

**7th Meeting of the Advisory Expert Group on National Accounts,
23-25 April 2012, New York**

Agenda item: I

Programme of work

ISWGNA

Programme of work of the ISWGNA and AEG for the period up to 2014

Final version dated 2 December 2011

I. Introduction

1. This note provides an overview of the main activities of the Inter Secretariat Working Group on National Accounts (ISWGNA) and the Advisory Expert Group (AEG) on National Accounts for the period 2012 to 2014 according to their mandate¹. Following the completion of the 2008 SNA it goes without saying that, for the near future, at least, the single most important priority for the ISWGNA is related to the worldwide implementation of the System of National Accounts 2008 (2008 SNA). But that is not to say that other issues such as those raised in the 2008 SNA research agenda, the measurement of well-being and G-20 considerations, are not also of importance; indeed in some cases the need for solutions and implementations is as pressing, if not more pressing, than some of the 2008 SNA implementation issues, especially when one considers their economic and policy importance.

2. In this context therefore, when considering the implementation of the 2008 SNA per se, a distinction can be made between the following activities, which are covered in more detail in Section III of this note.

- The implementation of the 2008 SNA: translation of the 2008 SNA into official languages, monitoring and promoting implementation;
- Resolving current research issues: emission permits and Financial Intermediation Services Indirectly Measured (FISIM);
- Co-ordination of the production and compilation of manuals and more detailed guidelines on the interpretation and implementation of the 2008 SNA.
- Providing further guidance on the implementation of certain, often new, items in the 2008 SNA: measurement of R&D, goods for processing, measurement of pension liabilities, delineation and classification of Special Purpose Entities (SPEs), holding companies and head offices, etc;

3. One item that could have been included under the first bullet point above concerns (the results from) the Australian Bureau of Statistics (ABS) survey on the barriers to the implementation of the 1993 SNA, as initiated by the UNSC Friends of the Chair Group, which will require timely consideration by the ISWGNA and the AEG. Another item that could have been included under the third bullet point relates to the request of the UN Statistical Commission “*to consider ... guidance on incorporating the contribution of the informal sector for an exhaustive measure of gross domestic product, ... on the preparation of quarterly national accounts, and on the compilation of expenditure components of gross domestic product*”. However, as these items relate to the implementation of national accounts more generally and not to the implementation of the 2008 SNA per se, they are considered to be sufficiently different to those intended for inclusion in the headings above to warrant their discussion in a separate section IV.

4. Also not described in the list above is the SNA research agenda in general. Whilst specific mention is made to two items in particular that have required immediate action, the default position for the next few years, where the priority will be the implementation of the 2008 SNA, should be not to pursue research agenda issues, unless there is strong and pressing demand for immediate action and solutions. Therefore, the work programme presented here proposes that work on research agenda issues should not be pursued in a concerted manner

¹ The mandate and governance of the ISWGNA and the AEG is available at:
<http://unstats.un.org/unsd/nationalaccount/docs/mandate.pdf>

(under the umbrella of the ISWGNA) before 2015. But that point notwithstanding this does not necessarily preclude preparatory work being done or brought together during the course of 2012 - 2014. Section V addresses the future handling of the future research agenda.

5. Finally, as alluded to above, some research issues not related to the implementation of the core national accounts, whether in the context of implementation issues or pressing research issues, also merit high priority on the work programme, and the programme will need to ensure that some capacity exists for the ISWGNA to continue to be able to tackle these issues as the need arises. Two current issues concern the following:

- The UN Statistical Commission asked the ISWGNA, including the AEG, “to consider ... guidance ... on household sector issues, including distributional issues of household income, on issues of well-being as reflected in the findings of the Commission of Economic Performance and Social Progress (Stiglitz report) ...”.
- The work of the Inter-Agency Group (IAG) on the G-20 Financial Crisis and Data Gaps initiative.

In both cases, it is important that the ISWGNA liaises with the key players involved in developing these issues: (a) to provide support where possible and necessary; and (b) to ensure that any related activities are done in a coordinated manner. Section VI deals with these issues in more detail.

6. Central to much of the work described above is the organisation of the work, including the involvement of the AEG and international national accounts working groups representing countries. Section II below therefore considers some issues in relation to organisation and communication that assist the implementation of the substantive areas described above and, in more detail, in sections III to VI.

