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Report of the Intersecretariat Working Group on National Accounts

Note by the Secretary-General

In accordance with a request of the Statistical Commission at its forty-first session (see E/2010/24, chap. I.A), the Secretary-General has the honour to transmit the report of the Intersecretariat Working Group on National Accounts (ISWGNA). The Commission is requested to express its views on the points for discussion set out in section VIII of the report.

* E/CN.3/2011/1.

Report of the Intersecretariat Working Group on National Accounts

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Report of the Intersecretariat Working Group on National Accounts

I. Introduction

1. At its forty-first session in 2010, the Statistical Commission (see E/2010/24, chap. I.B, decision 41/106):

(a) Expressed its sincere appreciation to the Intersecretariat Working Group on National Accounts for its high-quality work in steering the development of the *System of National Accounts 2008* (2008 SNA) to a successful conclusion;

(b) Welcomed the finalization of the English version of the 2008 SNA and its availability on the United Nations Statistics Division website;

(c) Expressed its appreciation to the contributing national and international organizations for their efforts in the translation of the 2008 SNA into the official languages of the United Nations as well as into Japanese, Korean and Portuguese, and stressed the importance of expediting the translation and publication of the 2008 SNA in order to facilitate its implementation;

(d) Requested the Working Group to provide detailed guidance on the consistent implementation of the 2008 SNA for the three identified stages of implementation, taking into account the different levels of statistical development of countries and the implementation of other statistical standards, such as the *Balance of Payments and International Investment Position Manual*, the *International Merchandise Trade Statistics Compilers Manual*, the *Manual on Statistics of International Trade in Services* and the *International Standard Industrial Classification of All Economic Activities, Rev. 4*, the Central Product Classification, Version 2, and international recommendations on basic source statistics such as industrial statistics and distributive trade statistics;

(e) Supported the Working Group in requesting countries to formulate appropriate strategies and programmes in building statistical and institutional capacity to implement the 2008 SNA and to improve the scope, detail and quality of national accounts and supporting economic statistics;

(f) Expressed full support and appreciation to the Working Group for the continuous engagement of the regional commissions and other regional agencies in the implementation of the 2008 SNA and welcomed the initiatives of the regional groups to lead the early formulation of regional strategies and programmes for such implementation;

(g) Stressed the need for an outreach programme to the highest level of government and other types of users about the benefits of the implementation of the 2008 SNA, and requested the Working Group to provide specific guidance on the advocacy of such implementation;

(h) Welcomed, in the light of the economic and financial crisis, the coordinated initiatives of the United Nations Statistics Division and Eurostat with Member States on the development of a data template of high-frequency and composite business cycle indicators and the initiatives of the Inter-Agency Group on Economic and Financial Statistics (the Bank for International Settlements, the European Central Bank, Eurostat, the International Monetary Fund (Chair), the

Organization for Economic Cooperation and Development, the World Bank and the United Nations), while taking into account the implementation of the 2008 SNA and existing dissemination frameworks such as the Special Data Dissemination Standard;

(i) Requested the Working Group, in coordination with the initiatives noted in paragraph (h) above, to assess whether those initiatives could be integrated into the implementation programme of the 2008 SNA and to report back to the next session of the Commission on its assessment;

(j) Expressed support for the proposed mechanisms for coordinating training and research on national accounts as described in the report of the Working Group to the Commission and the background document for the report;

(k) Supported the initiatives to use common existing tools for the compilation of national accounts and called for the strengthening of technical capacity in this area;

(l) Stressed the importance of the sustained training of national accountants and called on the regional and subregional training organizations to work with the Working Group to coordinate and scale up training efforts, to support a knowledge base on training material on national accounts and supporting statistics, and to seek the early harmonization of training material based on agreed best practices;

(m) Requested the Working Group to reassess the research agenda of the 2008 SNA, taking into account recent emerging issues (inter alia, the Stiglitz report and the communication of the European Commission entitled “GDP and beyond: measuring progress in a changing world”), and to provide at the next session of the Commission a list of actions and themes for future research work;

(n) Supported the active involvement of the Advisory Expert Group on National Accounts to assist the Working Group in developing the elements of the implementation programme of the 2008 SNA and in taking forward issues in the research agenda of the 2008 SNA and newly emerging research issues;

(o) Suggested that attention be paid to the following issues: (i) availability of basic and sectoral statistics; and (ii) adjustments based on national circumstances;

(p) Also suggested that the reasons for the slowness of the process and the factors that hampered the implementation of the 1993 SNA be studied and that appropriate recommendations be made, possibly through the formation of a Friends of the Chair Group.

2. Section II of the present report provides information on the finalization of the printing and distribution of the English version of the *System of National Accounts 2008*¹ (the 2008 SNA) and progress with respect to the translation into the other official languages of the United Nations. Section III reports on a reassessment of the research agenda of the 2008 SNA, taking into account recent emerging issues. Section IV briefly describes the establishment of the Friends of the Chair Group on the impediments to the implementation of the 1993 SNA. Section V describes the mandate and governance of the Intersecretariat Working Group on National Accounts (ISWGNA) and the Advisory Expert Group on National Accounts. An assessment of whether the coordinated initiatives of the United Nations Statistics

¹ United Nations publication, Sales No. E.08.XVII.29.

