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STATISTICAL COMMISSION ADOPTS 2008 SNA VOL.2, SUPPORTS THE SNA Implementation Strategy By ISWGNA

At its fortieth session held in February 2009, the Statistical Commission, under the National Accounts agenda item focused its discussion on the completion, implementation and future direction of the *System of National Accounts*, 2008 (2008 SNA).

Adoption of the 2008 SNA

The Commission adopted volume 2 of the 2008 SNA, which, combined with volume 1, provides the international statistical standard for national accounts. It encouraged Member States, regional and subregional organizations to implement the standard and support all aspects of the implementation of the updated System of National Accounts, including the national and international reporting of national accounts statistics.

As requested by the Commission, the secretariat and the ISWGNA will proceed with the publication of the 2008 SNA in all six official languages of the United Nations as rapidly as possible. The 2008 SNA will be published in a single volume, in print and online to promote its wide dissemination.

The Commission was very appreciative of the work that produced the 2008 SNA. It congratulated the various contributors for their collaboration in the multi-year project that resulted in bringing the update to a successful conclusion.

Implementation strategy

With regard to SNA implementation, the Commission supported the proposed implementation strategy for the 2008 SNA, based on the principles of strategic planning, coordination, monitoring and reporting, and for improving statistical systems. It requested the ISWGNA to pay particular attention to improving basic economic statistics and to the need for consistency and harmonization across sectoral statistics from other macroeconomic frameworks with the national accounts and to recognize the particular circumstances of countries by introducing flexibility in the implementation programme.

The Commission expressed strong support for the main modalities of implementation: training, technical cooperation, manuals, research and advocacy. It was observed that the planned development of manuals, implementation guides, data collection tools and standardized training material, the use of modern and innovative tools, such as distance learning and knowledge bases that provide easy access on a range of information, including best practices, to facilitate the implementation of the 2008 SNA will require coordinated effort by the ISWGNA. The advocacy element of the implementation strategy and the importance of а global communication strategy in disseminating knowledge about national accounts, more specifically the 2008 SNA and

to promote its implementation have been emphasized.

As the Commission recognized the importance and the role of the regional commissions and their advisory committees in facilitating coordination and regional cooperation on the SNA implementation programme, it welcomed the initiatives of the regional commissions and other development partners in collaborating in the implementation process of the 2008 SNA.

The Commission requested a progress report on the implementation programme at its next session.

Future direction

The Commission reflected on the outcome of the high-level forum held in 2008 on the future direction of the SNA that confirmed that the macroeconomic accounts embodied in the 2008 SNA provide a sound basis for articulating economic developments of a globally interconnected nature. Therefore, processes need to be established to ensure that the SNA remains relevant. The Commission requested the ISWGNA to report at its next session on progress with the research agenda of the 2008 SNA.

STRATEGY FOR THE 2008 SNA IMPLEMENTATION By ISWGNA

This summary provides an overview of the main features of the implementation strategy of the 2008 SNA for which the Statistical Commission expressed strong support at its recently held session. (See the article about the decisions taken at the Commission's 2009 session in this issue of the News and Notes.) Further information is included on how the ISWGNA envisages promoting the strategy through specific instruments and modalities through specific planned activities by the member ISWGNA, organizations of the bv strengthening the institutional capacity of countries. The coordination, monitoring and reporting mechanisms and funding strategy were also integrated in the implementation strategy.

The strategy for the implementation of the 2008 SNA takes into account, as point of departure, the different levels of implementation of the SNA in various countries and regions. It is recognized that the detailed strategy should reflect the need for regional and sub-regional coordination, given the different levels of statistical development between countries.

The strategy builds on the results of regional consultations undertaken by the organizations of the ISWGNA member between 2006 and 2008, elaborating on principles for the implementation, reflecting the perspectives of users, producers and those engaged in policy formulation and analysis. Among these events was the International Conference on International Outreach and Coordination in National Accounts held in Luxembourg in May 2008, from which the Luxembourg Recommendations emerged. (For details of the Luxembourg Recommendations, please refer to the relevant article in the SNA *News and Notes* No.27.)

Objective of the implementation strategy

The 2008 SNA implementation strategy aims to support sound macroeconomic management and evidence-based policy formulation through the sustained compilation and reporting of national accounts and related source data by national, regional and international statistical systems.

Basic principles of the implementation strategy

The implementation strategy for the 2008 SNA is based on the principles of strategic planning, coordination, monitoring and reporting, and improving statistical systems. With regard to these three main principles, the ISWGNA will pay particular attention to improving basic economic statistics and to the need for consistency and harmonization across sectoral statistics from other macroeconomic frameworks with the national accounts in order to recognize the particular circumstances of countries by introducing flexibility in the implementation programme.