II. Organisation and communication

ISWGNA

7. To facilitate the continuity of outputs, the ISWGNA National Accounts group (ISWGNA:NA) will have two physical meetings per year, one around the time of the meeting of the UNSC (February/March), and one around the time of the meeting of the OECD Working Party on National Accounts (October/November). Furthermore, additional physical meetings of the ISWGNA:NA may be organised, as needs arise. In addition, as has generally been the case, teleconferences will be organised, as needs arise. However, it is considered important that at least one teleconference is organised in the period between the two physical meetings. The ISWGNA Management group (ISWGNA:MG) will have at least one physical meeting per year, around the time of the meeting of the UNSC; additional teleconferences will be organised, as needs arise.

8. The ISWGNA:NA consults the ISWGNA:MG on all strategic and organisational issues; the ISWGNA:MG also approves the recommendations made by the ISWGNA:NA. The minutes of the ISWGNA are posted on the ISWGNA website at <http://unstats.un.org/unsd/nationalaccount/minutes.asp>. The ISWGNA also reports annually to the UNSC on progress on its work programme; these reports are available at: <http://unstats.un.org/unsd/nationalaccount/reports.asp>.

Advisory Expert Group (AEG) on National Accounts

9. Following the decision of the United Nations Statistical Commission (UNSC), the AEG was re-established in accordance with the terms of reference set out in the mandate and governance of the ISWGNA. These terms of reference indicate that the AEG assists the ISWGNA in developing the elements of the implementation programme of the 2008 SNA, taking forward issues on the research agenda of the 2008 SNA, and addressing emerging national accounts related issues. The AEG discusses issues through electronic communication facilities, such as internet, teleconferencing and electronic mail, and will also have physical meetings.

10. In view of its mandate, it would be useful to plan some structured continuity in the involvement of the AEG. Therefore, it is suggested to meet annually with a clear time-table setting out future meetings and venues with ad-hoc meetings convened when needs arise. The most appropriate time for the meetings appears to be around the time of the UNSC meeting. The first meeting is proposed to take place on 5-7 March 2012. The precise dates of future meetings will, of course, need to be discussed and agreed amongst the AEG and ISWGNA.

11. It is expected that at its first meeting the AEG will discuss, among other things, the following issues: work programme of the ISWGNA, work procedures of the AEG; review of the SNA research agenda; progress on current research issues such as FISIM; review of newly available compilation guidance; and the implementation programme of the 2008 SNA.

12. Consultations with the AEG will be initiated through issues papers that are either discussed at the annual physical meeting or through electronic facilities. When using e-consultations the issues paper and the AEG responses to the issue will be posted on a restricted AEG website. Reports on the results of the AEG consultations will be assessed in accordance with the update procedures for the SNA.

Task forces and working groups

13. To coordinate further guidance on the interpretation and implementation of the 2008 SNA, and also to coordinate (current and future) research on the research agenda, the relevant work needs to be undertaken as far as possible under the auspices of the ISWGNA, but at the minimum be coordinated with the ISWGNA. Proposals for task forces or expert groups to conduct research on specific topics should be submitted to the ISWGNA. The ISWGNA will assess the results in accordance with the update procedures for the SNA established by the UNSC.²

14. The ISWGNA may convene technical expert groups to advance research on particular normative and methodological matters. The technical expert groups will consist of relevant experts in national accounts, with a balanced regional representation. The technical expert groups will have limited life spans and focus on particular issues. The terms of reference for the tasks related to the subject will be formulated with every expert group. They will include specifications on deliverables, timelines and work arrangements for monitoring the technical discussions and for reporting recommendations to the ISWGNA.

² The update procedures are available on <http://unstats.un.org/unsd/nationalaccount/uProc.asp>.

15. The work programmes of existing city groups and other technical expert groups may fall within the scope of the national accounts and supporting statistics, but they have their own mandates and governance structures. The ISWGNA will coordinate, within its mandate, with these expert groups to take account of their work in the work programme of the ISWGNA. Specific tasks and responsibilities of the expert groups will be agreed upon in a terms of reference between these groups and the ISWGNA. They will include specifications on deliverables, timelines and work arrangements for monitoring the technical discussions and for reporting recommendations to the ISWGNA.

Communication

16. Apart from the publication of the minutes of meetings and the annual report to the UNSC, the ISWGNA also communicates on its work programme through:

- The maintenance of an up-to-date website containing all relevant information, hosted by the UNSD (<http://unstats.un.org/unsd/nationalaccount/default.asp>);
- Regular publication of progress made and recommendations agreed upon in SNA News and Notes (<http://unstats.un.org/unsd/nationalaccount/snanews.asp>)
- Annual feedback to relevant working groups, including: UN regional meetings on national accounts; IMF meetings convened on G20 issues; meetings of CSTAT; OECD Working Parties on Financial Statistics and National Accounts; meetings of EU Directors for Macro-economic Statistics; EU Working Groups on Financial Accounts and National Accounts; and meetings of the Committee on Monetary, Financial and Balance of Payments Committee (CMFB).

