Work programme for the updating of the 1993 SNA

prepared by the
Intersecretariat Working Group on National Accounts (ISWGNA)

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Preamble

1. This work programme details the elements and phases of the updating process of the 1993 SNA (1993 SNA, Rev. 1) by 2008. The main thrust of the programme is to ensure a smooth and transparent review process that has a broad support in the international statistical community. For this to happen, it is important that national statistical organizations are engaged and consulted in all phases and at all levels. This outreach to and consultations with Member States have been made explicit in the work programme and calls for active involvement of national, regional and international organizations. Moreover, the outreach should not be limited to national statistical offices but be broadened to include other producers of national accounts and other macroeconomic statistics such as central banks.

Introduction

2. Changes in the economic environment necessitate a continuous updating of the 1993 SNA to ensure and maintain its relevance. Therefore, initially an incremental updating mechanism was approved at the thirtieth session of the Statistical Commission held between 1 and 5 March 1999. However, increasingly it was felt that prospective changes to the 1993 SNA should be more adequately and comprehensively dealt with to ensure the integrity and consistency of the System as a whole. In response to this view, the ISWGNA has been requested to review the current updating procedure. In its October 2002 meeting in Paris, the ISWGNA reviewed the existing incremental updating mechanism, the list of issues for updating raised by experts in different countries, the role of the Advisory Expert Group on National Accounts (AEG) to the ISWGNA, the EDGs, city groups and task forces, the scope of updating, the role of consultation and coordination during the updating process and the release of the final output. The proposal for updating the SNA to adopt a more comprehensive approach was submitted by the ISWGNA to the thirty-fourth session of the Statistical Commission on 4-7 March 2003.

3. This document has been prepared by the ISWGNA in response to the request of the Statistical Commission (SC)\(^1\) during its thirty-fourth session held between 4 and 7 March 2003. It describes the work programme for updating the 1993 SNA including the issues for review, governance, timetable, resource implications, decision-making process and the delineation of the role of the AEG. It is based on the proposal of the SC that mandated all decision concerning the review process (both the scope and the substance) to the ISWGNA in conjunction with the AEG.

4. This document was circulated to members of the Statistical Commission for comments in July 2003. The present version reflects their comments and follow-up discussions by the ISWGNA. It will be submitted to the Statistical Commission in March 2004, and subsequently circulated to Member States for information.

\(^1\) The report of the Commission on national accounts is attached in Appendix 1
Issues for review

5. The Statistical Commission has endorsed the list of issues to be updated that was submitted by the ISWGNA at the thirty-fourth session and recommended that it be open-ended to include items like consumer durables, the treatment of military equipment and return on capital assets of general government in order to ensure full accounting on general government.

6. The list of issues to be updated for the 1993 SNA Rev. 1 that was approved and amended by the Commission, may be expanded on the basis of recommendations by countries and after approval by the AEG. A description and Internet addresses of EDGs are provided in Appendix 2.

7. The criteria for approving the issues to be updated and the recommendations for updating include the following:

   (i) There should not be fundamental or comprehensive changes to the 1993 SNA that would impede the process of its implementation, which in many countries has not yet been achieved;
   (ii) Candidates for updating are issues that are emerging in the new economic environment;
   (iii) Candidates for updating are issues that are widely demanded by users;
   (iv) Old issues that have been discussed and rejected before in the 1993 revision process but may need a further look in the new economic environment due either to their economic significance and/or to an advancement in methodological research that may justify a different treatment;
   (v) Old issues that have been discussed and rejected before in the 1993 revision process should not be candidates for updating if no change in the economic environment or progress in methodology research warrant their consideration for updating;
   (vi) Any recommendation for change should be assessed for consistency with the rest of the SNA and consistency with related manuals such as the Balance of Payments Manual;
   (vii) Any recommendation for change should address the implementation aspects in countries.

Governance and decision-making process

8. As approved by the Statistical Commission, the ISWGNA is responsible for managing and coordinating the updating process assisted by a project manager and an editor. Moreover, the United Nations Statistics Division, as the secretariat of the ISWGNA, provides secretarial support to the updating process. The senior management of the five ISWGNA agencies provides collective oversight and liaises with senior-level representatives of countries and international organizations. Ensuring smooth progress of this process will be an important task for the project manager.

9. For the efficient execution of the governance and decision-making process, the AEG takes decisions on the scope of the updating and on technical and conceptual issues in conjunction with the ISWGNA. The list of issues to be considered for updating will be approved in the first meeting of the AEG.

