**STATISTICS**

**INTER SECRETARIAT WORKING GROUP ON NATIONAL ACCOUNTS**

# CM.1 An Assessment Framework to Measure Alignment with Statistical Standards: Testing Results (BOPCOM 22/15)/(SNA/M4.22/26)

Joint Thirty-Ninth Meeting of the IMF Committee on Balance of Payments Statistics and Twenty-First Meeting of the Advisory Expert Group on National Accounts

October 18–20, 2022

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## Outline

➢ Objective of the Guidance Note

➢ Summary of Test Results

➢ Conclusions and Questions for the Committee

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# Objective of the Guidance Note (CM.1)

**Develop a framework to measure alignment to the statistical standards**

### Framework

Develop an alignment framework that countries can use to communicate their alignment to the statistical standards – SNA, BPM, and GFSM.

### Communication

Propose guidance on how statistical agencies should complete the alignment framework and how users interpret them.

### Uses

- Explain the uses of the alignment frameworks for users, the economies, and the international community. Including:

  - *Improving cross-country data comparisons.*

  - *Helping NSOs to prioritize resources, planning, and development.*

  - *Signaling the extent of possible future revisions to users.*

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# Recap of Global Consultation Results

➢ The Guidance Note Global Consultation was held from December 2021 – February 2022. The results were discussed at the March 2022 AEG meeting and the GN was subsequently tested with a group of users.

**The Global Consultation showed that:**

➢ Significant majority of the respondents agreed with the proposed list of concepts and definitions, accounting rules, classification systems and presentation dimensions (and elements) of the three frameworks.

➢ Respondents generally agreed with the dashboard presentation of the frameworks. However, there were concerns about relying on the statistical offices to be objective about the degree of alignment of their statistical programs.

➢ Respondents were also concerned that with the categories (expressed in percent)—it could be difficult for compilers to judge elements that are not aligned with statistical standards.

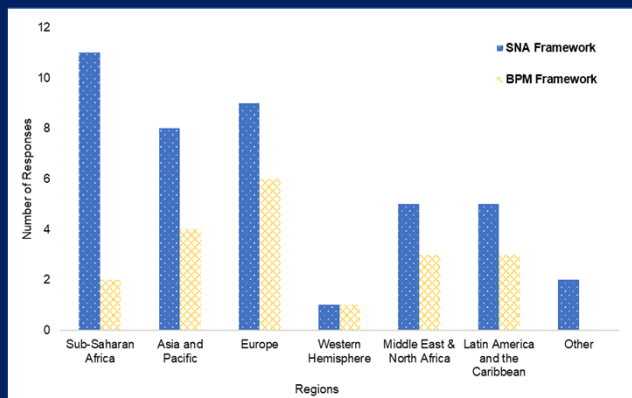➢ Most respondents expressed concerns about the number of elements in each of the frameworks.

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# Results of User Testing

The testing asked users to evaluate the SNA alignment framework results from Mexico and Costa Rica and the BPM alignment framework for three (unnamed) economies.
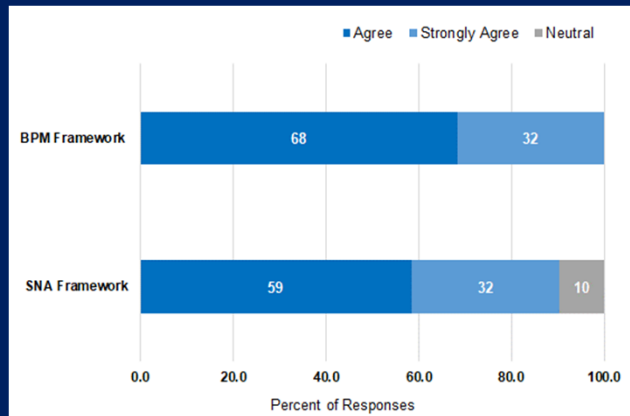
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## Geographical Distribution of Responses



- ➤ The testing surveys received 60 responses from 49 economies for both SNA and BPM alignment frameworks.

- ➤ 19 participants responded to the BPM alignment framework survey and 41 responded to the national accounts alignment framework survey.

- ➤ Overall, respondents from Europe had the largest participation (25%), followed by those from Sub-Saharan Africa (22%), Asia and Pacific (20%), Middle East (13%), Latin America and the Caribbean (13%), and Western Hemisphere (3%).
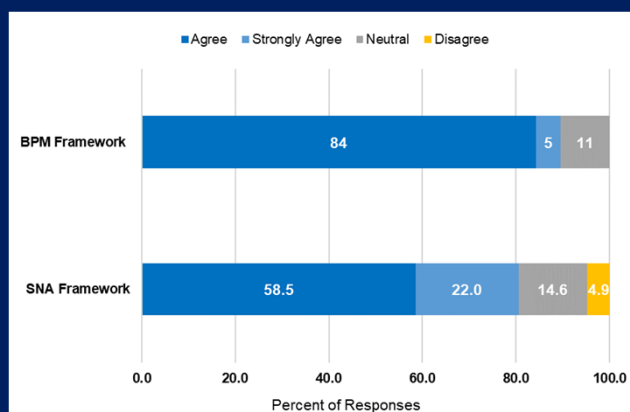
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**Views on the Usefulness of the Alignment Framework**

■ Agree  ■ Strongly Agree  ■ Neutral

BPM Framework: 68 | 32

SNA Framework: 59 | 32 | 10

Percent of Responses (0.0 – 100.0)

➢ Almost all respondents agreed that the alignment frameworks help users to understand the alignment of a country's national accounts and balance of payments statistics to the SNA and BPM standards.