In relation to the latter, it is also important to look at possibilities to actively involve the relevant working groups in the discussions on the implementation of the 2008 SNA. Doing so, the ISWGNA could, for example, cooperate in thinking about possible items on the agenda of the OECD Working Party on National Accounts and the meetings of other regional national accounts or economic statistics expert groups.

III. Implementation of the 2008 SNA

17. This section considers the four issues related to the global implementation of the System of National Accounts (SNA) 2008 described above: (A) the implementation of the 2008 SNA per se; (B) current research issues; (C) co-ordination of the compilation of manuals and more detailed guidelines; and (D) providing further guidance on the implementation. Each of these issues is discussed in more detail below.

A. The implementation of the 2008 SNA per se

18. The implementation programme for the 2008 SNA and supporting statistics represents a global statistical initiative, which was mandated by the UNSC at its fortieth session following the adoption of the 2008 SNA as the international standard for the compilation and dissemination of national accounts data. It has the dual objective in assisting countries in developing the statistical and institutional capacity to (a) make the conceptual change over from the 1968 or 1993 SNA to the 2008 SNA and (b) improve the scope, detail and quality of the national accounts and supporting economic statistics.

19. The efficiency and sustainability of 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 sub-regional organisations.

20. 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.

21. UNSD in collaboration with the regional commissions have established a programme to align regional programmes for the implementation of the 2008 SNA and supporting statistics with the global programme and to assist countries in developing national implementation plans using a strategic approach. These programmes of work are monitored through regular annual meetings of national accounts or economic statistics expert groups that were established in the respective regions.

Translation of the 2008 SNA

22. One of the important prerequisites for the implementation of the 2008 SNA is its translation into the official United Nations languages. The UNSD established partnership arrangements to facilitate the completion of the translation of the 2008 SNA from English into the other five official languages (Arabic, Chinese, French, Russian and Spanish) of the United Nations. It is expected that the translated text of all these language versions will be submitted to the United Nations for publication. The translated text will be posted on the UNSD website as they become available for publication. The Chinese and Russian versions have been submitted to UNSD. It is expected that the Spanish version will be submitted by the end of 2011 and the French and Arabic version during the first half of 2012.

Monitoring the implementation of the 2008 SNA

23. To monitor the implementation of the 2008 SNA, an important first step is a comprehensive understanding of countries' plans. In this regard UNSD will include in its annual collection of national accounts data a survey, using specific questions related to (when, how, difficulties etc) countries' 2008 SNA implementation plans.

24. For the change over to the 2008 SNA the ISWGNA recognizes that three main dimensions need to be taken into account for determining implementation goals and for monitoring the progress of implementation. These are: (a) scope of the accounts, (b) compliance with the SNA concepts and (c) quality issues. All three aspects need to be assessed for a better and more comprehensive evaluation of the implementation of the System.

25. The ISWGNA already reports to the UNSC 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) and a set of SNA compliance questions. At its forty-second session in 2011 the UNSC adopted an update of the milestone and data set measures to assess the scope and compliance with the 2008 SNA³ and initiated a review to accommodate a broader scope of economic statistics and short term economic statistics, including quarterly national accounts, for early warning of exposures and risks⁴. 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 the International Monetary Fund's General Data Dissemination Standard (GDSD) and Special Data Dissemination Standard (SDSD) 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 (ROSC), and periodic international surveys.

26. In addition to the above worldwide monitoring, the OECD has developed a more specific questionnaire that will gather information on plans to tackle the key 2008 SNA (conceptual) implementation issues. It also serves as a vehicle to ask broader questions on the implementation plans and time-tables for OECD and G20 countries. This questionnaire has been presented at the OECD Workshop on the implementation of the 2008 SNA (Paris, 25-27 October 2011), and has now been circulated.

27. The results of the UNSD and OECD surveys on implementation plans will be processed in the first quarter of 2012 with a view to assessing more rigorously those work areas where further training and technical assistance may be necessary, including the appropriate modes for providing such assistance (e.g. dedicated workshops). Assessments of these returns will necessarily be set against the milestones and data set measures referred to above. The first set of results on implementation plans and compliance will not be ready before the 2012 UNSC, but thereafter the plan is to ensure that the assessment of compliance plans by countries is prepared as input to the ISWGNA report to the UNSC.