10. Issues are first deliberated by various existing expert groups, such as the Canberra II group on non-financial assets, city groups, regional commission meetings, electronic discussion
groups (EDGs), and possible new expert groups. The terms of reference for every expert group have been formulated with a deadline and a moderator to monitor the discussions and to write the conclusions to be submitted to the ISWGNA. The recommendations of these groups of experts will then be forwarded to the AEG for discussion and final decision. The moderator or chairman of the expert groups is responsible for the preparation of the recommendations of the groups, with, if possible, indications of the paragraphs of the current 1993 SNA that are impacted. The AEG will deliberate on the recommendations of the expert groups (see Appendix 3 for its terms of reference and Appendix 4 for the expert list) and propose for each one a final recommendation of clarification or change of the SNA. The AEG will strive for consensus to the highest extent possible. There will be voting if necessary, through written consultations or during its meetings. Those entitled to vote include the AEG and the ISWGNA (25 voting members). Its recommendations will be circulated by the ISWGNA to countries and/or regional commission meetings for discussion and the final results will be consolidated by the ISWGNA.

11. Throughout the updating process of the 1993 SNA, the ISWGNA will assess and evaluate the consistency with the revision of the Balance of Payments Manual (BPM) and, to the extent possible, with the Manual on Government Finance Statistics (GFS). For this end, the ISWGNA will liaise with the IMF’s Balance of Payments Committee and the International Task Force on Harmonization of Public Sector Accounting. A deliberate coordination mechanism has been put in place consisting of (a) coordination within the international organisations and countries, (b) bringing BPM and GFS issues to national accounts meetings and (c) inclusion of these consistency coordination issues in the agenda of the meetings of the AEG. Coordination with the IMF’s Balance of Payments Committee should also ensure parallel progress of the review of the 1993 SNA and the revision of Balance of Payments Manual. Consistency will also be ensured with the revisions of the International Standard Industrial Classification of All Economic Activities (ISIC) and the Central Product Classification (CPC). Attention will also be paid to the relationship between the SNA and business accounting standards.

12. To ensure country involvement and general transparency, all documents for discussion in the meetings of the ISWGNA with the AEG will be publicly accessible through the ISWGNA’s web site. These documents include preparatory papers, minutes of its meetings, and conclusions. After each meeting, conclusions on proposed changes will be circulated to all UN member countries for their review, with a 60-day response period. To ensure smooth progress, issues on which general agreement has emerged will not be further discussed, unless inconsistency with decisions on other issues requires further deliberation. The project manager should play a key role in ensuring proper outreach and reaching closure.

13. A project manager will be appointed to assist the ISWGNA in managing the updating process including drawing up of time schedules, monitoring resource use and needs, coordinating the contributions of the various expert groups, liaising with the working groups on the revision of the Balance of Payments and Government Finance Statistics Manuals, etc. He/she should prepare reports to the ISWGNA on a regular basis. In the execution of the tasks, the project manager will be working closely with the UNSD as the secretariat of the ISWGNA. The drafting of recommendations for changes to be submitted to the Statistical Commission and the rewriting of the 1993 SNA will be the main responsibility of an editor. In the earlier part of the updating period, the editor will oversee the conceptual consistency of the various emerging proposals. Both the project manager and the editor will work under the supervision of the ISWGNA.

14. It is expected the project manager would need to work approximately half time throughout the four years of the project, from 2004 to 2007. The editor is expected to work approximately half time during 2004-5 and then full-time in 2006-7. They will be paid from a
trust fund set up on behalf of the ISWGNA to finance the SNA updating process. National Statistical Offices are requested to participate in securing resources, by contributing to this fund for the post of project manager and/or editor.

15. The project manager and the editor will be selected by the senior management of the international organizations represented in the ISWGNA from among internationally respected senior statisticians; the editor is also required to be a recognized expert in national accounts. (The terms of reference of the project manager and editor are provided in Appendix 5). A letter with an invitation for nominations will be dispatched by the ISWGNA to the Heads of National Statistical Office and the Governors of Central Banks to identify the suitable candidates. In addition, a call for candidates will be placed in the SNA News and Notes and on the web sites of the five international organizations.

16. The recommendations for changes, which may include clarification beyond disputes, interpretation and real conceptual changes, should be formulated by a clear agreement of a majority of experts and applicability should be considered feasible in a number of countries. Only the recommendations for changes approved by the majority of experts in the expert groups should be submitted to the AEG for approval. Nevertheless, reports for all issues considered for updating (as determined by the AEG at its first meeting) should be presented to the AEG no later than its meeting in November 2005. For those issues where the expert group has decided that no change is warranted or where no agreement has been possible the report should briefly summarize the proposals considered and the views expressed that led to the particular outcome.

