Statement of strategy
Developing a programme for the implementation of the 2008 SNA and supporting statistics

Seminar on developing the capacity to produce economic statistics, including national accounts in accordance with the 2008 SNA, in the Asian and Pacific region
10-13 October 2011, Bangkok, Thailand

Herman Smith
UNSD/ DESA

Outline of presentation

- Introduction

- Global implementation programme
  - Strategic planning framework
  - The programme information structure
  - Modalities of statistical capacity building
  - Stages of implementation

- Statement of strategy

- Tools for developing the statement of strategy
  - Statistical system information
  - Diagnostic tool
  - Vision document
**Implementation programme**

- UNSC in Feb 2010 supported the implementation programme and encouraged countries to develop their own programmes of implementation
- The Implementation Programme for the 2008 SNA and supporting statistics represents a global statistical initiative
- UNSD conduct series of seminars with RC to align regional and global implementation programmes

**Objective of the Global Statistical Initiative**

To assist countries in developing the statistical and institutional capacity to:

(a) Make the conceptual change over from the 1993 SNA to the 2008 SNA

(b) Improve the scope, detail and quality of the national accounts and supporting economic statistics.
The efficiency and sustainability of the initiative rest on the agreed principles of the implementation strategy:

(a) strategic planning

(b) coordination, monitoring and reporting

(c) improving statistical systems

---

Elements to operationalise the initiative

(a) Use of National Strategies for the Development of Statistics (NSDS) 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

(d) The stages of implementation leading to the change over to the 2008 SNA.
Strategic planning framework

- *Strategic planning* is a key principle in mobilizing political and financial support for investment in statistics

- The NSDS is the most widely used strategic planning framework to connect national development objectives with a programme of work for statistical capacity-building

Why a strategic approach?

- 2008 SNA country programme should be aligned with national policy priorities and regional requirements
- Consultative process is system wide
- Resources are limited
- Piece meal approach is not cost effective
- Donor coordination is critical
The programme information structure

To facilitate the coordination, monitoring and reporting on the SNA implementation in the multi-stakeholder environment.

- Frameworks
  - Minimum Required Data Set (MRDS) based on UN-NAQ
  - IMF GDDS and SDDS

- Report on the
  - statistical process
  - data quality

Statistical capacity building

- UNSD and other members of the ISWGNA initiated dialogue with the regional commissions and other development partners to consider programmes for four modalities Four modalities

  - (a) training and technical cooperation,
  - (b) manuals and handbooks,
  - (c) applied research and
  - (d) advocacy.

- The initial focus on these four modalities will be applied flexibly
Implementation stages

- Three stages
  - Review of strategic framework and detailing of national and regional implementation programmes
  - Adaptation of classification frameworks, business registers and frames, surveys, administrative data sources and information technology infrastructure
  - Application of adapted frameworks and source data, backcasting and changeover to 2008 SNA

- Each country will determine the duration of the various stages. However, it is expected that from 2014 onwards, many Member States will change over to the 2008 SNA

Statement of strategy

- Use a statement of strategy as a strategic planning framework for the development of an implementation programme for the 2008 SNA and supporting statistics

- Aims to establish the set of actions to accomplish statistical and institutional goals for the sustainable improvement of the economic statistics programmes
Statement of Strategy - take into account

- Consultations with all stakeholders
- National policy development plans, NSDS, etc
- Regional strategic frameworks for statistical capacity building
- Regulatory and institutional framework – strengthening the functioning of NSS, its programming, management and performance
- Statistical infrastructure – strengthening of use of classifications, registers and frames
- Statistical operations of data collection, compilation, dissemination and analysis
- Incorporate statement of strategy in the review of the NSDS

Elements of the statement of strategy

- Mandate,
- Mission
- Values
- High-level goals
- Specific goals
- Required activities
Statement of strategy

- **Mandate**, is determined by national and regional policy objectives and underpinned by the regulatory and institutional framework
  - Legal mandate (Statistical act)
  - International standards
    - UN Fundamental Principles of Official Statistics
    - 2008 SNA, BPM6, GFSM, ISIC rev4

- **Mission** describes the purpose, users, outputs, markets, philosophy and basic technology
  - Compile national accounts according to milestone two of the SNA implementation, comprising the minimum required data set

Statement of strategy

- **Values** needs to reflect the values and principles portrayed by the UN Fundamental Principles of Official Statistics to produce useful high-quality data
  - Statistical professionalism
  - Independence and integrity
  - Excellent service to our customers
  - Respect and understanding for our data suppliers
  - Value for money
**High-level goals** represent the overall accomplishments to be achieved. These goals aim to address important issues, which are identified during the assessment phase.