Training and technical assistance

28. A number of (regional) initiatives to provide training courses are foreseen over the next few years and more may be needed. The ISWGNA recognized that it is essential to conduct training on the SNA in a coordinated way. The role of the ISWGNA in this regard will focus on initiating or coordinating the work, in particular to ensure that the various initiatives by international agencies do not overlap. It is important therefore that a list of training activities undertaken by international organisations (IOs) is made, and updated on at least an annual basis. The various agencies could then use the list as a reference point before undertaking new initiatives.

29. For this purpose it is also proposed that the ISWGNA pursue developing standardized training materials on the 2008 SNA and supporting classifications, statistical registers and basic economic statistics. It is recognized that it is resource intensive and may take some time

³ ISWGNA report to the 2011 UNSC available at <http://unstats.un.org/unsd/statcom/doc11/2011-6-NationalAccounts-E.pdf>

⁴ Report on Short term Economic Indicators to the 2011 UNSC available at <http://unstats.un.org/unsd/statcom/doc11/2011-11-Short-termEcoIndicators-E.pdf>

to produce. As a first step all available training materials will be made available through a link to the ISWGNA website. These materials include the World Bank’s virtual statistical system, Eurostat’s “Essential SNA: Building the basics”, and the IMF materials on the 2008 SNA course. In consultations with the Regional Commissions and countries, the translation of these materials to official United Nations languages will be pursued. The portal on training materials will also include the above mentioned list of activities undertaken by international organisations which will be updated on at least an annual basis.

Table 1. Monitoring the implementation of the 2008 SNA

Action	Who	When
Monitoring national plans to implement the 2008 SNA		
Stocktaking of plans	UNSD/OECD	1 st quarter of 2012
Annual monitoring	UNSD	End of year t
Annual report	UNSD	January of year t+1
Training initiatives to support the implementation of the 2008 SNA		
- Provision of information by various IOs	IOs	January 2012
- Compilation of overview	UNSD	February 2012
- Discussion of the overview	ISWGNA/AEG	March 2012
Annual update		
- Provision of the updated information	IOs	October of year t
- Compilation of overview	UNSD	November of year t
- Discussion of the overview	ISWGNA/AEG	March of year t+1

B. Current research issues

30. At the present time, two pending substantive conceptual issues relating to the 2008 SNA need to be resolved: (a) the conceptual clarification on the recording of emission allowances and emission permits; and (b) the conceptual clarification of the delineation of Financial Intermediation Services Indirectly Measured (FISIM).

31. Regarding the first issue, emission allowances and permits, a task force has concluded its work with a report that identified two possible solutions. These have been put forward to the AEG for e-consultation. On the basis of this consultation, a note describing the outcome of the consultation has been drafted by the ISWGNA, and circulated to the AEG for consideration. The consultation process has been finalised on the 18th of October. On the basis of this consultation, the final note will be published in a future SNA News and Notes.

32. In relation to FISIM, a (second) meeting of the International FISIM Task Force was held on 5 and 6 July 2011 in New York. The conclusions were consistent with the conclusions of the European FISIM Task Force. Based on the results of the International Task Force, the OECD will draft a preliminary report. Furthermore, Eurostat has recently developed a questionnaire for European countries to test the methods on maturity and default risk, as recommended in the report of the European FISIM Task Force and agreed by the CMFB. This

questionnaire has also been provided to the International Task Force, in order to facilitate testing in other countries as well. The outcome of the testing is expected by the end of June 2012. Eurostat will communicate the report on the results from the tests in Europe to the International Task Force. Based on the test results and comments received, it will be decided whether an additional meeting of the International Task Force is needed. Subsequently, the final report of the International Task Force will be developed. It should be noted that the planned timeline for completion of this report of the International Task Force will be addressed once members participating in testing are able to fully evaluate the time needed for their testing exercises.

Table 2. Current research issues

Action	Who	When
Emission allowances and permits		
Preparation of draft note	OECD	Done
Final consultation of the AEG	AEG	Done
Preparation of final note	OECD	November 2011
Publication in SNA News and Notes	UNSD	
FISIM		
Detailed guidance on testing	Eurostat	Done
Preparation of draft preliminary report of the International Task Force	OECD	Done
Preparation of final preliminary report of the International Task Force	OECD	November 2011
Finalisation of international test phase	International Task Force	June 2012
Preparation of a report on the test results	OECD	July 2012
(Potential) Meeting of the International Task Force	OECD	September 2012
Preparation of draft final report of the International Task Force	OECD	End of 2012
Discussion at the AEG	AEG	March 2013
Preparation of final report of the International Task Force	OECD	April 2013

C. Coordination of the compilation of manuals and more detailed guidelines

33. To strengthen the statistical capacity for compiling national accounts in accordance with the implementation programme for the 2008 SNA and supporting statistics, ISWGNA members have developed or have initiated the development of a number of manuals, handbooks and guidance notes for the national accounts, and also recommendations for the compilation of basic statistics. These are below in three categories, namely completed publications, publications in progress and planned publications.