17. The recommendations by the expert groups or the AEG should provide a single solution to an issue, include the reasons for changes and indicate the paragraphs of the current 1993 SNA that need to be revised in order to facilitate the deliberation and rewriting process.

**Deliberations of issues**

18. Deliberations on issues in the updating process include the following steps:

(i) Deliberations on specific issues are carried out through expert groups that include the EDGs, city groups, regional commission meetings and the Canberra II group on non-financial assets during the 2003-2005 period. Depending on the final list of issues to be discussed in the first meeting of the AEG, other expert groups may be created. Tentative conclusions will be circulated for comments to other regional and international expert group meetings on national accounts. Recommendations of the expert groups are forwarded to the ISWGNA to be presented for discussion and approval at the meetings of the AEG.

(ii) The AEG meets three times in 2004 and 2005 to deliberate the recommendations of the expert groups. A voting procedure is a possibility open to reach more rapid decisions (see terms of reference of the AEG in Appendix 3). An additional meeting of the AEG is planned in May 2006 for a review of the mutual consistency of the recommendations on the updated issues and the overall integrity of the system. A final meeting will be held in 2007 to adopt the proposed changes, taking account of countries’ comments (see subparagraph iii below). Thus, tentatively, five meetings of the AEG are planned.

(iii) The recommendations of the AEG will be sent to countries for comments after each meeting in the years 2004-2005.
(iv) Consolidated recommendations for changes will be circulated to countries for comments in 2006 and submitted to the ISWGNA in tandem with the AEG for approval by March 2007.

Output

19. **Intermediate outputs:** Intermediate outputs are recommendations of the expert groups and the AEG. Recommendations of the AEG are produced after each of its meeting and will be circulated to countries for information.

20. **Final output:** The final output is the **1993 SNA Rev. 1**.

Timetable

21. The timetable and work schedule are presented in tables 1 and 2 below.

**Table 1. Timetable for the updating of the 1993 SNA**

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<td><strong>Consolidated recommendations of the AEG</strong></td>
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Complete draft sent to countries for comments on consistency and readability. ISWGNA review ISWGNA & AEG approval SC approval
Table 2. Work schedule by main actors of the SNA updating process

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<th>Year</th>
<th>Work programme of the EDGs</th>
<th>Meetings of the Canberra II group</th>
<th>Meetings of the AEG</th>
<th>ISWGNA</th>
<th>Countries</th>
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<td>2003</td>
<td>Discussions through EDGs</td>
<td>15-17 April, Voorburg</td>
<td>Organize meetings and prepare documentation for AEG meetings.</td>
<td>Deliberations through EDGs; participation of invited experts in Canberra II and AEG.</td>
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<td>5. Insurance/reinsurance</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>6. Allocation of FISIM</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>7. Taxes on holding gains</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>8. Cost of ownership</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year</td>
<td>Agenda Details</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------</td>
<td>-------------------------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2006</td>
<td><strong>May</strong>: Review by the AEG of all recommendations and their mutual consistency.&lt;br&gt;<strong>October</strong>: AEG recommendations submitted to the SC for approval in March 2007.</td>
<td>Same as above</td>
<td>AEG recommendations circulated to countries for comments with 60-day response period.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2007 | Final meeting to adopt changes. | May: First draft of the 1993 SNA Rev.1 
October: Final draft of the 1993 SNA Rev. 1 submitted to the SC for approval in March 2008. 
Draft 1993 SNA Rev.1 circulated to countries for comments on consistency and readability. 

2008 | March: Review by SC of the final draft. 

Finance

22. The updating process will be financed partly from contributions in kind by members of the ISWGNA and partly from a trust fund.

Trust fund

23. The trust fund will be set up to mainly finance the participation of experts from the developing countries in the meetings of the AEG, the activities of the project manager and the editor, some consultancies and the electronic version and index of the 1993 SNA Rev.1. Member States are encouraged to contribute to the trust fund to complement contributions by the ISWGNA members.

24. The resource requirement to be financed by the trust fund is estimated to reach approximately US$ 1,250,000 (see table 3 for cost estimates).

