

**14th Meeting of the Advisory Expert Group on National Accounts,
5-9 October 2020, Virtual Meeting**

Agenda item: SD2.3

Coordination of the SNA revision and the BPM update

Virtual meeting: 9 September 2020

Present:

IMF: Gabriel Quiros, Carlos Sanchez-Munoz, Jim Tebrake, Maria Borga, Paul Austin, Artak Harutyunyan

UNSD: Ivo Havinga and Herman Smith

Drafting and testing phases

- The testing phase will ideally start in 2021 at least on some topics and will take place in parallel to the drafting of both manuals, which will start in 2022. Therefore, close-to-final decisions should be pursued for adoption by BOPCOM and AEG/ISWGNA in 2020 for the most advanced topics and by the end of 2021 for the majority of the research issues
- To align with the SNA process, some of the BPM proposals/guidance notes will also be tested in parallel to the drafting phase. To that aim, volunteer countries will be sought for BPM related issues, mostly through BOPCOM. Joint guidance notes will be tested in countries in consultation with BOPCOM and AEG/ISWGNA and preferably through collaboration between NSOs and CBs
- Not everything needs to be tested either for the SNA or the BPM: the testing should mostly focus on significant issues requiring new institutional arrangements, data collections, statistical production structures and statistical infrastructure
- The drafting of the parts subject to testing will be backloaded, such that the outcome of the testing can be considered. If the testing revealed the impracticality of something being proposed, the decisions would be reconsidered and adapted accordingly.
- The guidance notes will still mention conceptually optimal recommendations that are nevertheless considered impractical. The guidance note may suggest testing and reassessing these recommendations in a few years' time, when new data sources or methods may allow their implementation.

How should the manuals look like at the end of the process?

- The manuals will be available in electronic form such that the different parts/sections can be searched and downloaded (this is consistent with the recommendations of the Friends of the Chair and is being discussed under the Joint Communications Task Team).
- The possibility of adopting the same structure and text for common text segments and concepts like residence, institutional units, valuation principles, accruals/time of recording, etc. will be considered, which will require some adjustments and additional work by the editors

AEG/ISWGNA and country consultations:

- The early BPM one-month consultation process was requested by worldwide compilers in the previous BPM update process. It's a way of getting early feedback from compilers (and users)

not involved in the update process with a view to informing the proposals to be presented to BOPCOM and AEG/ISWGNA

- The current one-week consultation with the AEG/ISWGNA (and BPTT) is only meant to highlight major issues before the guidance notes go to public consultation. The final opinion of the AEG/ISWGNA will be sought at a later stage, in parallel to the Committee consultation.
- Along these lines, we suggest including the following paragraph in the communication with AEG members for the current consultation:

“The AEG is not being asked to provide a final opinion at this stage. Therefore, please focus your review on substantive issues (especially in case of strong disagreement with the recommendations of the respective TTs) before the notes go to the one-month public consultation envisaged in the BPM update process. You may also consider whether the questions for discussion to BOPCOM and the AEG included in the GNs go in the right direction. The AEG will be consulted again at the end of the process, in parallel to the consultation with BOPCOM.”

- As an exception, the AEG deadline for this current round can be extended to two weeks. Given the need to have some of the GNs ready for the BOPCOM meeting (October 26-29), the BPM global consultation will be initiated as initially envisaged and AEG/ISWGNA’s feedback will be incorporated at the next stage of the review process. Given that the GNs are deemed uncontroversial, no substantial issues are expected at this stage.
- Whether the global consultations envisaged by the SNA and BPM have one or two steps (the first focusing on the conceptual soundness and the second on the practical applicability (through experimentation and testing) of the guidance notes still needs to be clarified, and may vary by subject.

Other

- GZTT to become a joint group and report to both AEG/ISWGNA and BOPCOM. This should be formalized as soon as possible.
- IMF on behalf of BOPCOM and UNSD on behalf of AEG/ISWGNA will continue monitoring the alignment of the processes, timelines, terminologies for the revisions of SNA and BPM through a monthly schedule of consultations based on agreed annual programmes of work.
- For clarity the following represents the high-level timeline and activities to complete the update project

High Level Timeline	Activity
2020	<i>Establish Task Teams</i> Draft terms of reference Terms of reference approved by AEG/ISWGNA and BOPCOM Members contacted Members confirmed
2020-2021	<i>Develop Draft Guidance Notes</i> Draft GN developed by TT Circulate Draft GN to AEG/ISWGNA and/or BPTT for approval to distribute Circulate Draft GN for initial Global Feedback TT incorporates Global Feedback/Consultation into Draft GN

2021-2022	<p>Submit GN to AEG/ISWGNA and/or BOPCOM for approval to initiate Global Consultation or send directly to Drafting</p> <p><i>Undertake Global Consultation and Testing</i></p> <p>GN Circulated for Global Consultation</p> <p>Based on feedback from the Global Consultation identify those GNs that require testing</p>
2021-2023	<p>Identify pilot countries for testing and conduct testing</p> <p><i>Finalize Guidance Notes (if necessary)</i></p> <p>TT evaluates results of Global Consultation and Testing and determines if updates are required</p>
2022-2024	<p>Submit GNs to AEG/ISWGNA and/or BOPCOM for approval for drafting</p> <p><i>Draft SNA 2025/BPM7</i></p> <p>Incorporate Final Guidance Notes into SNA/BPM</p> <p>Circulate updated SNA/BPM for Global Consultation</p>

Updated: 25 September 2020