Completed publications

- Deriving Capital Measures of Intellectual Property Products (OECD)
- Measuring Capital (second edition) (OECD)

Publications in progress

- Handbook on Financial Production, Flows and Stocks in the SNA (UN/ECB)
- The 2008 SNA – Concepts in Brief (World Bank)
- The 2008 SNA – Compilation in Brief (World Bank)
- Guide on Impact of Globalisation on National Accounts (UNECE)
- Guide on Integrated Economic Statistics (UNSD)
- Handbook on Rapid estimates (UN/Eurostat)
- Handbook on Composite Indicators (UN/Eurostat)
- Handbook on Tendency Surveys (UN/Eurostat)

Planned publications

- Handbook on Input Output Compilation (UN)
- Handbook on Statistical Registers (UN/Eurostat)
- Guide on Global Production (UNECE)
- Government Finance Statistics Manual (revision) (IMF)
- Monetary and Financial Statistics Manual and Compilation Guide (revision) IMF
- Handbook on Quarterly National Accounts (QNA) (one by Eurostat and another one by the IMF)

34. In order to increase efficiency and also to broaden the basis for the relevant guidance, it is important to coordinate such on-going and future efforts through an international ISWGNA agenda. For the purpose of achieving this coordination, it is proposed to develop rules of procedures for the development of manuals, handbooks and guidance notes on national accounts. As part of these rules, it is proposed that ISWGNA members will provide short issues papers on their plans for the compilation of handbooks and guidance notes in the future. Both rules of procedure and concrete plans for the future will be discussed at the next (2012) meeting of the AEG.

Table 3. Co-ordination of manuals and more detailed guidelines

Action	Who	When
Preparation of rules of procedures	UNSD	January 2012
Issues papers for manuals, etc. for the future	ISWGNA	January 2012
Inventory of (nearly) completed manuals, etc.	ISWGNA	January 2012
Discussion at the AEG	AEG	March 2012
Workplan for the compilation of manuals, etc.	ISWGNA	June 2012

D. Providing further guidance on the implementation of the 2008 SNA

35. The conceptual framework of the 2008 SNA deviates from its predecessor, the 1993 SNA, in some important respects. The most notable are the treatment of R&D and military weapon systems as gross fixed capital formation, goods for processing, and the recording of pension liabilities. To arrive at internationally comparable data, issues in relation to the measurement of these items need to be addressed.

36. The above is especially true for the capitalisation of R&D. However, its introduction in the national accounts is dependent on the satisfactory resolution of some practical implementation issues, so that an appropriate level of confidence in the resulting estimates can be reached. An EU Task Force is currently investigating these issues. A final report is expected at the end of 2012/early 2013. Eurostat will communicate the results from this EU Task Force to the ISWGNA.

37. In relation to goods for processing, or globalisation issues more generally, there have been several initiatives. First of all, the UNECE/OECD/Eurostat Working Group on the Impact of Globalisation on National Accounts (GGNA) has nearly finalised the guide “Impact of Globalisation on National Accounts”. As a follow up to this work, the Bureau of the Conference of European Statistics asked Statistics Netherlands to coordinate the preparation of an in-depth review on global manufacturing (or global production). Both the guide and the in-depth review address issues that directly relate to the implementation of the 2008 SNA, especially to issues related to goods for processing and merchanting. In addition to these two initiatives, a European TF is planned for the measurement of goods for processing, and possibly - following the conclusions of further discussions on the mandate - merchanting and global manufacturing. The current planning envisages a final report at the end of 2012/early 2013. Ensuring a coordinated approach of the work of the European TF and the in-depth review will form an important part of the ISWGNA’s work in this regard. It would also be beneficial if the manual and the in-depth review were discussed at the 2012 meeting of the AEG. The main result of this discussion could be an inventory of issues which need further consideration, on the basis of which a more detailed work plan could be developed. The results of the European TF on goods for processing should be put on the agenda of the 2013 meeting of the AEG.

