SNA Update Report

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Progress on guidance notes

65 guidance notes

• 64 have been finalized or are in the process of being finalized
• 1 remains outstanding:
  • WS.7 Treatment of Emission Trading Schemes – a workshop on practical issues is being arranged by the IMF – will take place in January

• In addition to the guidance notes, several issues notes have been prepared
  • These have been considered and subsequently endorsed by the AEG
  • Those involving substantive change to the SNA underwent global consultation

The research phase of the SNA update is essentially completed
A note on the Consolidated list of changes to the 2008 SNA has been prepared

This note was subject to global consultation, which commenced 16 August and closed 28 September 2023

• A webinar explaining the changes was conducted, which was very well attended

• 100 responses were received from the global consultation, with a wide geographical spread

• The feedback from the global consultation was discussed at the October AEG meeting

• Following the AEG discussion, the document is being finalized for submission to the UNSC for endorsement at its next meeting in early 2024

• This will be accompanied by a background document describing the feedback received in the global consultation process and the response to the feedback to ensure transparency
• Very large majority found the recommendation clear, straightforward and unambiguous (80 out of 97) and consistent (83 out of 97)

• Some respondents (generally European countries) expressed conceptual concerns on accounting for natural resources, marketing assets and sum-of-costs method for non-market producers

• Somewhat more concerns (generally European countries) were expressed about the feasibility of implementing recommendations, including arriving at internationally comparable data: natural resources, data and marketing assets – issues regarding modelling and assumptions were raised

• A number of other more minor comments, generally seeking clarification, were made
Outcome of global consultation

• Regarding the **conceptual concerns**, the AEG was of the view that consultation leading up to the recommendations had set a clear direction and emphasized the transparent process and extensive consultation for reaching recommendations
  • However, some adjustments were made to clarify certain recommendations

• Regarding concerns about **feasibility of implementing recommendations**, the importance of the program of early implementation, which includes the development of compilation guidance, was stressed
  • Ensuring internationally comparable estimates is an important component of this work
  • It should be noted that the implementation of the 2025 SNA will probably not take place until around 2029, which gives countries several years to prepare

• Where comments were made seeking clarification, the document was updated to reflect these

• As it is European countries that generally expressed concerns, we are working actively with Eurostat to communicate with countries about their concerns and to seek to ameliorate these in the lead-up to the UNSC Meeting
• A key feature of the SNA and BPM update processes has been the development of a **common, harmonized glossary**

• The initial version was developed by the CMTT, and handed over to the SNA and BPM editorial teams in March 2023

• During April – June 2023 there were various converging rounds of discussions between the two editorial teams
  • Some issues were brought to AEG and BOPCOM for guidance

• The glossary was then **reviewed by GFS, MFS and SEEA communities** and comments incorporated

• It has also been subject to AEG and BOPCOM review

• Following the recent AEG and BOPCOM meetings, the glossary will be shortly ‘finalized’ shortly, taking account of the discussions at the meetings
  • It will be made publicly available
  • Further changes may need to be made in due course as a result of the drafting process, etc.

• **Translation work** will commence in the next few months
Preparing the 2025 SNA

• The initial focus of the drafting process is on chapters that are **new or substantially revised**
  • There are 16 chapters in this category
  • 7 of these are ‘joint’ SNA/BPM chapters and are being drafted jointly with the IMF BPM update team
  • As the chapters are drafted, they will be reviewed by key stakeholders, the AEG (and BOPCOM where relevant), and subject to global consultation

• For each of these chapters, an **annotated outline** was produced in 2022/early 2023
  • These annotated outlines were subject to global consultation

• The chapters are being prepared on the basis of the annotated outlines, taking account of comments received from the global consultation on the annotated outlines
Progress on preparing the updated chapters – new or substantially revised

- One chapter has undergone global consultation
- One chapter is currently undergoing global consultation
- Five chapters have been reviewed by AEG (and BOPCOM) and will shortly undergo global consultation
- Two chapters will shortly be reviewed by AEG (and BOPCOM)
- Four chapters are currently being drafted – will likely undergo global consultation in January 2024
- Three chapters will shortly start being drafted – will likely undergo global consultation in February 2024
• Updating of the chapters that are not new or substantially revised has just started
  • This involves 23 chapters
  • These will be sent to the AEG for review, but will not be subject to global consultation (as individual chapters)
• In May-July 2024 the complete draft of the 2025 SNA will be circulated for global consultation
  • The chapters that are not new or substantially revised will be shown in ‘track changes’
• The AEG/ISWGNA will ‘sign off’ on the updated SNA around October 2024 in anticipation of approval by UNSC in early 2025
• There are also 5 annexes that will be prepared:
  • International standards for macro-economic statistics, and the links with the SNA
  • The classification hierarchies of the SNA and associated codes - will be an update of 2008 SNA annex
  • The sequence of accounts – will be an update of the 2008 SNA annex
  • Changes from the 2008 System of National Accounts – the consolidated list of changes will form the basis for this annex
  • Research agenda for the post-2025 SNA – discussions on this have commenced
• Digital version of the SNA – work on preparing this will ramp up in 2024
A key feature of the SNA 2008 update is a program of early implementation.

This follows a program of feasibility testing for certain guidance notes.

The aim of early implementation is to assist countries in preparing for the implementation of the SNA update after its adoption by the UNSC in 2025.

This will be achieved by:

- Developing ‘best practice’ guidelines to aid in the implementation of recommendations in GNs.
- Encouraging countries in the early implementation of recommendations by developing sources, methods, and processes.
- Gaining an understanding of the impact of recommendations on key national accounting aggregates.

