first Session of the Commission provides further details on the global initiative for the implementation of the 2008 SNA and supporting statistics.

3. After presenting the objective and elements of the global initiative in the Section II, the document highlights the work undertaken by the ISWGNA and the regional commissions in Sections III and IV. The envisaged links of the 2008 SNA programme with other global statistical initiatives such as the International Comparison Programme (ICP), the global strategy for agricultural and rural statistics and the Partnership in Statistics for Development in the Twenty-first Century (PARIS21) are briefly described in Section V.

II Objective and elements of the global statistical initiative

4. This global initiative has the dual objective in assisting countries in developing the statistical and institutional capacity to (a) make the conceptual change over from the 1993 SNA to the 2008 SNA and (b) improve the scope, detail and quality of the national accounts and supporting economic statistics.

5. With the adoption of the 2008 SNA, the Statistical Commission encouraged all countries to change over to the concepts of the 2008 SNA for a better measure of their economic progress. By way of example, countries with innovative industries might be able to better explain the main drivers of economic growth by recognizing the contribution of research and development to value added and capital formation; while countries with informal financial markets might measure the production from financial services provided by money lenders to realize a better measure of GDP. It is foreseen that this global initiative will ensure that the measures of economic progress based on the GDP and other national accounts aggregates remain internationally comparable and that the changes in production, consumption and accumulation in a global economy remain fully explained.

6. With the 2008 SNA being flexible to accommodate all countries and economies, regardless of their level of statistical development, each country has to review with its users the relevant changes from the 1993 SNA to the 2008 SNA that are applicable to the country and consider its adoption. At the same time, user consultation should revisit the scope, detail and

quality of the accounts and supporting economic statistics by taking a view on which socio-economic and financial policies have to be informed by the structural and short-term economic statistics, including annual and quarterly national accounts.

7. The efficiency and sustainability of the global statistical initiative for the implementation of the 2008 SNA rest on the agreed principles of the implementation strategy, namely: (a) strategic planning, (b) coordination, monitoring and reporting; and (c) improving statistical systems. The strategy takes as a starting point the different levels of implementation of the SNA in various countries. It acknowledges the need for coordinated action, not only at the international level but also at regional and sub-regional levels and emphasizes the need for close cooperation with regional commissions. And finally, it is a response to the expressed need by countries for technical assistance in changing over to the 2008 SNA.

8. *Strategic planning* is a key principle in mobilizing political and financial support for investment in statistics for which strategic planning frameworks should be used to connect national development objectives with a programme of work for statistical capacity-building. Strategic planning can identify the current strengths and weaknesses of statistical capacity to produce key economic indicators and basic source data, and in consulting users. This approach could also lay out a schedule of tasks to mitigate weaknesses. Many developing countries already have or are updating their NSDS planning tool while other countries are drafting similar frameworks for the same purpose.

9. The principle of *coordination, monitoring and reporting* ensures that international and regional organizations, other donors and recipient countries have clear roles and that their actions are complementary and effective. An information system that is commonly accepted is in the interest of effective project programming, monitoring and reporting, especially in the SNA context. This is of particular importance in a multi-stakeholder environment.

10. The principle of *improving statistical systems* is undertaken through the strengthening of the national statistical system covering each of the building blocks of the statistical production process. The ISWGNA refocused the modalities used in the implementation strategy for the 1993 SNA for providing training and technical cooperation, preparing manuals and handbooks, and sponsoring research. The aim is to focus more on the various stages of the statistical production process that precede the integration of the data into the national accounts, namely, the collection and processing of basic source data and the institutional context. Advocacy has been added as an additional modality to play an important role in encouraging national support for the acquisition and maintenance of viable economic statistics and national accounts programmes and in communicating the policy relevance of the 2008 SNA.

11. The principles of the implementation strategy are operationalised in the implementation programme for the 2008 SNA, which comprises four elements, namely: (a) use of National Strategies for the Development of Statistics (NSDS) as the strategic planning framework, (b) the programme information structure built around the statistical production process, scope and compliance for the national accounts and supporting economic statistics, (c) the modalities of statistical capacity building through training and technical cooperation, publication of manuals and handbooks, research and advocacy, and (d) the stages of implementation leading to the change over to the 2008 SNA. Each of these elements are briefly presented in turn.

12. Use of National Strategies for the Development of Statistics (NSDS): NSDS is the most widely used tool for statistical planning in developing countries. Many already have or are updating their NSDSs to include the implementation of the 2008 SNA. The members of the ISWGNA will work via PARIS21 to further develop the guidelines for the elaboration of NSDSs to offer guidance on the use of the strategic planning framework for economic statistics. Developing countries should review their NSDS to ensure that they incorporate the 2008 SNA implementation needs.