38. Regarding the measurement of pension liabilities, an ECB/Eurostat Task Force (including representatives from the IMF and the OECD) has met six times to look at measurement issues related to assets and liabilities of pension schemes in general government. Their final report, finalised in 2008, can be found at <http://www.cmfb.org/pdf/TF%20on%20Pensions%20-%20Final%20report.pdf>. It is recommended that the report is given a broader discussion within the AEG so that it can have a remit that extends globally.

39. Finally, it should be noted that the OECD has organised a workshop on the implementation of the 2008 SNA (Paris, 25-27 October 2011). At the workshop, a need for further clarification of some issues was expressed. Among others, questions were raised in relation to the delineation and classification of Special Purpose Entities (SPEs), holding companies and head offices, the measurement of pension liabilities, the recording and measurement of land and natural resources, the measurement of (service lives of) military expenditures, and the definition of catastrophes in the measurement of non-life insurance. The OECD will prepare an issues paper on the basis of which the ISWGNA and AEG can discuss the follow-up. Looking at the positive feedback to this meeting, it is proposed to have such a workshop on the implementation of the 2008 SNA on an annual basis, either separately in the margins, or as part of the OECD Working Parties on Financial Statistics and National Accounts.

Table 4. Issues for further guidance

Action	Who	When
R&D		
Preparation of issues paper based on current results	Eurostat	End of 2011
Discussion at the AEG	AEG	March 2012
Draft report of the European Task Force	Eurostat	End of 2012 / early 2013
Discussion at the AEG	AEG	March 2013
Pension liabilities		
Preparation of available documentation	Eurostat/IMF	End of 2011
Discussion at the AEG	AEG	March 2012
Globalisation		
Preparation of available documentation	UNECE	End of 2011
Discussion at the AEG	AEG	March 2012
Draft report of the European Task Force	Eurostat	End of 2012 / early 2013
Discussion at the AEG	AEG	March 2013
Other issues related to the OECD Workshop		
Preparation of issues paper	OECD	End of 2011
Discussion at the AEG	AEG	March 2012
Detailed workplan for the provision of further guidance	ISWGNA	April 2012

IV. Issues related to the implementation of the System of National Accounts more generally

40. In addition to the implementation of the 2008 SNA, some other issues which are related to the implementation of the SNA more generally will need the attention of the ISWGNA including the AEG. First of all, this concerns (the results from) the ABS survey on the barriers to the implementation of the 1993 SNA, as initiated by the UNSC Friends of the Chair Group. It also concerns the request of the UNSC “to consider ... guidance on incorporating the contribution of the informal sector for an exhaustive measure of gross domestic product, ... on the preparation of quarterly national accounts, and on the compilation of expenditure components of gross domestic product”.

41. The results of the ABS survey on the barriers to the implementation of the 1993 SNA will be presented to the UNSC in 2012. The report and subsequent recommendations by the UNSC will be considered at the 2012 meeting of the AEG. To be well prepared and to check the need for changes in this work programme, an early and advance availability of the FoC report is desirable.

42. In relation to the exhaustiveness of national accounts estimates, it is suggested to start from the OECD survey on the Non-Observed Economy (NOE), which has been launched recently (building on and bringing together earlier work conducted by UNECE and Eurostat). For the purpose of addressing the issue more widely (and ensuring that results are as up-to-date as possible), it is proposed to extend the survey to other major economies. Results on this project are expected to be finalised in the second quarter of 2012. There are currently also projects, under the auspices of the United Nations Development Accounts, on the measurement of the informal sector in Asia, Africa and Latin America. It may be possible to derive some practical guidance for the measurement of exhaustive national accounts from the results of these projects.

43. Regarding the compilation of quarterly national accounts, the handbook being prepared by Eurostat and the one being prepared by the IMF may be good starting points. Using these handbooks as a reference, a range of different best practices for compiling quarterly national accounts could be developed and elaborated in more detail.

44. In relation to the compilation of expenditure components of gross domestic product, this activity should capitalise on developments that arise from work on the NOE and the Quarterly National Accounts (above), but the main driver for implementation will need to be workshops organised in those regions where the issue is of significant importance. Related developments including the work of the ICP programme on supply and use tables could also serve as an important mechanism and the ISWGNA should ensure that it keeps informed on progress in this area.

45. A final point in relation to the implementation of the system of national accounts more generally concerns the SDMX initiative. It has been agreed by the SDMX sponsors that a steering group, consisting of the ECB, Eurostat and the OECD, will develop the necessary Data Structure Definitions (DSDs) for the future data exchange of national accounts data under the auspices of the ISWGNA. It is expected to finalise the DSDs by the end of 2012, so that they can be implemented in the course of 2014. The steering group will report progress on their work to the ISWGNA and the AEG.