➢ Respondents agreed that the alignment frameworks could also serve as a management tool for countries to plan their statistical revisions or other major changes.

➢ Respondents noted that the frameworks should allow for countries to provide details on the sources and methods (or other metadata) used in compiling the statistics.

➢ The respondents also noted that a quantitative "alignment score" would help users to understand the degree of alignment for each dimension of the framework.

**Views on the Usefulness of the Alignment Framework for Cross-Country Comparisons**
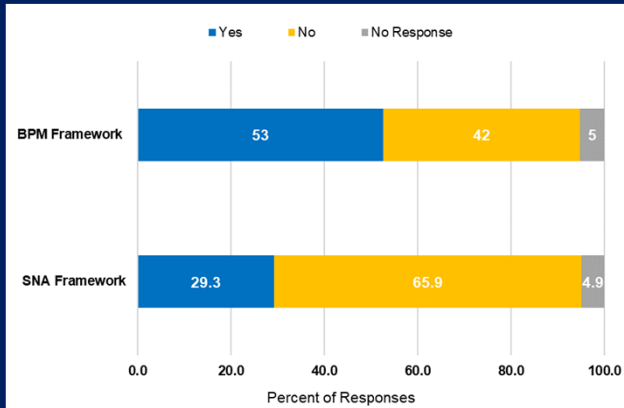
■ Agree  ■ Strongly Agree  ■ Neutral  ■ Disagree

BPM Framework: 84 | 5 | 11

SNA Framework: 58.5 | 22.0 | 14.6 | 4.9

Percent of Responses (0.0 – 100.0)

➢ The respondents agreed that the alignment frameworks help users to carry out cross-country comparisons of economies' national accounts and balance of payments programs and by extension the statistics produced.

➢ Users also specified that the cross-country comparisons would be better facilitated if the data is collected by an international organization such as the IMF.

➢ One concern was that unless countries use the notes section of the alignment framework to clearly communicate further details about which elements of the recommendations are not aligned to the statistical standards, the framework would not add much value in this regard.
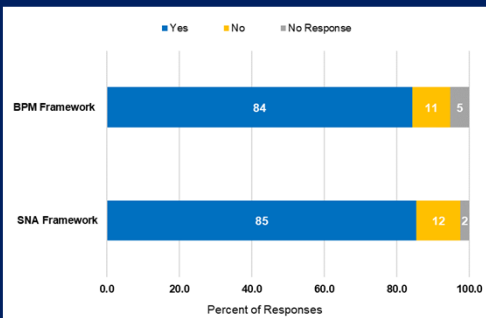
**Comprehensiveness of the Framework**



- Yes
- No
- No Response

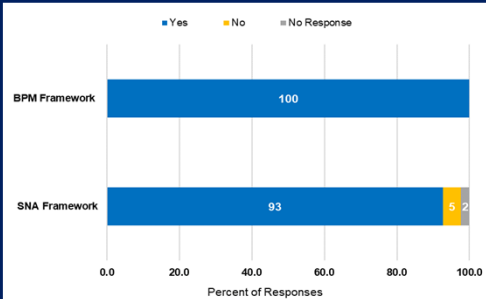| BPM Framework | 53 | 42 | 5 |
| SNA Framework | 29.3 | 65.9 | 4.9 |

Percent of Responses

➢ A significant majority of the respondents agreed that the SNA alignment framework is sufficiently comprehensive. Users were split on the comprehensiveness of the BPM alignment framework.

➢ For the SNA alignment framework, some users noted that it would be useful to extend the details to the: (i) availability of the national accounts; (ii) the details of which accounts are being published; and (iii) classification frameworks used.

➢ For the BPM alignment framework, the respondents noted that additional elements, particularly on services, elements from the international investment position and additional details on the accounting rules and concepts/definitions could be included in the BPM alignment framework.

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**Comprehensiveness of the Framework**



Panel A: Descriptions of the Categories

- Yes
- No
- No Response

| BPM Framework | 84 | 11 | 5 |
| SNA Framework | 85 | 12 | 2 |

Percent of Responses

Panel B: Presentation of the Results

- Yes
- No
- No Response

| BPM Framework | 100 | | |
| SNA Framework | 93 | 5 | 2 |

Percent of Responses

➢ Overwhelming majority of the respondents support the presentation of the alignment frameworks' results.

➢ Respondents noted that it presented a simple scheme to inform users about the alignment of the macroeconomic statistics program to the statistical standards and allowed users to anticipate major revision in those areas that deviate from the standards. For compilers, it helps to identify those areas with more significant gaps.

➢ The respondents requested additional guidance on how compilers should assess borderline cases.

➢ Respondents also requested assistance from international organizations in completing the framework or assessing their level of alignment in order to preserve comparability.

## Conclusions

➢ User testing for both the SNA and the BPM alignment frameworks shows that the frameworks are viewed as beneficial for users to understand the alignment of an economy's national accounts and balance of payments statistics programs to the SNA and BPM standards as well as for cross country comparisons and other analytical and management benefits.

➢ The respondents acknowledged the subjective assessment by compilers/national statistics offices in completing the alignment frameworks and thus recommended using quantitative measures to present an overall score of each dimension and perhaps the framework in general.

➢ Specific feedback received from users such as: (i) adjusting colors for the benefit of all users; (ii) reviewing the BPM framework for missing elements; (iii) increasing the explanatory notes; (iv) adding new issues being discussed in the context of the SNA/BPM update; and (v) providing additional guidance to ensure consistency of the rating bands will be made following the AEG/BOPCOM discussions.

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## Questions for Committee

➢ Does the Committee approve the guidance note?

➢ Does the Committee agree to include the alignment frameworks in the update SNA and BPM manuals.

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THANK YOU!

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