Strategic planning is a key principle to mobilize political and financial support for in statistics. The investment **SNA** implementation uses strategic planning frameworks connect the national to development objectives with a programme of work for statistical capacity building. Strategic planning can identify current strengths and weaknesses of statistical capacity to produce key economic indicators and basic source data. This approach could also lay out a schedule of tasks to mitigate the weaknesses. It can be used by countries to produce the information needed for monitoring their own economic development programmes and in consulting users.

The principle of coordination, monitoring and reporting ensures that the roles of international and regional organizations, other donors and recipient countries are clear and their actions are complementary and effective. Coordination comprises the timing and sequencing of events. Monitoring comprises assessing the efficiency of technical assistance programmes, evaluating lessons learned, and using resources effectively. Reporting communicates progress and operational issues to interested stakeholders. Better coordination, monitoring and reporting collectively help meet national and regional goals, as well as providing a means to evaluate international indicators against agreed benchmarks to assess the progress of expanding the scope and achieving compliance of the national accounts. Monitoring, reporting and evaluating should also be used to identify risks to the implementation process so that timely interventions can be made to keep plans on track.

The principle of statistical system improvement is undertaken through the strengthening of the national statistical system, which covers each of the building blocks of the statistical production process. The statistical system will be enhanced by using a common and coordinated national, regional and international programme for the implementation of the 2008 SNA and related economic statistics for strengthening and building national capacity to produce better official statistics.

Modalities of the implementation strategy

The 2008 SNA implementation strategy rests on five modalities: training, technical cooperation. handbooks. research and advocacy. The implementation strategy retained, but refocused four modalities used in the 1993 SNA implementation by providing training and delivering technical cooperation, preparing manuals and handbooks, and sponsoring research. These modalities will now focus more than in the past on the various stages of the statistical production process that precede the integration of the data into the national accounts, namely in the collection and processing of basic source data and the institutional context. The strategy extends the scope of modalities by adding a fifth modality: advocacy.

National and regional training seminars and workshops will be in organized in support of the transfer of knowledge in national accounting and related economic statistics at the country level. Existing regional training networks will be mobilized to collaborate with the ISWGNA to develop and deliver training and teaching programmes on the SNA and related macroeconomic standards. Extending the 2008 SNA website will establish a knowledge base on economic statistics and macroeconomic standards, compilation guidance and best practices hyperlinked to other organizations.

Technical cooperation will be provided through advisory missions by working directly with the staff of national offices. These activities will advance the use of the 2008 SNA as the principal integration framework for national statistical systems.

These training and technical cooperation programmes need to focus more than in the past on (a) the design and maintenance of business registers and data collection programmes to generate relevant source data; and (b) the institutional processes and structures through interagency agreements, creating advisory committees and strengthening the legislative and regulatory framework on data sharing. Training and cooperation programmes technical for countries requesting assistance put a further emphasis on direct country involvement and on the integration of statistical capacity building in national planning.

To meet the challenges of national accounts development in countries with less advanced statistical systems in the next decade, training and technical cooperation activities need to give greater emphasis to institutional capacity building and development of data sources. At the same time, countries with advanced statistical systems have programmed a sequence of activities to implement the 2008 SNA, in many cases with specific deadlines. European Union countries and a great majority of OECD countries have indicated their intention to implement the 2008 SNA by 2014 through a sequence of activities pertaining to the adaptation of the revised ISIC and CPC classifications.

Publishing methodological handbooks, new compilation guides and revising existing ones will be an ongoing activity of ISWGNA in the support of the 2008 SNA implementation. The purpose of these manuals is to elucidate best practices in establishing modern institutional environments, compiling registers and frames, collecting survey and administrative data, implementing and maintaining integration frameworks, and disseminating data on the national accounts and related economic statistics. They will address data quality issues, including data dissemination, provide practical compilation guidance. Responsibility for the preparation of the manuals will be shared among the **ISWGNA** member organizations in collaboration with other international institutions.

Research will be conducted to maintain the relevance of SNA recommendations in a changing economic environment. It will be undertaken in support of drafting related methodological guidelines and contributing to the development of new areas of accounting. Research efforts will focus in particular on the development of implementation of concepts from the 2008 SNA and guidance on compilation. An output of this research should be guidance by the ISWGNA on improving the scope, periodicity and timeliness of the national accounts statistics of the "core accounts" given the different levels of statistical capacity of countries. Under the SNA research agenda the UNSD in collaboration with the other international organizations will continue its coordination function in organizing work among the various contributors. The involvement of national accounts experts of various countries and advisory services of members of the Advisory Expert Group on National Accounts in the discussions will be ensured. A broader and sustained dialogue with representatives from academia, the business accounting sector, the regulatory authorities and the corporate sector will be developed.

