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**Agenda item: VI**

**Guidelines for monitoring the 2008 SNA implementation**

**ISWGNA**



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**Extract of the report of the  
Intersecretariat Working Group on National Accounts  
to the forty second session (2011) of the  
United Nations Statistical Commission**

## **Guidelines for monitoring the 2008 SNA implementation**

### **A. Introduction**

1. The *Implementation Programme for the System of National Accounts 2008 and Supporting Statistics* represents a global statistical initiative with 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.

2. 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.

3. The principles of the implementation strategy are operationalised through four elements, namely: (a) use of National Strategies for the Development of Statistics (NSDS) or similar national plans setting out priorities 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. The three stages are:

- (a) Stage I. Review of strategic framework and detailing of national and regional implementation programmes;
- (b) Stage II. Adaptation of classification frameworks, business registers and frames, surveys, administrative data sources and information technology infrastructure; and
- (c) Stage III. Application of adapted frameworks and source data, backcasting and changeover to 2008 SNA.

4. Each country will determine its own duration of the stages to make the change over to the 2008. However, it is expected that from 2014 onwards, most of the Member States would change over to the 2008 SNA following a gradual two to three year transition for each change over stage.

5. These elements were extensively described in the paper *Progress on the Implementation Programme for the System of National Accounts 2008 and supporting statistics*, which was a background document to the report of the ISWGNA to the forty-first session of the Commission<sup>1</sup>.

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<sup>1</sup> <http://unstats.un.org/unsd/statcom/doc10/BG-NationalAccounts2008.pdf>

6. For the purpose of setting up a national implementation programme of the 2008 SNA it is necessary to assess the current capacity of all aspects of the statistical production process to produce national accounts and supporting statistics. From this assessment goals regarding the relevant scope and detail of the national accounts and supporting statistics required to inform policy and decision making needs to be set in consultation with all relevant stakeholders in the national statistical system. A plan, based on the self assessment, identifying a set of actions to accomplish statistical and institutional goals is an important step to establish a road map for the implementation of the 2008 SNA and supporting statistics and is instrumental in the improvement of the statistical agenda to ensure adherence to best practices in official statistics.

7. 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

8. The following paragraphs reports on the guidelines for monitoring the implementation of the 2008

## **B. Guidelines for monitoring the 2008 SNA implementation**

9. For monitoring the implementation of the 1993 SNA the ISWGNA developed a set of six milestones to assess the scope of accounts that are compiled by countries. These milestones were later supplemented by three data sets describing (a) minimum set of accounts that need to be compiled; (b) a recommended set of accounts; and (c) a desired set of accounts. To assess the compliance with major 1993 SNA concepts the ISWGNA developed a set of questions. The quality of the national accounts dimension was assessed using the IMF quality assessment framework.

### ***Milestones***

10. The Commission approved the milestone measures at its twenty-ninth session<sup>2</sup>. The purpose of the milestones is twofold. To provide some guidance to countries who are considering expanding the scope of their national accounts coverage in line with the recommendations of the SNA. To serve as a monitoring instrument that permits for measuring the level of national accounts development at different points in time, permitting the identification of the groups of countries (by type or by region) that would need particular attention from the international community.

11. However, there are some limitations to the milestone measure. Countries have taken the milestones as representing the order in which additions to national accounts must be approached. The milestones can also give the wrong impression of SNA implementation

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<sup>2</sup> Report of the ISWGNA to the twenty-ninth session of the UNSC, document E/CN.3/1997/12.

because there are different degrees of implementation. For example, for some countries with relatively small economies that have a narrow range of activities, a full implementation could be a much smaller subset of the SNA than is required for others. In addition, the milestones make no reference to conceptual or quality issues since they are concerned only with coverage in terms of the accounts and tables recommended by the SNA.