**Specific goals** describe the ultimate results that need to be accomplished for fulfilling the vision described in the statement of strategy.

**Required activities** are determined through an assessment of the national statistical system need to be carried out.

### Tool for developing the statement of strategy

- Statistical system information – Country fact sheet
- Diagnostic tool for assessing the adequacy of the statistical production process for the compilation of National Accounts
- Vision Document – Setting out the goals
Statistical System Information

- A tool to facilitate the assessment and assist in developing the statement of strategy
- Allows for collating information available at the national level and at various international organisations on the national statistics system
  - Overview of the national policy priorities and national plans
  - Overview of policy and statistical initiatives of international and regional organisations into a single framework

<table>
<thead>
<tr>
<th>Country</th>
<th>Statistical agency</th>
</tr>
</thead>
<tbody>
<tr>
<td>UNSD, IMF, World Bank, Eurostat, Paris21</td>
<td>Relevant documents</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Legal Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strategic Framework</td>
</tr>
<tr>
<td></td>
<td>Relevant documents</td>
</tr>
<tr>
<td></td>
<td>Projects/Programmes</td>
</tr>
<tr>
<td></td>
<td>Data</td>
</tr>
<tr>
<td></td>
<td>Statistical Standards</td>
</tr>
<tr>
<td></td>
<td>Data</td>
</tr>
</tbody>
</table>
Assessment of the NSS - where are we now

- Self assessment of the NSS to evaluate the adequacy of the statistical production process supporting national accounts compilation

- With a view to improve the scope, detail, frequency and quality of the basic economic and supporting statistics required for the compilation of SNA
The tool is based on the widely used CES Classification of Statistical Activities.

The Classification provides a structured presentation of statistical activities aimed at:
- collecting, producing and disseminating data,
- developing standards,
- harmonization and implementation of statistics.
Statistical activities are organized in five statistical domains.

**Diagnostic tool**

Cross classify the statistical activities of domain 2 and selected activities from domain 1 and 3 with domain 4 and 5.

This allows the assessment of economic activities in terms of:
- process,
- organization and
- managerial aspects of official statistics.
Discuss vision preferably in a national seminar with all stakeholders, such as:

◦ policy planners;
◦ users including the academia; and
◦ business community.

Such a discussion is expected to help the NSO to:

◦ prioritize actions to mitigate the problem areas
◦ write a plan for the improvement of the supporting statistics for the compilation of the national accounts
◦ develops an information structure for planning, monitoring and evaluating the implementation of the SNA; and
◦ builds on the joint efforts of the ISWGNA and regional partners to establish an information structure for managing technical assistance operations
Setting of goals - Where we want to be

- Scope and detail of the national accounts
- Frequency of aggregates – nominal and volumes
- 2008 SNA compliance
- ISIC ref 4 compliance
- Requirements from the regional strategy
- Required data sources – Needs
- Current data sources and compilation methods – What you have

**Vision document**

**Setting of goals – Where we want to be**

<table>
<thead>
<tr>
<th>Data item</th>
<th>Frequency</th>
<th>2008 SNA</th>
<th>Required sources</th>
<th>Principal data sources and compilation methods</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>Q</td>
<td>A</td>
<td>Nominal</td>
</tr>
<tr>
<td>National accounts aggregates to comply to Milestone 2 - MRDS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Set of short term indicators</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Blue - Goals
- Green - needs
- Red - current status
### Vision document

**Setting of goals – required sources**

<table>
<thead>
<tr>
<th>Data item</th>
<th>Frequency</th>
<th>2008 SNA</th>
<th>Required sources</th>
<th>Principal data sources and compilation methods</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>M</td>
<td>Q</td>
<td>A</td>
<td>N</td>
</tr>
<tr>
<td>National accounts aggregates to comply to Milestone 2 - MRDS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Set of short term indicators</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **AQM**
- **Volume**

### Data item

<table>
<thead>
<tr>
<th>Data item</th>
<th>2008 SNA</th>
<th>Required sources</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final consumption expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Household final consumption expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Data item

<table>
<thead>
<tr>
<th>Data item</th>
<th>2008 SNA</th>
<th>Required sources</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Final consumption expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Household final consumption expenditure</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Required sources

- **FISIM** allocated to users, Imputed rents
- Goods that are produced by households for own final consumption
- Household income and expenditure surveys, retail trade sales by type of expenditure items
- Housing stock

#### Price indices or volume series by type of expenditure items
The entire defence expenditure incurred by government included in the GCF.
Consumption of fixed capital measured on all government fixed assets (airfields, roads, hospitals, docks, dams and breakwaters and other forms of construction structures) including military weapon systems.
The expenditure on Research and Development included in GCF.
Purchases of computer software expected to be used for more than a year included in GCF.
Expenditure on software development on own account expected to be used for more than a year and for sale included in GCF.
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.
Expenditure on entertainment, literary or artistic originals included in the GCF.