Not all GNs are involved in early implementation. Those that are involved tend to be GNs that have an impact on key national accounts aggregates (e.g., GDP) or GNs that because of their complexity, involve significant methodological challenges in implementation.
• **High priority**
  • Three **task teams** have been established to take forward the early implementation work in high priority areas:
    • Eurostat/IMF task team on **Recording of Data in the National Accounts**
    • IMF task team on **Payments for Non-produced Knowledge-Based Capital (Marketing Assets)**
    • The OECD Expert Group on **Natural Capital**
    • IMF is developing guidance on measuring **crypto assets**, the other high priority area for early implementation

• **Medium priority**
  • DZ.7 Improving the visibility of artificial intelligence in the national accounts
  • DZ.8 Cloud computing
  • DZ.9 Incorporating digital Intermediation platforms into the SNA
  • F.12 Covering Hybrid Insurance and Pension Products

• **Low priority**
  • DZ.4 Recording and valuing “free” products in an SNA satellite account
  • F.2 Asymmetric treatment of retained earnings between direct and portfolio investment and potential extension to domestic relationships
  • IE.1 Statistical Framework for the Informal Economy
The implementation of the 2025 SNA will be supported by compilation guidance where it is considered that such guidance will be helpful.

An assessment of the proposed plans for providing compilation guidance for changes to the SNA has been undertaken.

This assessment has considered GNs that involve conceptual change, or additional data items or tables or (b) otherwise involve changes where it is considered that compilation guidance might be helpful.

This assessment shows that in several areas it is proposed to develop specific compilation guidance.

In many cases, particular with regard to early implementation, work has commenced on the development of this guidance.

In other cases, plans for providing guidance still require development – this will be done in coming months.

In other areas, it is considered that there already exists sufficient guidance to support compilers.
• It is hoped that by the time that the UNSC approves the 2025 SNA in early 2025 that there will be a substantial body of guidance available
  • It is expected that the proposed Compilers Hub will be a central repository for guidance materials
  • In some case, work on developing compilation guidance will continue in 2025 and later, particularly to take account experiences in the use of guidance
• While undoubtedly it is better to have more rather than less guidance, preparing guidance materials comes at a cost and requires scare expertise
  • There needs to be organizations who are willing to to take the lead in preparing the guidance or contributing to its development
  • It is important that work is prioritised, and a balance is struck between what might be considered ‘ideal’ and what is reasonable in practice
• There has already been significant outreach regarding the SNA update, for example:
  • Several regional webinars and forums devoted specifically to the update
  • Discussion of the SNA update at key regional meetings, such as the UNECE’s Group of National Accounts, the OECD’s Conference on National Economic and Financial Accounts and various Eurostat meetings
  • Presentation on the SNA update at the World Statistical Congress
  • The November 2022 Eurostat and UNSD conference on macroeconomic statistics for the future, which focused on the update of SNA.
  • The August 2023 Webinar on the Consolidated list of changes, to support the global consultation
  • The ‘Towards SNA 2025’ pages on the UNSD website, which provides a wealth of information about the update project
  • The global consultation process on the guidance notes, the annotated outlines, the consolidated list of changes and the updated chapters (ongoing)
  • An article in the SNA News and Notes on the update process
  • Reports to the UNSC
Outreach (continued)

• Going forward, two rounds of regional outreach seminars are planned
  • These will be conducted jointly with the IMF’s BPM7 update team
  • The first round will be virtual and will cover the proposed changes to the SNA (and BPM). The target audience will be NA and BOP compilers. There will be a combination of joint sessions and sessions specific to the BPM and SNA.
  • These seminars will take place between December 2023 and mid 2024
  • There will be collaboration with regional institutions and UN regional commissions in conducting the seminars
  • The second round is planned to kick-off in 2025 following the endorsement of the 2025 SNA and BPM7
  • The target audience will be comprise senior officials as well as NA and BOP compilers
  • The session will focus on methodological changes and new data breakdowns, and participants will be invited to share their thinking about implementation planning, including timelines and possible capacity development needs
  • The seminars are expected to be in person, although the exact modalities are still under consideration
• Initial ideas on the **implementation strategy for the 2025 SNA** were put forward for discussion at the recent AEG meeting

• Following the AEG discussion, the ideas will be fleshed out and a preliminary version of an SNA 2025 implementation strategy will be developed

• The AEG will provide ongoing advice to the ISWGNA on the development of the strategy

• The strategy will also undergo broader **consultation**

• The **finalized implementation** strategy will be presented to the 2025 UNSC meeting

  • By way of comparison, the Implementation Strategy for the 2008 SNA was presented to the 2009 UNSC Meeting
Implementation strategy components

• **Core elements**
  • Strategic approach
  • Advocacy
  • Training
  • Technical assistance
  • Preparing manuals and handbooks
  • Ongoing research

• **Program modalities**
  • Monitoring and evaluation
  • Assessment of country preparedness
  • Implementation stages
  • Timing of implementation
  • Coordination and governance
• Relationships with the BPM update team remain excellent and there continues to be strong coordination and cooperation between the two update teams

• GFS, MFS and SEEA communities continue to be involved in the update process as appropriate, for example:
  • Involvement in the glossary
  • Development of guidance and issues notes where relevant
  • Review of relevant draft chapters

• The ILO has been involved in the drafting and review of chapter 16 (Labour) and the review of chapter 34 (Measuring Wellbeing)

• The UNSD (Time Use) has been involved in the drafting and review of chapter 34 (Measuring Wellbeing)

• The ISIC and CPC update programs have considered SNA update issues as part of their review processes

• There is coordination between the SNA 2025 update and the G20 Data Gaps Initiative (DGI)
THANK YOU FOR YOUR INTEREST