Division and Eurostat with Member States on the development of a data template of high-frequency and composite business cycle indicators and the initiatives of the Inter-Agency Group on Economic and Financial Statistics could be integrated into the implementation programme of the 2008 SNA is provided in section VI. Section VII describes the progress of the implementation of the System of National Accounts. Points for discussion are contained in section VIII.

II. *System of National Accounts 2008*

A. Publication

3. After the submission of the report of the Working Group to the Commission at its forty-first session, the finalized manuscript of the English version of *System of National Accounts 2008* (the 2008 SNA) was submitted for publication to the Publishing Section of the United Nations Secretariat and subsequently issued for distribution in June 2010. The members of the Working Group distributed to their member States copies of the printed version of the 2008 SNA in English. Copies of the printed version of the 2008 SNA in English are available from United Nations Publications and can be ordered from its website at <https://unp.un.org/Details.aspx?pid=18327>. The final English text of the 2008 SNA has been posted on the SNA website at <http://unstats.un.org/unsd/nationalaccount/SNA2008.pdf>.

B. Translation arrangements and progress

4. The United Nations Statistics Division of the Department of Economic and Social Affairs of the United Nations Secretariat succeeded in establishing partnership arrangements in order to facilitate the completion of the translation of the 2008 SNA from English into the other five official languages of the United Nations (Arabic, Chinese, French, Russian and Spanish). It is expected that the versions of the text as translated into these languages will be submitted to the United Nations for publication. The translated texts will be posted on the United Nations Statistics Division website as they become available for publication.

III. Research agenda

5. Annex 4 of the 2008 SNA lists research issues that emerged during the update of the 1993 SNA, for which more extensive consideration is needed than was possible in the course of the update process. The Working Group website, hosted by the United Nations Statistics Division, contains a web page that is dedicated to the SNA research agenda and lists those research issues. It is updated to include new items that emerge and recommendations on existing items as agreed. In assessing the priority to be given to an item, three questions need to be addressed:

(a) How urgent and important is the topic in terms of ensuring that the SNA continues to be relevant to the users?

(b) How widespread are the consequences of change and how complicated will implementation be?

(c) Is the topic completely new or has much of the preparation for considering the item been completed?

6. The process of selecting items for investigation is one that will involve widespread consultation and inclusion of both compilers and users in the review process.

7. Work on the research agenda of the 2008 SNA needs to be coordinated under the auspices of the Working Group so as to ensure worldwide representation in the deliberations on research agenda issues and the proper implementation of the results in international standards or handbooks. Proposals for the creation of task forces or expert groups to conduct research on specific topics should be submitted to the Working Group, which will assess the results in accordance with the update procedures for the SNA as established by the Commission. The update procedure is described in table 2 of a background document for this report, entitled "Intersecretariat Working Group: mandate and governance".

8. The section directly below provide a report on the progress of work on the treatment of emission allowances and emission permits in the national accounts; the formation of a task force on treatment of financial intermediation services indirectly measured; and an assessment of the research agenda of the 2008 SNA, taking into account recent emerging issues.

A. Treatment of emission allowances and emission permits in the national accounts

9. The 2008 SNA does not fully address the recording of tradable emission permits. The Advisory Expert Group on National Accounts at its last meeting, held in November 2008, discussed the issue and recommended forming a task force to consider the treatment of emission allowances and permits in the national accounts. The Task Force was established by the Organization for Economic Cooperation and Development (OECD) and Eurostat, under the auspices of the Working Group.

10. The Task Force took as its starting point the 2008 SNA and the results of the discussion at the meeting of the Advisory Expert Group. The 2008 SNA recommends that payments for permits relating to emission into the atmosphere be recorded as taxes, at the time that payments are made, and that the market value of the permits be recorded as non-produced non-financial assets. The Task Force made considerable progress in its understanding of the operation of cap and trade schemes, although it has also considered other types of permits, and in clarifying the process involved in recording them in the accounts of the 2008 SNA under various alternatives, as well as in exploring the international dimension of emission permits.

11. The Task Force considered two alternatives in particular. Both treat the payments for permits as taxes, but propose that the taxes should be recorded on an accrual basis at the time the emission occurs and paid by the emitters as taxes on production. However, they differ in respect of (a) the value of the taxes and (b) the type of assets involved. According to the first proposal, the prepayment of tax (i.e., the timing difference between cash received by government for the permits and the time of the emission) would give rise to accounts receivable and payable and the difference between the prepayment of tax and the market price of permits would represent a marketable contract (a non-produced non-financial asset) for the holder.

According to the second proposal, the emission permits would represent a financial asset (for the holder) and a liability (for the issuer) valued at market price and taxes would be recorded at the market price of permits at the time emissions take place. The Task Force could not reach consensus on which of these two alternatives should be recommended.