Table 3. Cost of funding of the updating of the 1993 SNA

<table>
<thead>
<tr>
<th>Budget items</th>
<th>Units</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>AEG meetings</td>
<td>Five meetings of which US$ 50,000 per meeting</td>
<td>100,000</td>
<td>50,000</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Remuneration of the editor</td>
<td>Half-time 2004-5 and full-time 2006-7</td>
<td>60,000</td>
<td>60,000</td>
<td>150,000</td>
<td>150,000</td>
</tr>
<tr>
<td>Remuneration of project manager</td>
<td>Half-time 2004-7</td>
<td>60,000</td>
<td>60,000</td>
<td>60,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Travel for project manager and editor</td>
<td></td>
<td>40,000</td>
<td>40,000</td>
<td>40,000</td>
<td>40,000</td>
</tr>
<tr>
<td>Consultancies and fees</td>
<td>Web and electronic format with searching capability of 1993 SNA rev 1, copy and index, other consultancies and fees</td>
<td>40,000</td>
<td>35,000</td>
<td>40,000</td>
<td>95,000</td>
</tr>
<tr>
<td><strong>Total cost</strong></td>
<td></td>
<td><strong>300,000</strong></td>
<td><strong>245,000</strong></td>
<td><strong>340,000</strong></td>
<td><strong>395,000</strong></td>
</tr>
</tbody>
</table>
1. The Commission considered item 4 (a) of its agenda at its second and third meetings on 4 and 5 March 2003. It had before it the following documents:
   (a) Note by the Secretary-General transmitting the report by the Task Force on National Accounts (E/CN.3/2003/9);
   (b) Room document entitled “Summary of SNA Related Activities of Member Organizations of the ISWGNA”;
   (c) Room document entitled “Experts to the Advisory Group on National Accounts of the ISWGNA”;
   (d) Room document prepared by the OECD on the terms of reference of the Canberra II Group;
   (e) Room document containing an update on the Handbook on Non-profit Institutions in the System of National Accounts by the Center for Civil Society Studies of the Johns Hopkins University, Baltimore, Maryland;
   (f) Two room documents prepared by the IMF on electronic discussion groups on non-performing loans and on pension schemes.

2. The Commission:
   (a) Endorsed the scope of the updating process with a view to maintaining the fundamentals of the current 1993 SNA and its consistency with related publications like the Balance of Payments Manual, the Government Finance Statistics Manual and Monetary and Financial Statistics Manual;
   (b) Supported the three criteria for identifying issues for updating and recommended the inclusion of two additional criteria, namely user needs and feasibility;
   (c) Endorsed the managing and coordinating role of the ISWGNA in the updating process with the assistance of the Advisory Group on National Accounts (AEG), requested that a detailed project document be prepared to describe the updating of the 1993 SNA including its agenda, work programme, timetable, governance, resource implications and decision-making process and the delineation of the role of the AEG and advised the ISWGNA to circulate the document for inputs to member countries;
   (d) Also endorsed the list of issues to be updated and recommended that it be an open-ended list so as to include additional items like consumer durables, treatment of military equipment, and return on capital assets of general government in order to ensure full accounting on general government;
   (e) Further endorsed the targeted publication date of 2008 for the updated System of National Accounts but considered too optimistic the deadline of 2005 for the conclusions to be submitted to the Statistical Commission and suggested that that deadline be moved to mid-2006;
   (f) Noted the concerns of some member countries about the decision-making process regarding past submissions of solutions by the ISWGNA to the Commission and also
recognized the desirability of arriving at solutions in a spirit of compromise ensuring a thorough analysis of issues by set deadlines;

(g) Also noted the concerns of developing countries and international bodies about the challenges met in the implementation of the current 1993 SNA and the need to maintain international comparability;

(h) Emphasized the need to widen the participation of Member States in the updating process;

(i) Urged for timely translation of the officially approved document in all official languages of the United Nations.
Appendix 2

Electronic Discussion Groups on National Accounts (EDGs)

The listed EDGs were created by the Intersecretariat Working Group on National Accounts to generate discussion [or: to solicit views] on the topics that are important to National Accounts and may require updates in the 1993 System of National Accounts.

- Each topic of discussion is administered by one expert associated with an international organization or a national office.
- EDGs maintained by OECD are protected, however they are open to interested official statisticians. Because these sites can only be accessed with a password, for registration and password, contact: marie.viriat@oecd.org.
- Readers can, however, go directly to the individual EDG sites shown below.

Employee stock options are a common tool used by companies to motivate their employees. Given that the 1993 SNA does not provide guideline to this issue, the question raised is whether stock options should be considered as compensation of employees and therefore as a cost to employers. Experts at the OECD meeting on national accounts in October 2002 arrived at the consensus to include employee stock options in compensation of employees. Further harmonization with international business accounting standards is required.