### ***Required data sets***

12. Due to the limitations of the milestone approach, the ISWGNA developed the three data sets to assess the scope of national accounts implementation according to the 1993 SNA. The first set is a defined benchmark called the minimum requirement data set (MRDS). The MRDS is a set of annual accounts that essentially groups together the accounts recommended in milestones 1 and 2. The second set is the recommended data set, which are annual accounts “recommended” for compilation by all countries plus some “recommended” quarterly accounts; these are recommended because of their importance in assessing developments of an economy. The third data set is the desirable data set, which comprises useful data that should be compiled if possible. In addition, the recommended data set and the desirable data set facilitate scope assessments beyond the threshold of the benchmark. The Commission approved this measure at its thirty-second session and called for an assessment of the MRDS based on the United Nations national accounts database<sup>3</sup>.

### ***Conceptual compliance***

To determine conceptual adherence to the 1993 SNA the ISWGNA developed a set of questions. The questionnaire is limited in scope covering only some of the key conceptual differences between the 1993 SNA and the 1968 SNA. The questionnaire requires simple answers of yes/no/partly, with some elaboration if necessary. Its objective is to determine to what extent important concepts in the 1993 SNA affecting the level of GDP, gross capital formation and gross national income (GNI) have been implemented.

### ***Data-quality assessment of national accounts***

13. To assist in formulating strategies to improve data quality, IMF has developed a framework for assessing the quality of national accounts and other macroeconomic statistics. The framework provides a structure and common language for best practices as well as internationally accepted concepts and definitions. The framework follows a cascading structure that begins with a set of prerequisites and five dimensions of quality: integrity, methodological soundness, accuracy and reliability, serviceability and accessibility.

14. The IMF has used the framework as a tool for preparing the data module of Reports on the Observance of Standards and Codes (Data ROSCs) for its Member States. Data ROSCs cover the major macroeconomic data sets, including the national accounts. The data quality assessment framework is currently being reviewed to take on board recent

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<sup>3</sup> Report of the ISWGNA to the thirty-second session of the UNSC, document E/CN.3/2001/8.

changes in statistical methodologies. The review will continue to reflect best statistical practices and reinforce the links with work by other organizations in this domain.

15. The framework is also being used outside IMF since it encompasses the most important aspects of the statistical system and organizes them into a systematic framework that can be used across various areas of statistics. The framework can also be used, for instance, for self-assessments by national statistical offices and other users.

### *Scope and compliance measures for the 2008 SNA*

16. The elements of the scope and compliance measures used for the 1993 SNA are deemed to be adequate to also assess the scope and compliance for the 2008 SNA. However, the need for more timely information to facilitate appropriate policy responses highlights the importance to include also the compilation of quarterly national accounts, which require some adjustments to the scope measure as reflected by the required data set measure.

17. The MRDS was broadened to include quarterly accounts for the nominal and volume measure of GDP by industry or by expenditure components and the quarterly compilation of the integrated accounts until net lending for the total economy and the rest of the world. The MRDS also extended to include the compilation of annual institutional sector accounts until net lending for the corporate, government, households and non-profit institutions serving households sectors while the quarterly compilation of these sectors is now recommended. Moreover, the annual compilation of the sectoral financial accounts and sectoral balance sheets and other changes in assets accounts is now recommended, while the compilation of their quarterly accounts is desirable. The adjusted MRDS, recommended and the desirable data sets are provided in Table 2 of Annex I.

18. The compliance questionnaire was adjusted to reflect the 2008 SNA concepts for determining the conceptual adherence to the updated SNA. The details of the questionnaire are presented in Table 3 of Annex I. Its objective is to determine to what extent important concepts in the 2008 SNA affecting the level of GDP, gross capital formation and gross national income (GNI) have been implemented. The ISWGNA will assess the need to expand the compliance questionnaire to include also other 2008 SNA concepts not currently covered in the compliance questionnaire at a later stage.

