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THE 2008 SNA IMPLEMENTATION

**Prepared by the
United Nations Statistics Division**

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Introduction

1. This summary of the *2008 SNA* implementation provides an overview of the main features for which the Statistical Commission expressed strong support at its session in February 2009. Further information is included on how the Intersecretariat Working Group on National Accounts (ISWGNA) envisages promoting the strategy through specific instruments and modalities and through specific activities planned by the member organizations of the ISWGNA. The coordination, monitoring and reporting mechanisms and funding strategy were also integrated in the implementation strategy.
2. 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.
3. The strategy builds on the results of regional consultations undertaken by the member organizations of the ISWGNA 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.

Objective of the implementation strategy

4. 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

5. 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

¹ Based on a paper prepared for the 57th Session of the ISIS, Durban South Africa, 16-22 August 2009 "Progress on the implementation programmes for the System of National Accounts 2008 (2008 SNA) and the Balance of Payments and International Investment Position Manual, Sixth Edition (BPM6)". The contribution from Paul Schreyer, OECD, on the implementation in OECD countries is acknowledged.

basic economic statistics and to the need for consistency and harmonization across sectoral statistics from other macroeconomic frameworks with the national accounts.

6. Strategic planning is a key principle to mobilize political and financial support for investment in statistics. The SNA implementation uses strategic planning frameworks to connect the national 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.

7. 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.

8. 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

9. 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.

10. National and regional training seminars and workshops will be 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.

11. 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.

12. 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 technical cooperation programmes for countries requesting assistance put a further emphasis on direct country involvement and on the integration of statistical capacity building in national planning.

13. 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 2015.

14. 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. The manuals will also address data quality and data dissemination issues. Responsibility for the preparation of the manuals will be shared among the ISWGNA member organizations in collaboration with other international institutions.

15. 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.

16. 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 accounts statistics through advocacy is essential in establishing a 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

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

18. 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.

19. 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 in collaborating in the implementation process of the 2008 SNA.

20. 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.

21. More detailed information on the ISWGNA strategy can be obtained from the background document “Implementation Strategy for the System of National Accounts, 2008”, available at <http://unstats.un.org/unsd/statcom/doc09/BG-SNA2008.pdf>

Implementation of the 2008 SNA in OECD countries

22. Presently, OECD countries’ plans for the implementation of the 2008 SNA are staggered. Australia, Canada and the United States, for example, aim at implementing the most important changes (employers’ pension schemes, capitalisation of R&D, military expenditures) between 2009 and 2013, the countries of the European Union target the year 2015 and some countries have not yet formulated implementation plans. These differences in the timing of implementation will not be conducive to international comparability of national accounts data during the transition period. To work through the transition period, the OECD and its National Accounts Working Party pursue a three-tier strategy:

23. First, countries accepted the need to supply estimates according to both old and new standards for one period (according to SNA 1993 and 2008 definitions) while the adoption of the new standard takes place. This should help to provide users with a sense for the orders of magnitude involved in the change-over. These quantitative indications will be made available as part of the OECD national accounts metadata.

24. Second, during the transition period, implementation handbooks are being developed to maximise comparability of estimates by the time they find their way into countries’ national accounts. This concerns in particular an OECD handbook on intellectual property products, and a revised OECD manual on the measurement of capital. Other international work will also be useful in this respect, for example the UN-ECE-led work on the impact of globalisation on national accounts that includes a treatment of one far-reaching change in the SNA, the treatment of goods for processing. OECD and Eurostat will also provide guidance on the treatment of emission permits on the basis of the 2008 SNA although this issue has not been a major point of discussion during the SNA revision.

25. Third is pursuing the research agenda that has been set as part of the 2008 SNA. Work on the research agenda should be an ongoing preoccupation of the OECD National Accounts Working Party. The same body will also be a platform to transmit practical experience with the implementation of the 2008 SNA from those countries that are first in the process to those that come later on.

26. Implementation of the 2008 SNA is likely to be challenging – for OECD countries and beyond. It will be important that OECD countries share their experience in the process with other countries outside the OECD area.