Treatment of non-performing loans:
The treatment of non-performing loans is a topic on which the Thai authorities had asked the ISWGNA for clarification as to what extent unpaid interest should be accrued (considering that the financial intermediation services indirectly measured on such interest may affect the GDP). The purpose of the EDG is to determine what criteria should be applied to the writing-off of non-performing loans and to make sure that they are consistent with the other major macroeconomic statistical systems (balance of payments, government finance, and money and banking statistics). The conclusion of the group will be documented in a report that will be circulated for consideration by bodies such as the ISWGNA and the IMF Balance of Payments Statistics Committee.

Treatment of nominal holding gains and interest on financial assets (under high inflation):
http://www.worldbank.org/data/working/iswgna_background.html
Peter Hill and Andre Vanoli have written to the ISWGNA, with regard to the treatment of nominal holding gains and interest on financial assets under conditions of high inflation, as described in the 1993 SNA Chapter XIX, Annex B and subsequently in the OECD publication "A Manual on Inflation Accounting" written by Peter Hill along a different line from that taken in Annex B in the 1993 SNA. Andre Vanoli has written a paper for discussion at the 1998 IARIW conference which raised issues regarding the inflation accounting treatment. Peter Hill has responded with a paper also submitted to the 1998 IARIW conference, essentially giving counter-arguments and in turn raising issues regarding Annex B. The EDG on this issue did not arrive at a distinct conclusion. This issue will be put forward to the Advisory Expert Group on National Accounts.
Cost of transferring ownership of assets: [http://www1.oecd.org/std/transfsna.htm](http://www1.oecd.org/std/transfsna.htm)

This EDG is now closed. The conclusion of the moderator (Peter van de Ven, Statistics Netherlands) is that there is no case for changing the 1993 SNA treatment of the costs incurred in transferring ownership of assets. The relevant part of his report of 10 March 2000 to the ISWGNA reads "... it is recommended to leave the 1993 SNA unchanged, as there are convincing arguments for as well as against the recommendations of the present international guidelines". The ISWGNA discussed this issue at its meeting in April 2001 and agrees with this conclusion and so has decided to close the EDG.


This discussion group on the concept and measurement of interest has been instituted pursuant to a decision of the ISWGNA, which met at a technical level in April 1999 in Washington, D.C. The main question raised is whether interest is measured from the point of view of the debtors or the creditors. The ISWGNA supported the conclusion of the moderator of this EDG on this subject that the SNA accrues interest on the basis of the debtor approach. The ISWGNA’s conclusion was approved by the Statistical Commission in March 2003.

EDG of Canberra II group on non-financial assets

This EDG has 3 subgroups: (1) conceptual issues mainly linked to intangible assets; (2) measurement issues related to research and development in the framework of the national accounts and (3) obsolescence, capital input and measurement issues associated with constructing data series of the stocks, depreciation, and capital services of tangible and intangible fixed assets. Chair: Peter Harper from Australia. Contact marie.viriat@oecd.org for registration and password.

EDG on financial services in the national accounts:

This EDG is devoted to discussions on financial services in the national accounts. The business of financial corporations has undergone a structural transformation towards a rising importance of the portfolio management of financial assets. This generates holding gains and losses, that, typically, national accounts exclude from the production boundary and therefore income. The task force will consider whether and how the production boundary can be adapted to this rising activity, and how this could influence income. The first meeting of the task force is in June 2002. A first draft of the study was discussed during the OECD National Accounts Expert Meeting of 8-11 October 2002, in Paris. The final report is expected in late 2003. Chair: Switzerland, Moderator: paul.schreyer@oecd.org

EDG on software:

This EDG is devoted to discussions on the implementation of the 1993 SNA recommendation to capitalize software. Studies have shown that statistical offices have varied considerably in the practical measurement of GFCF in software, with a significant impact on GDP. The objective of this joint OECD/Eurostat task force is to produce a set of recommendations that will lead to better international comparability. The final report of the OECD task force was submitted and approved at the OECD National Accounts Expert meeting of 8-11 October 2002. The ISWGNA supported the recommendations of the task force. The EDG on software is closed. Chair: USA, Moderator: francois.lequiller@oecd.org

EDG on measurement of non-life insurance services:
This EDG is devoted to discussions on the measurement of non-life insurance services, with a special focus on the treatment of catastrophic losses. The output of insurance services as calculated using the 1993 SNA algorithm depends on the balance of premiums to claims (on an accrual basis) and can therefore be extremely volatile (even negative) following major catastrophes. The massive claims generated by the 11 September terrorist attack, is a recent example. It had impacts on GDP and balance of payments (reinsurance). The objective of the task force is to propose measures that would be more consistent with the perception of production in this activity. In particular, medium to long-term aspects of non-life insurance are to be taken into consideration. The first meeting of the task force was in June 2002. A first draft of the study was discussed during the OECD National Accounts Expert Meeting of 8-11 October 2002, in Paris. The final report is expected in late 2003.