## Annex I. Information system for assessing the progress of the implementation of the System of National Accounts 2008

**Table 1 Scope of the implementation of the System of National Accounts 2008: Milestones**

Implementation milestones	Complementary data systems	SNA-related data and development
Pre-SNA phases	Basic data on production, turnover, consumption, investment, exports and imports Consumer and producer price indices Balance of payments goods and services account Monetary survey statistics	
Milestone 1. Basic indicators of gross domestic product (GDP) Final expenditures on GDP current and constant prices GDP by industry at current and constant prices	Supply and use table worksheets Balance of payments: current, capital and financial accounts Government finance statistics (GFS) transaction accounts	
Milestone 2. Gross national income and other primary indicators • for rest of the world External account of primary incomes and current transfers Capital and financial accounts	Capital stock statistics International investment position GFS transactions and stocks in assets and liabilities Monetary and financial statistics	Quarterly national accounts Regional accounts Satellite accounts for environment and other satellite accounts Input-output analysis
Milestone 3. Institutional sector accounts: first step: • for all institutional sectors Production account • for general government Generation of income, Allocation of primary income, Secondary distribution income, Use of disposable income, Capital and financial accounts	Same as for milestone 2	Same as for milestone 2
Milestone 4. Institutional sector accounts: intermediate step 1: • for all institutional sectors Generation of income Allocation of primary income Secondary distribution of income Use of disposable income Capital accounts	Same as for milestone 2	Same as for milestone 2
Milestone 5. Institutional sector accounts: intermediate step 2: • for all institutional sectors Financial account	Same as for milestone 2	Same as for milestone 2
Milestone 6. Institutional sector accounts: final step: • for all institutional sectors Other changes in assets account Balance sheet	Same as for milestone 2	Same as for milestone 2



**Table 2 Scope of the implementation of 2008 System of National Accounts – Data sets**

NAQ Table number		Annual accounts	Quarterly accounts
<b>GDP, value added and employment</b>			
	Nominal and volume measure of GDP by industry or by expenditure components	Minimum requirement	Minimum requirement
1.1	Expenditures of the GDP in current prices	Minimum requirement	Optional Min Req
1.2	Expenditures of the GDP in constant prices	Minimum requirement	Optional Min Req
2.1	Value added and GDP in current prices by industry	Minimum requirement	Optional Min Req
2.2	Value added and GDP in constant prices by industry	Minimum requirement	Optional Min Req
2.3	Value-added components by industry, current prices	Minimum requirement	Recommended
	Employment by industry	Minimum requirement	Recommended
<b>Integrated accounts and tables, including integrated satellite accounts</b>			
1.3/4.1	Accounts for the total economy (until net lending)	Minimum requirement	Minimum requirement
	Supply and use table	Recommended	Desirable
5.1	Cross-classification of output/value added by industries and sectors	Recommended	
	Tourism accounts, environmental accounts and other socio-economic accounts	*	
<b>Purpose classification of expenditures</b>			
3.1	General government final consumption (and other) expenditure by purpose in current prices	Recommended	
	General government final consumption expenditure by purpose at constant prices	*	
3.2	Individual consumption (and other) expenditures by purpose in current prices	Recommended	
	Individual consumption expenditures by purpose at constant prices	*	
	Purpose classification of intermediate and final consumption across all sectors	*	
<b>Institutional sector accounts (until net lending)</b>			
4.2	Rest of the world accounts (until net lending)	Minimum requirement	Minimum requirement
4.3	Non-financial corporations sector accounts (until net lending)	Minimum requirement	Recommended
4.4	Financial corporations accounts (until net lending)	Minimum requirement	Recommended
4.5	General government sector accounts (until net lending)	Minimum requirement	Recommended
4.6	Household sector accounts (until net lending)	Minimum requirement	Recommended
4.7	Non-profit institutions serving households sector accounts (until net lending)	Minimum requirement	Recommended
<b>Financial accounts</b>			
4.1-4.7	Financial accounts for all sectors	Recommended	Desirable
<b>Balance sheets and other changes in asset accounts</b>			
	Balance sheets, revaluation and other volume changes in asset accounts for all sectors	Recommended	Desirable