<table>
<thead>
<tr>
<th>Data item</th>
<th>2008 SNA</th>
<th>Required sources</th>
</tr>
</thead>
<tbody>
<tr>
<td>General government final consumption expenditure</td>
<td>Government final consumption expenditure broken down into individual and collective consumption</td>
<td>GFS data by level of government Consumption of fixed capital of government fixed assets</td>
</tr>
<tr>
<td>Individual consumption expenditure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Collective consumption expenditure</td>
<td>The entire defence expenditure incurred by government included in the GCF</td>
<td>FISIM allocated to users</td>
</tr>
<tr>
<td>Gross fixed capital formation</td>
<td>The entire defence expenditure incurred by government included in the GCF</td>
<td>Information by type of asset from: Household income and expenditure surveys capturing own construction expenditure Economic activity surveys (structural business statistics and short term business statistics)</td>
</tr>
<tr>
<td></td>
<td>Consumption of fixed capital measured on all government fixed assets (airfields, roads, hospitals, docks, dams and breakwaters and other forms of construction structures) including military weapon systems</td>
<td>GFS data by level of government</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Nominal</th>
<th>Volumes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Price indices or volume series by type of expenditure items</td>
</tr>
</tbody>
</table>
## Vision document

### Setting of goals – current status

<table>
<thead>
<tr>
<th>Data item</th>
<th>Frequency</th>
<th>2008 SNA</th>
<th>Required sources</th>
<th>Principal data sources and compilation methods</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$M$</td>
<td>$Q$</td>
<td>$A$</td>
<td>Nominal</td>
</tr>
<tr>
<td></td>
<td>$N$</td>
<td>$V$</td>
<td>$N$</td>
<td>Volumes</td>
</tr>
<tr>
<td>National accounts aggregates to comply to Milestone 2 - MRDS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Set of short term indicators</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Principal data sources and compilation methods

- **Nominal Volumes**
- **Nominal Volumes**

### Required sources

- **2008 SNA**

### Frequency

- **M**: Monthly
- **Q**: Quarterly
- **A**: Annual

### Principal data sources and compilation methods

- **Nominal Volumes**
- **Nominal Volumes**

### Food beverages and tobacco: All components

- **Benchmark year**: Estimated by the five-yearly survey of income and expenditure of households, survey of retail sales, verified by the supply and use framework. Estimates include farm produce consumed by farmers for own account. **Other years**: Estimated according to monthly surveys of retail trade sales.

- **Information obtained from the National Department of Agriculture, retail trade sales and relevant sources.**

- **Nominal expenditure is divided by relevant components of the CPI.**
Base-year estimates are extrapolated using appropriate indices of output quantities based on manufacturing sales at constant prices for the various subsectors of manufacturing.

Benchmark year: Periodic large sample surveys and AFSs of manufacturing
Other years: AFSs and monthly data on production and sales, and quarterly surveys of financial and labour statistics

Same as for annual estimates for other years.

Base-year estimates are extrapolated using appropriate indices of output quantities based on manufacturing sales at constant prices for the various subsectors of manufacturing.

Required Activities for Capacity Building

- Regulatory and institutional framework – strengthening the functioning of NSS, its programming, management and performance
- Statistical infrastructure – strengthening of use of classifications, registers and frames
- Statistical operations of data collection, compilation, dissemination and analysis
Required activities

- Coordination of NSS
- 2008 SNA compliance
- ISIC rev 4 compliance
- Monthly Price statistics
- Monthly and quarterly production and turnover surveys
- Business registers
- Economic activity surveys (structural business statistics and short term business statistics)
- Household income and expenditure surveys
- Informal sector surveys
- etc.

Funding

- Countries should include funding needs in their national plans and actively seek funding for their plans from own sources and donors

- World Bank support countries to build statistical capacity
  - Multi Donor Trust Fund for Statistical Capacity Building (TFSCB) can support preparation of NSDS
  - Implementation of NSDS/priorities
    - TFSCB – smaller grants for specific priority areas
    - World Bank’s STATCAP program – IBRD/IDA lending
    - Statistics for Results Facility Catalytic Fund (SRF-CF) – Multi Donor Trust Fund created to scale up investment in statistics. Currently in a pilot phase
Action plan – How to get there

- Diagnostic tool reveals data gaps
- Vision document specify the goals and needs
- Action plan indicates the required actions with a time table to mitigate data gaps
- This action plan represents an implementation programme for strengthening the economic statistics for the compilation of the required scope and detail of the national accounts
- Volunteer countries??

Development of economic statistics for national accounts
Thank You