Chair: France. Moderator: francois.lequiller@oecd.org

**EDG on the treatment of pension schemes:**

In the 1993 SNA, promises to pay future pension benefits are not recognized as liabilities of social security schemes and unfunded employer schemes. The EDG will investigate the analytical relevance of recording these liabilities in the national accounts and, if appropriate, will formulate recommendations regarding their valuation and measurement. The EDG will also formulate proposals to reconcile the recommendations of the 1993 SNA and the IMF Government Finance Manual regarding the treatment of (government) unfunded employer pension schemes.

Moderator: IMF.
Appendix 3

Terms of Reference of the
Advisory Expert Group on National Accounts of the ISWGNA

Introduction

• At its technical-level meeting in Geneva on 15-16 October 2001, the Intersecretariat Working Group on National Accounts (ISWGNA) agreed to propose to the United Nations Statistical Commission the establishment of an advisory expert group (AEG) to support ISWGNA in its deliberations on conceptual issues concerning national accounts, and to advise it on proposals in that regard for submission to the Commission.

• An earlier draft of these terms of reference was presented to the Statistical Commission at its thirty-third session in 2002 (document E/CN.3/2002/8, Annex II). The present terms of reference are an updated version taking into account the recent proposals of the ISWGNA for the decision-making process of producing the Rev. 1 edition of the 1993 SNA.

Role

• The primary role of the Advisory Expert Group on National Accounts (AEG) is to play an essential role, jointly with the ISWGNA, in the process of updating the SNA. Also in conjunction with the ISWGNA, it will be the decision-making body in the update process.

Composition

• The AEG reflects the global community and represents all regions in the world. Initially set at 10 members, the AEG has been extended to 20 members by the ISWGNA. The list of 20 members (not including the five representatives of the ISWGNA) is attached in Appendix 5.

• The composition of the AEG reflects various areas in national accounting, such as supply and use, income accounts, financial accounts and balance sheets, price and volume measurement, rest of the world accounts and quarterly accounts.

• AEG members have been invited on an individual basis, with a view to their expertise in national accounts issues. AEG members, including experts from statistical agencies, should act on a personal basis, and not as representatives of their agency. Besides expertise in their own national accounts area, AEG members have a broad grasp of national accounts, enabling them to significantly contribute to discussions in areas outside their expertise.

• AEG includes experts from statistical agencies (in particular, from well-developed statistical agencies, including central banks producing national accounts) that enables the AEG to draw on extensive institutional expertise.

• In order to optimally profit from institutional expertise, AEG members from statistical agencies are at a level in their agency that ensures access to areas outside their personal
expertise. This implies participation on at least the level of directors of national accounts units.

Organization

- The AEG will discuss issues through electronic communication facilities, such as Internet teleconferencing and electronic mail, and will also have physical meetings. The AEG meets three times in 2004 and 2005 to deliberate on the recommendations of expert groups. An additional meeting of the AEG is planned in May 2006 for a review of the mutual consistency of the recommendations on the updated issues and the overall integrity of the system. A final meeting will be held in 2007 to adopt the proposed changes. Tentatively, five meetings of the AEG are planned.

- Based on the input documents from expert groups, the AEG will either take a decision (and give green light for the final drafting) or ask the authors for further work or revisions. If an agreement is reached on a proposal for change or clarification, the task force or city group, etc. that has prepared the input will be asked to prepare redrafts for specific paragraphs in the 1993 SNA, in conjunction with the editor in chief. The AEG is free to consult other experts on specific issues.

- The purpose of the physical meetings is to reach agreements. The AEG should strive for consensus to the highest extent possible. However, there will be voting if necessary, through written consultations or during meetings. Those entitled to vote include the AEG and the ISWGNA (25 voting members).

- ISWGNA members fully participate in AEG meetings;

Financing

- Meetings and teleconferencing are hosted by one of the ISWGNA organizations.