Advocacy has been included in the implementation strategy as an additional modality with the aim to stimulate the demand for national accounts data and encourage the use of the accounts. Advocacy will play an important role in encouraging national support for acquiring and maintaining viable economic statistics and national accounts programmes and to communicate its policy relevance. As an integral component of the implementation strategy, advocacy aims to support an ongoing dialogue among statistical producers, the various levels of government, business sector, the academic community, and the general public about user needs for official statistics and the progress in meeting those needs. This recurrent communication can be established through targeted workshops, conferences, press releases and promotional materials to highlight the overarching framework of the SNA. The promotion of good quality national statistics through advocacy is accounts essential in establishing а sound macroeconomic policy. Through statistical integration of basic statistics with macroeconomic accounts a coherent set of statistics and indicators can be derived for evidence-based policy formulation.

Institutional framework of implementation

In the multi-stakeholder environment for the SNA implementation strategy, a mechanism is needed in order to coordinate, monitor and report progress at subregional, regional and international level. The purpose of this mechanism is to share information on the development and the execution of the SNA implementation strategy.

The SNA implementation strategy uses a programme information structure to support programming and monitoring that are vital for overall coordination at regional and country level in the multi-stakeholder environment. The ISWGNA has engaged working with the regional commissions to seek the adoption of such an information system highly desirable for effective project programming, monitoring and reporting. The project information model will be used to facilitate cooperation among agencies in delivering the programme elements of the SNA implementation strategy. It is expected, this coherent information system will assist in providing timely notice of possible synergies and impending duplications and gaps in work programmes. In addition, a standard programme documentation structure will be applied across the participating agencies.

The regional commissions and their advisory committees have an important role in facilitating coordination and regional cooperation in the SNA implementation programme. It is envisaged that existing regional coordination mechanisms, like statistical committees or working groups, in addition to new steering groups where needed, will be mobilised, with the regional commissions acting as secretariats. Only when strictly necessary would the creation of new coordinating mechanisms be envisaged. Through the initiatives of the regional commissions and other development partners a broader participation of countries can be achieved collaborating in in the implementation process of the 2008 SNA. Further details on the SNA implementation at the regional level are provided in a separate article in this issue of the News and Notes.

The ISWGNA proposed establishing a mechanism that would function possibly in the form of an interagency and intergovernmental advisory group. This group would consist of representatives of regional coordinating mechanisms to advise the ISWGNA on maintaining and managing a coherent programme of work to implement 2008 SNA. The project information model is described in more detail in the background document "Implementation Strategy for the System of National Accounts, 2008", available at http://unstats.un.org/unsd/statcom/doc09/BG-SNA2008.pdf

DISCUSSIONS BY THE REGIONAL COMMISSIONS AND THE ISWGNA ON THE SNA IMPLEMENTATION STRATEGY By ISWGNA

The ISWGNA and the Regional Commissions met during the fortieth session of the United Nations Statistical Commission in February 2009. The purpose of the meeting was to discuss the SNA implementation strategy.

A brief overview of the main elements and components of the SNA implementation strategy was provided by the ISWGNA, which highlighted:

- the proposed strategic planning framework and main elements of the National Strategy for the Development of Statistics (NSDS);

- the proposed common programme information structure to enhance the coordination, monitoring and reporting of the SNA implementation programme; - the main modalities to be taken into account in carrying out the implementation strategy, namely, training seminars and workshops on SNA and related economic statistics; technical cooperation; manuals, handbooks and training material; research; and advocacy; - ongoing work in creating a web-based knowledge base on economic statistics and macroeconomic standards;

- a proposed governance structure for the implementation programme that required the participants to consider coordination mechanisms at the global level (ISWGNA advised by an interagency and intergovernmental advisory group) and at regional level (regional coordination board); and

- a proposed timing and sequencing of a multi-year implementation programme.

The importance of a strategic framework for the SNA implementation strategy was acknowledged. However, as many countries and regions already use some form of strategic framework, the use of an NSDS framework should not be prescriptive. The emphasis should be on strategic planning to facilitate priorities and to avoid an approach where the SNA is implemented in bits and pieces. Commission representatives Regional elaborated on their role of coordinating statistical cooperation in their regions. There was agreement that the SNA implementation is a large project that needs good preparation and realistic plans. In order to balance the needs, inputs from all stakeholders should be taken into consideration.