*Note:* Minimum requirement indicates an adequate scope of implementation of the 2008 SNA, when relevant.. Recommended: recommended for compilation by all countries. Desirable: Useful statistics that should be compiled, if possible. \* Other data sets that would count in assessing the degree of 2008 SNA implementation. Tables shown without a number are not included in the annual United Nations questionnaire (NAQ). For the Institutional sector accounts the Household accounts and the non-profit institutions serving households could be presented together

**Table 3: Conceptual Compliance Questionnaire for the System of National Accounts 2008**

Question: Does your country's reported national accounts data currently include estimates for ...:	Yes	No	Partly	Not applicable
<b>Elements affecting the level of Gross Domestic Product (GDP)</b>				
Gross capital formation (GCF)/output				
1. the entire defence expenditure incurred by government included in the GCF?				
2. consumption of fixed capital measured on all government fixed assets (airfields, roads, hospitals, docks, dams and breakwaters and other forms of construction except structures) including military weapon systems?				
3. the expenditure on Research and Development included in the output and GCF?				
4. all (successful and unsuccessful) mineral exploration expenditure capitalized?				
5. purchases of computer software expected to be used for more than a year included in GCF?				
6. expenditure on software development on own account expected to be used for more than a year and for sale included in GCF and output?				
7. the expenditure on all databases expected to be used for more than a year, whether purchased on the market or developed in-house, included in the GCF and output?				
8. expenditure on entertainment, literary or artistic originals included in the GCF and on their development included in the output?				
9. expenditure on valuables included in the GCF?				
10. the natural growth of cultivated forests included in output in GCF?				
11. the output of financial intermediation services indirectly measured (FISIM) calculated on loans and deposits only using interest rates on deposits and loans and a reference rate of interest?				
12. the output of FISIM allocated to users?				
13. the production of all goods that are produced by households whether for sale or not —included in the output?				
14. the activity of the own-account money lenders included in the output?				
15. the value of output of goods and services produced by households and corporations for own final use, when estimated on cost basis, include a return to capital?				
16. the output of non-life insurance services in the event of catastrophic losses estimated using adjusted claims and adjusted premium supplements?				
17. the output of the Central Bank estimated separately for financial intermediation services, monetary policy services and supervisory services overseeing financial corporations?				
18. the unit undertaking purely ancillary activity, located in a geographically separate location from establishments it serves, treated as a separate establishment?				
19. the output of the activity of non-autonomous pension funds and unfunded pension schemes separately recognised?				
<b>Volume estimates</b>				
20. volumes estimated using a chaining procedure on an annual basis?				
<b>Social contributions/insurance</b>				
21. unfunded social contributions (for sickness, unemployment, retirement etc.) by enterprises imputed as compensation of employees and included as contributions to social insurance?				

22. non-life insurance estimates include premium supplements rather than being based just on premiums less claims?				
23. life insurance estimates include premium supplements rather than being based just on premiums less claims?				
<b>Elements affecting Gross National Income (GNI)</b>				
24. reinvested earnings estimates included in the rest of the world account?				
25. foreign workers' remittances excluded from GNI?				
<b>Elements not affecting the level of GDP/GNI</b>				
<b>Valuation of output</b>				
26.a output and value added measured at basic prices? <sup>a</sup>				
26.b output and value added measured at producers' prices? <sup>a</sup>				
26.c value added measured at factor cost? <sup>a</sup> (not part of the 2008 SNA)				
27. the goods for processing recorded on a net basis?				
<b>Final consumption</b>				
28. government final consumption expenditure broken down into individual and collective consumption?				
<b>Status of implementation of the 2008 SNA</b>				
29. the 2008 SNA has not been implemented in officially reported national accounts, when does the country plan to implement and release data based on the 2008 SNA? (Specify the year.)				

a These questions are raised for information only since the SNA allows alternative treatments.