Table 5. Issues regarding the implementation of the SNA more generally

Action	Who	When
Non-observed Economy (NOE)		
Survey on the non-observed economy (NOE)	OECD	1 st quarter of 2012
Report on main outcomes and recommendations	OECD	2 nd quarter of 2012
Discussion in OECD Working Party on National Accounts	OECD	November 2012
Discussion at the AEG	AEG	March 2013
Final report on main outcomes and recommendations	OECD	2 nd quarter of 2013
Quarterly National Accounts		
Completion of the QNA-handbook	Eurostat	2012
Extraction of recommendations and best practices	ISWGNA	January 2013
Discussion at the AEG	AEG	1 st quarter 2013
ABS survey on barriers to the implementation		
Discussion at the AEG	AEG	March 2012
Advice on possible measures	AEG	April 2012

V. Future research

46. Annex 4 of the 2008 SNA lists research issues that have emerged during the update of the 1993 SNA, but could not be resolved as more extensive consideration was needed than was possible in the course of the update process; see the list annexed to this paper. These issues are grouped under four topics: basic accounting rules; the concept of income; issues involving financial instruments; and issues involving non-financial assets. The ISWGNA website, hosted by the UNSD, contains a webpage dedicated to the SNA research agenda.

47. The process of selecting items for investigation is one that will involve widespread consultation and involvement of both compilers and users in the review process. Work on the research agenda of the 2008 SNA needs to be coordinated under the auspices of the ISWGNA to ensure worldwide representation in the deliberation of research agenda issues and the proper implementation of the results in international standards or handbooks. Proposals for task forces or expert groups to do research on specific topics should be submitted to the ISWGNA, which will assess the results in accordance with the update procedures for the SNA established by the UNSC. The update procedure is described in table 2 of the *Inter Secretariat Working Group, Mandate and Governance*.

48. Apart from the work on the treatment of emission permits under a cap and trade scheme and the treatment of FISIM in the SNA, the research agenda is not a priority of the work of the ISWGNA (and AEG) over the next two years. Therefore, it is recommended that actual work on the research agenda does not start before 2015, unless a pressing and immediate need arises. Nonetheless, in the interim, the ISWGNA does not discourage national institutions from conducting preparatory work or presenting issues at regular meetings for discussion. On the other hand, however, the ISWGNA aims to prioritise the issues in the research agenda as a means of developing a future plan of action. As a first step

the research agenda will be discussed at the next meeting of the AEG taking into account discussions at the 2009 OECD National Accounts Working Party meeting. The outcome of the AEG discussion on the priorities for the SNA research agenda could be further discussed at the OECD Working Party on National Accounts and the meetings of other regional national accounts or economic statistics expert groups. Doing so, additional items may emerge.

49. Subsequently, members of the ISWGNA and/or the AEG could be requested to write more detailed issues papers (but not solutions) on each of the issues of concern. It may be necessary to develop more guidance on the mechanisms for resolving the research issues. In some cases it is inevitable that this will require the creation of Task Forces but this needs not be the case for all issues. Amongst other options available is the AEG but other mechanisms could be developed, including special sessions around regular international meetings. The prioritisation of tasks will also need to consider timing and worldwide consultation on the proposals.

Table 6. Future research agenda

Action	Who	When
First proposal for grouping and prioritisation	OECD/UNSD	End of 2011
Discussion at the AEG	AEG	March 2012
Revised proposal for grouping and prioritisation	OECD/UNSD	September 2012
Discussion at OECD Working Party on National Accounts	OECD	October 2012
Preparation of issues papers, first draft	ISWGNA	End of 2012
Discussion at the AEG	AEG	March 2013
Proposal for the organisation of the work, including terms of reference for relevant technical groups	ISWGNA	End of 2013
Discussion at the AEG	AEG	March 2014
More detailed roadmap for the research agenda	ISWGNA	June 2014

VI. Connecting to ongoing work in the broader remits of national accounts

50. There are emerging issues which merit high priority on the work programme, and there is a need to ensure that some capacity exists for the ISWGNA to continue to be able to tackle these issues as the need arises. Two current issues concern the following:

- The UNSC also asked the ISWGNA, including the AEG, “to consider ... guidance ... on household sector issues, including distributional issues of household income, on issues of well-being as reflected in the findings of the Commission of Economic Performance and Social Progress (Stiglitz report) ...”.
- The work of the Inter-Agency Group (IAG) on the G-20 Financial Crisis and Data Gaps initiative.