It was agreed that a common programme information structure would contribute significantly to the cooperation among the stakeholders and track the progress of extending the scope and detail of the national The implementation milestones accounts. currently in use are still regarded as relevant to monitor progress. However, it is important to take into account what source data and technical assistance are needed to attain a particular milestone, instead of focusing only on the outcome. It was emphasized that available information, classification, and monitoring systems should be used rather than creating another level of monitoring, but also indicated that the information system should be accessed at a single point. The four elements of an information structure for programmes and outcomes was broadly accepted, namely the implementation General Data Dissemination milestones, Framework (GDDS) for a country's plans and priorities, information on donor activities using the UNECE classification of statistical activities as used in the PARIS21 Partner Report on Support to Statistics (PRESS), and Data Quality Assessment Framework (DQAF) for information on quality improvement. However, existing systems may require some refinements. Also, the roles, frequencies, and timelines for establishing and maintaining the information structure for SNA implementation will have to be further elaborated. Concerns were raised about competition between statistical programmes and emphasised that this matter should be taken into consideration in the development of the implementation

programme. Participants favoured a "soft" coordination rather than a strong coordination of programmes for SNA implementation.

There was broad support for the proposed modalities as part of the SNA implementation programme although the need to make extensive use of modern and innovative tools was emphasised. The knowledge base created by UNSD was considered a good example to be worked out further. Two key issues raised were ensuring the quality of the materials posted and the ownership of the documents. From the discussion it was clear that extensive global, regional and national training networks exist. It would be important to mobilize these global and regional training networks. An inventory of programmes and training materials by subject area and their availability in different languages and statistical documentation by economic domain should be incorporated in the knowledge base. Participants stressed the need for standardized training material. The need to develop advocacy material and a joint communication strategy to promote the policy use of national accounts and its dependence on basic statistics were stressed.

It was acknowledged that a coordination mechanism at the global level and at the regional level would be important elements of the implementation strategy to ensure its success. However, it was agreed that a "soft" coordination mechanism would be sufficient. Participants from the Regional Commissions were pleased that their role in improving the global statistical system is recognized by the proposed SNA implementation strategy.

There was agreement on the principle of sequencing the implementation programme with the various stages to be worked out further. It was, however, noted that development needs for SNA implementation vary between regions and among countries depending on the current level of development and capacity for future work. Due to such a situation, while some countries may be focusing on stage 1, others may be working on stage 2 or 3. Therefore, participants suggested that the dates should not be indicated for the various stages of SNA implementation.

MEETINGS AND SEMINARS

11-13 May 2009: Meeting of the Group of Experts on the Impact of Globalization on National Accounts, Geneva, Switzerland

12-14 May 2009: Expert Group Meeting on National Accounts, Cairo, Egypt

27-29 May 2009: International Seminar on Timeliness, Methodology and Comparability of Rapid Estimates of Economic Trends, Ottawa, Canada

1-4 June 2009: Technical Workshop on the Preparation of Water Accounts in Latin America, Santiago, Chile

8-10 June 2009: International Workshop From Data to Accounts: Measuring Production in National Accounting, Beijing, China

8-10 June 2009: Meeting of the Working Group on National Accounts of the Andean Community, Quito, Ecuador

16-19 June 2009: National Accounts workshop for SADC countries, Windhoek, Namibia

24-26 June 2009: Fourth Meeting of United Nations Committee of Experts on Environmental-Economic Accounting (UNCEEA), New York, USA

2-3 July 2009: OECD Meeting of the Eurostat Task Force on Emission Permits in National Accounts, Paris, France

6-9 July 2009: National Accounts Workshop for South Asian Countries, New Delhi, India

3-13 August 2009: IMF-ECLAC Quarterly National Accounts Course, Guatemala City, Guatemala

17-21 August 2009: SIAP Training on National Accounts Statistics, Tokyo, Japan

1-4 September 2009: Expert Group Meeting on Classifications, New York, USA

7-8 September 2009: ISWGNA:MG and Regional Commissions consultations on SNA implementation programme, Bangkok, Thailand

7 September- 9 October 2009: IMF Course on National Accounts Statistics, Washington DC, USA

15-21 September 2009: Afristat Seminar on National Accounts and Analysis of Macroeconomic Aggregates, Bamako, Mali

21-25 September 2009: UNSD/IBGE Workshop on Environmental accounting and statistics, Rio de Janeiro, Brazil

19-21 October 2009: ECLAC Annual National Accounts Meeting, Santiago, Chile

26-29 October 2009: IMF/AFRITAC Central Workshop on National Accounts, Yaoundé, Cameroon

2-4 November 2009: OECD Working Party on Financial statistics, Paris, France

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4-6 November 2009: OECD Working Party on National accounts, Paris, France

9-10 November 2009: OECD Meeting of the Eurostat Task Force on Emission Permits in National Accounts, Luxembourg

Editorial Note

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The 1993 SNA with search capability, national accounts glossary, handbooks on national accounts and activities and reports of the ISWGNA can be accessed on the internet: http://unstats.un.org//unsd/sna1993/introduction.asp

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