- Participation in meetings is self-financed for participants from developed countries and ISWGNA members, while funding of travel expenses and per diem allowances is provided for other experts.
Appendix 4

Members of the Advisory Expert Group on National Accounts of the ISWGNA

1. Mrs. Mariam Cover  
   Director, Social Accounting Department  
   Banco Central de Costa Rica  
   Avenida Central y Primera, Calles 2 y 4  
   San Jose, Costa Rica  
   Fax: (506) 243 4531  
   Tel: (506) 243 3220  
   Email: coverjm@bccr.fi.cr

2. Mr. Esben Dalgaard, Head of Division of National Wealth Statistics Denmark  
   Sejrogade 11  
   DK-2100 Copenhagen 0, Denmark  
   Fax: 45 39 17 39 99  
   Tel.: 45 39 17 32 31  
   Email: eud@dst.dk

3. Meshesha Getahun (Dr.), Head, National Account Department Ministry of Finance and Economic Development  
   P.O. Box 1037  
   Addis Adaba, Ethiopia  
   Fax: 251 1 55 01 18  
   Email: mesheshaget@yahoo.com

4. Mr. Omar Mohammad Ali Hakouz  
   Department of Statistics  
   P.O. Box 2015 Amman 11181 Jordan  
   Fax:  
   Tel:  
   Email: omar@dos.gov.jo

5. Mr. Peter Harper, Head of Economic Accounts Division Australian Bureau of Statistics  
   P.O. Box 10  
   Belconnen, ACT 2616, Australia  
   Fax: 61 2 6252 8045  
   Email: peter.harper@abs.gov.au

6. Mr. Jan Heller, Director National Accounts Branch Czech Statistical Office  
   Sokolovska 142  
   18604 Prague 8, Czech Republic  
   Fax: 420 2 684 6149  
   Tel.: 420 605 22 86 53  
   Email: heller@gw.czso.cz or j.heller@seznam.cz
7. Mr. Andrei Kossarev, Head of Macro-Economical Section
   Bureau of Economic Analysis
   State Committee of the Russian Federation on Statistics
   39 Myasnitskaya Street
   103450 Moscow, **Russian Federation**
   Fax: (7 095) 937 67 53
   Tel.: (7 095) 937 67 50
   Email: kosarev@beap.dol.ru

8. Mr. A.C. Kulshreshtha, Additional Director General
   Central Statistical Organization
   Ministry of Statistics and P.I.
   Government of India
   Sandar Patel Bhavan
   New Delhi, 110001 **India**
   Fax: 91 11 334 2384
   Email: ackulshreshtha@yahoo.com

9. Robin Lynch
   Director of National Accounts
   Office for National Statistics
   1 Drummond Gate
   London SW1v 2QQ, **United Kingdom**
   Fax: 44-20-7533-5903
   Tel.: 44-20-7533-5094
   Email: robin.lynch@ons.gov.uk

10. Mr. Jacques Magniez
    INSEE
    18, Boulevard Adolphe Pinard
    75675 Paris Cedex 14, **France**
    Fax: 33 1 41 17 60 98
    Tel.: 33 1 41 17 52 76
    Email: jacques.magniez@insee.fr

11. Mr. Reimund Mink, European Central Bank
    General Economic and Financial Statistics
    Kaiserstrasse 29
    D-60311 Frankfurt
    **Germany**
    Fax:
    Tel:
    Email: reimund.mink@ecb.int
12. Mr. Brent R. Moulton, Associate Director,  
National Economic Accounts  
Bureau of Economic Analysis (BE-6)  
1441 L Street  
Washington D.C. 20230, USA  
Fax: 1 202 606-5311  
Tel.: 1 202 606 9696  
Email: brent.moulton@bea.gov

13. Ms. Chellam Palanyandy, Head,  
National Accounts Statistics Division  
Department of Statistics Malaysia  
7th Floor, Block C6  
Federal Government Administrative Centre  
62514 Putrajaya, Malaysia  
Fax: (603) 8888 9240  
Tel.: (603) 8885 7576  
Email: chellam@stats.gov.my

14. Mr. Peter Pariag, Ag. Director of Statistics  
Central Statistical Office  
National Statistics Building  
80 Independence Square  
Port-of-Spain, Trinidad and Tobago  
Fax: (868) 625-3802  
Tel.: (868) 624 2486  
Email: direso@wow.net

15. Mr Johan Prinsloo, Head National Accounts Division,  
Economic Department  
South African Reserve Bank  
P.O. Box 427  
0001 Pretoria, South Africa  
Fax: (012) 313-3675  
Tel.: (012) 313-3653  
Email: Johan.Prinsloo@resbank.co.za

16. Roberto Luis Olinto Ramos, Head of Quarterly Accounts  
National Accounts Department  
Brazilian Institute of Geography and Statistics  
Avenida República de Chile 500 - 9o andar  
Centro-CEP 20031-170  
Rio de Janeiro (RJ), Brasil  
Fax: 55 21 25 14 00 36  
Tel.: 55 21 25 14 45 41  
Email: ramosrob@ibge.gov.br, ramosrob@uol.com.br, or ramosrob@msn.com
17. Mr. Teck Wong Soon (Dr), Director
   Economic Accounts Division
   Singapore Department of Statistics
   Ministry of Trade and Industry
   100 High Street #05-01, The Treasury
   Singapore 179434
   Fax: 65 6332 7689
   Tel.: 65 6332 7686
   Email: soon_teck_wong@singstat.gov.sg