13. The regional commissions, in consultation and cooperation with their (sub) regional development partners, should coordinate this review of the NSDS for the implementation needs of the 2008 SNA and, where necessary, supplement this information with other national and regional assessments. For this review of national strategies and the subsequent formulation of national and regional SNA implementation plans, it is envisaged that existing regional coordination mechanisms, such as statistical committees or working groups will be mobilized, with the regional commissions acting as secretariat.

14. The programme information structure: The ISWGNA proposes to use a programme information structure to facilitate the coordination, monitoring and reporting on the SNA implementation in this multi-stakeholder environment.

15. The ISWGNA already reports to the Commission about the scope of national accounts compilation and the conceptual compliance with the 1993 SNA in terms of milestones and a Minimum Required Data Set (MRDS) based on the United Nations National Accounts Questionnaire (UN-NAQ). Although the milestone and MRDS measures are deemed to be adequate to assess the scope and compliance with the 2008 SNA they will be subject to review to accommodate also the need for a broader scope of economic statistics and high frequency data including quarterly national accounts for early warning of exposures and risks. In addition, the UN-NAQ needs to be reviewed to comply with the new concepts of the 2008 SNA. The ISWGNA organisations also apply other generally accepted frameworks in performing or facilitating data quality assessments for national accounts and supporting data sets. The sources of methodological and institutional descriptions used to perform these assessments include IMF GDDS and SDDS metadata, information gleaned in the discovery process during quality assessment reviews, including self assessments, peer reviews, as well as IMF data modules of the Reports on Observance of Standards and Codes, and periodic international surveys.

16. The ISWGNA observes that a broadly common structure to summarize the activities and outcomes of national accounts improvement projects could significantly promote coordinated technical cooperation and capacity building activities at country and regional level. The taxonomies for this structure should include statistical process and data quality dimensions. Together, the two dimensions will allow the ISWGNA organizations, in collaboration with their regional partners to coherently organize and assess flows of information on project design and programming as well as project activities and milestones at different levels of consolidation. The statistical process dimension, in conjunction with the well-established Classification of Statistical Activities of the Conference of European Statisticians (CES), will be used to organize programme design and implementation progress, and the IMF Data Quality Assessment Framework (DQAF) will be used to organize information to evaluate and report on outcomes. The detailed items of the statistical production process taxonomy can be aggregated into a five-

part structure: (a) institutional setting; (b) registers and frames; (c) surveys and administrative sources; (d) integration frameworks; and (e) dissemination.

17. Critical to the success of using this information structure to coordinate effectively is the buy-in from the countries and regional partners in adopting compatible information taxonomies for projects supporting the national accounts. The regional commissions can play a prominent role in characterizing the programming, coordination and reporting of the regional programmes using this international structure, in close partnership with their member countries and regional agencies.

18. The modalities of statistical capacity building: In order to meet the challenges of national accounts development along with the supporting statistics, the members of the ISWGNA like to initiate a dialogue with the regional commissions and other development partners to consider programmes for four modalities: (a) training and technical cooperation, (b) manuals and handbooks, (c) applied research and d) advocacy. It is expected that these four modalities will be applied flexibly by ISWGNA members.

19. *Training and technical cooperation*: When considering the activities for this modality, a more holistic view on the elements of the statistical production process could assist in structuring the possible areas of intervention: the creation and maintenance of statistical business registers and other frames, the design of surveys and use of administrative information systems to generate relevant source data, the integration of source data, the dissemination of statistics and the building of the institutional and IT infrastructure.

20. Where possible and relevant, it is envisaged to mobilize the existing regional knowledge and training networks to take part in an internationally agreed training and teaching programme for the SNA and supporting economic statistics. If mutual beneficial relationships can be ascertained, those regional networks will be invited to collaborate in developing and delivering standard training and teaching programmes (including distance learning programmes).

21. *The publication of a series of manuals and handbooks*: This modality has been introduced to provide methodological support in the implementation of the 2008 SNA for countries at different stages of development or milestones. More emphasis is expected on the practical nature of the methodological guidance and more consideration is envisaged for fundamental issues of data sources and quality. In addition to possible updating of existing normative manuals, new guidance might be needed, both for national accounts and on other fields of economic statistics.

22. The 2008 SNA website (hosted by the United Nations Statistics Division) has been extended to include a web-based knowledge base on methods and country practices in economic statistics, sourced from and hyperlinked to other relevant organizations, to facilitate easy access to statistical standards, manuals, handbooks, textbooks, compilation guidance and best practices on the implementation of the 2008 SNA.

23. *Research*: Research has already been initiated for the treatment of permits and aspects of globalization such as the treatment of goods for processing. Other topical areas have been