51. In relation to the first issue, several initiatives have been developed on how progress could be measured, going beyond traditional indicators such as economic growth. In the Stiglitz-report, and also in related work at international agencies, a distinction is made between: (1) putting more emphasis on indicators of household income and wealth, including its distribution among household groups in the core set of the national accounts; (2) the

measurement of quality of life, including the objective and subjective factors driving it; and (3) issues in relation to sustainability, especially related to the environment.

52. The UNSC stressed the importance of the national accounts community providing a global response to these challenges. This especially relates to the first and the third of the areas noted above. In the latter case the UN Committee of Experts on Environmental-Economic Accounting (UNCEEA) is in the final stages of revising the SEEA standard which provides a consistent link between macro-economic data and data on environmental issues. As such, the ISWGNA can limit its work to promoting the compilation of environmental accounts according to these new standards.

53. On the issues related to households it is proposed that the ISWGNA, in cooperation with the AEG, develops a set of global recommendations on the way forward, starting from the regional initiatives of the OECD and Eurostat, and also building on the sectoral work being coordinated as part of the G-20 Financial Crisis and Data Gaps initiative. It would be useful to distinguish three broad strands of work in relation to these developments and the overall objective: (1) recommendations on the presentation of national accounts data, focussing more prominently on households; (2) recommendations on the compilation of satellite accounts for households, including more distributive information on households; and (3) defining possible issues for the future research agenda.

54. In relation to the work of the Inter-Agency Group on G-20 Financial Crisis and Data Gaps initiative, the ISWGNA is well represented in the debates about future developments to address the data gaps. As a consequence, coordination efforts in addition to those that have already been agreed are not considered necessary. It will, however, be useful, to ensure that the work of the IAG is transmitted by the ISWGNA to the AEG and that it features in its annual report to the UNSC, and, indeed, in communication to users and producers more generally.

Table 7. Issues related to households

Action	Who	When
Preparation of available documentation	OECD/Eurostat	End of 2011
1 st Round of discussion at the AEG	AEG	March 2012
Preparation of draft recommendations	OECD/Eurostat	End of 2012
Discussion at the AEG	AEG	March 2013
Report with final recommendations	OECD/Eurostat	2 nd quarter of 2013

VII. Concluding remarks

55. The above programme of work is ambitious, but considered realistic. However, it will require the commitment and substantial inputs of first and foremost the international organisations represented in the ISWGNA, but also of the country representatives in the AEG, in a time with increasing demands for filling data gaps in response to the financial crisis, and for measurement of broader sets of indicators of sustainability and well-being. Further enhancement of coordination and cooperation, e.g. in providing training courses, compiling

manuals and other guidance, is therefore imperative, as it can help to realise efficiency gains and/or to increase the quantity and quality of the output.

56. A final point relates to communication. If we want our work to be successful, in terms of the worldwide implementation of the SNA standards including additional recommendations, the involvement of countries is of the utmost importance. Communication and consultation is key in this respect. Therefore, it is considered necessary to further step up communication to both producers and users in countries, so that they feel informed and involved. Special attention will be paid to this aspect.

Annex. List of Issues for the Research Agenda According to Annex 4 of the 2008 SNA

Basic accounting rules:

The relationship of SNA and IASB
Consolidation of enterprise groups
Trusts
Final consumption of corporations
Measuring the output of government services
The treatment of social transfers in kind to the rest of the world
Output of central banks: taxes and subsidies on interest rates applied by central banks
The treatment of establishments in the SNA
The inclusion of international organizations in the SNA

Issues involving financial instruments and non-financial assets:

The issues involving financial instruments and non-financial assets include:
Issues arising from a financial crisis
Recognition of social security entitlements as liabilities
Wider use of fair value for loans
Provisions
Debt concessionality
Equity valuation and its implications
Reverse transactions
Tradable emission permits
Leases to use or exploit natural resources
Broadening the fixed asset boundary to include other intellectual property assets
Costs of ownership transfer of valuables and non-produced
Distinction between current maintenance and capital repairs
Treatment of Private-Public Partnerships
Transfer of ownership of an asset during its life

The concept of income

Issues under the concept of income include:
Clarification of income concept in the SNA
GDP at basic prices
The role of taxes in the SNA
Life insurance
Reinvested earnings
Accruing interest in the SNA
Calculation of FISIM
High inflation
The measurement of neutral and real holding gains and losses
Income arising from assets
Income from activities undertaken on an informal basis