18. Ms. Irena Tvarijonaviciute,
   Head of National Accounts Division
   Statistics Lithuania
   Gedimino Ave. 29
   2746 Vilnius, Lithuania
   Fax: (370) 5 236 4845
   Tel.: (370) 5 236 4837
   Email: irena.tvarijonaviciute@std.lt

19. Peter van de Ven
   Head of the Department for Statistics on Government
   and Financial Institutions
   Statistics Netherlands
   Prinses Beatrixlaan 428
   2273 XZ Voorburg, The Netherlands
   Fax: 31 70 337 5980
   Tel.: 31 70 337 4832
   Email: pven@cbs.nl

20. Karen Wilson
   Director General
   System of National Accounts Branch
   Statistics Canada
   20th floor, R.H. Coats Building
   Tunney’s Pasture
   Ottawa, Ontario K1A016, Canada
   Fax: 1-613-951-0661
   Tel: 1-613-951-0439
   Email: Karen.wilson@statcan.ca
Appendix 5

Terms of reference of the project manager of the updating of the 1993 SNA.

Reporting and working relationship

The project manager reports to the Intersecretariat Working Group on National Accounts (ISWGNA). On a day-to-day basis works with the UNSD as the Secretariat of the ISWGNA

The project manager is responsible for:

- formulating a detailed timetable of the work programme for the intermediate outputs and activities and drawing up plans of resource use and needs based on the consolidated work programme prepared by the ISWGNA and approved by the Statistical Commission;
- overseeing the management of output and activities of the work programme and ensuring that the programme is executed in a timely fashion;
- coordinating and overseeing the preparation of the reports to the AEG by the expert groups and the editor based on an agreed format and criteria;
- ensuring that the reports, textual inputs and draft texts for the 1993 SNA Rev. 1 of the experts groups and the editor are of high quality;
- ensuring internal consistency and integrity of the 1993 SNA Rev. 1 and external consistency of the 1993 SNA Rev. 1 with the revisions of the Balance of Payments Manual (BPM) and Manual on Government Finance Statistics (GFS);
- participating in the expert group meetings related to the updating of the 1993 SNA and revision of the BPM and GFS;
- preparing progress reports to the ISWGNA and the senior management of its member institutions.

Qualifications

The project manager must be a respected senior statistician who has a clear understanding of the 1993 SNA, proven ability to undertake international coordination work, good interpersonal skills, and excellent management and communication skills. The candidate must have advanced university degree and at least 15 years of experience in managing large international or national statistical programmes or agencies.

Remuneration: Remuneration is negotiable but commensurate with standards of international organisations.

Duration of services: total 2 person-years based on a half-time engagement during 2004-2007.
Terms of reference of the editor of the 1993 SNA Rev. 1

Reporting and working relationship

The editor reports to the Intersecretariat Working Group on National Accounts (ISWGNA). On a day-to-day basis, he/she works with the project manager and the UNSD as the Secretariat of the ISWGNA.

Responsibility

The editor is responsible for:

- preparing progressively drafts of the text of 1993 SNA Rev. 1, drawing on textual inputs from the EDG and Canberra II groups and recommendations of the Advisory Expert Group on National Accounts (AEG);
- consulting with authors of the substantive reports of the experts groups to clarify ambiguities and rectify substantive errors;
- ensuring internal consistency and integrity of the 1993 SNA Rev. 1 and external consistency of the 1993 SNA Rev. 1 with the revisions of the Balance of Payments Manual and Manual on Government Finance Statistics;
- participating in the expert group meetings related to the updating of the 1993 SNA and revision of the financial statistics manuals;
- preparing the master copy of the 1993 SNA Rev. 1 by consolidating and integrating all drafts of the text in the 1993 SNA Rev. 1 to be submitted to the ISWGNA for clearance by May 2007 and finalizing the draft by October 2007 for approval by Statistical Commission in 2008.

Qualifications

The editor must be an internationally recognized expert on national accounts who has a thorough understanding of the 1993 SNA and its updating issues, proven experience in international coordination work on national accounts and excellent drafting skills in English. The candidate must have advanced university degree and at least 15 years of experience in research in economic statistics particularly national accounting.

Remuneration

Remuneration is negotiable but commensurate with standards of international organisations.

Duration of services: total 3 person-years of which half-time during 2004-5 and full-time during 2006-7.