12. All Task Force members recognized the importance of resolving the issue. As such, the issue has been deferred to the meeting of the Working Group which had been asked to recommend one of the alternatives described above and which was due to make its decision after the finalization of this report. As the proposals of the Task Force are regarded as entailing a clarification issue, the decision of the Working Group will be published in “SNA News and Notes”, according to the update procedures adopted by the Commission.

B. Treatment of financial intermediation services indirectly measured

13. Measuring the economy’s output and use of financial intermediation services indirectly measured (FISIM) has been subject to refinements in every revision of the SNA since 1968. The 2008 SNA observes that the production of financial services is the result of financial intermediation, financial risk management, liquidity transformation or auxiliary financial activities. However, there is a broad international consensus that aspects of the 2008 SNA recommendations on FISIM need to be clarified or further investigated, including with regard to:

(a) How the composition of the services covered by FISIM — particularly risk management and liquidity transformation — affects the selection of the reference rate and the price and volume breakdown of FISIM;

(b) The financial instrument and unit scope of FISIM;

(c) The connection between the recommendations on implementation of FISIM and the definition of income.

14. Item (a) constitutes a clarification issue and items (b) and (c) constitute research issues. The Working Group, according to its terms of reference, established a Task Force on FISIM to address the clarification issue as set out in (a) above. The research issues will be addressed at a later stage. In particular, the Task Force will focus on determining, at most, one reference rate per currency for the FISIM calculation. The terms of reference for the Task Force, and the need to establish a Task Force at the global level, alongside regional Task Forces with a similar remit, were discussed with a number of OECD countries at a meeting held on 3 December 2010. This meeting supported the terms of reference for the Task Force and several countries expressed interest in participating in the Task Force, which will work in close cooperation with regional Task Forces like the European and Latin American Task Forces on FISIM. It is expected that the Task Force will have two more meetings during 2011 and report its findings at the end of 2011. Discussion papers and meeting reports will be made available on the Working Group website at its research agenda page.

C. The Stiglitz report and the “GDP and beyond” initiatives

15. In the context of the report of the Commission on the Measurement of Economic Performance and Social Progress (the Stiglitz report) and the European Commission Communication from the European Commission to the Council and the European Parliament entitled “GDP and beyond: measuring progress in a changing world” (COM (2009) 433 final), research was initiated to consider information required for the production of more relevant indicators of economic performance and social progress, assess the feasibility of alternative measurement tools, and discuss how to present this information in an appropriate manner. The new indicators should complement the sets of existing indicators. The initiatives by Eurostat, other members of the European Statistical System and OECD are examined below.

16. Eurostat and the statistical office of France (the National Institute of Statistics and Economic Studies (INSEE)) have put in place a Sponsorship Group on measuring progress, well-being and sustainable development. The meetings of the Group are attended by a majority of the States members of the European Union. The Group aims to build consensus on the directions to be taken by the European Statistical System with respect to improved measurement. The work is allocated to three thematic Task Forces:

- (a) Task Force on households’ perspective and distributional aspects of income, consumption and wealth;
- (b) Task Force on environmental sustainability;
- (c) Task Force on multidimensional measures of quality of life.

17. A fourth Task Force on cross-cutting issues will develop a common frame of reference for the work on indicators of the three thematic Task Forces and prepare the final report. The Task Forces are expected to offer priorities, sources and legislative proposals for consideration by member States of the European Union and guidance on how to reorganize production of statistics. The next meeting of the plenary Sponsorship Group is planned for the second half of 2011, after the delivery of the reports by the Task Forces. A final report of the Group is expected in the second half of 2011.

18. An important milestone in this work was the annual conference of the Directors-General of the (European) National Statistical Institutes, which adopted on that occasion the Sofia Memorandum. The Memorandum recognizes the need to work further on household perspective, distributive aspects, global impact of environment issues, and quality-of-life statistics (objective and subjective). Recommended as well was better communication on existing data and analysis.

19. OECD, which has been active in the area of measuring progress for several years has initiated, under the auspices of the OECD Committee on Statistics, new research in several areas. As far as the national accounts are concerned, these areas encompass:

- (a) The use of microdata to produce estimates of disparities between groups of households consistent with SNA concepts and totals for the household sector;

(b) The development of an integrated framework for household income, expenditure and wealth statistics at the microlevel, as well as standards for the measurement of wealth at the microlevels;

(c) The measurement of the value of own-account production by households, making use of time-use surveys.

20. These activities, which are being undertaken in close collaboration with Eurostat, will give rise to a set of indicators on material well-being which will subsequently be combined with indicators on quality of life to provide a more complete picture of current well-being in OECD countries and selected non-OECD countries. A publication is forthcoming in 2011. In parallel, the OECD is also developing indicators of environmental sustainability in the context of the OECD Green Growth Strategy, which will be released in May 2011.

IV. Friends of the Chair Group on the barriers to the implementation of the 1993 SNA

21. At the forty-first session of the Commission, Australia suggested the formation of a Friends of the Chair Group to assist the Commission in identifying the causes of the slow and limited adoption of the *System of National Accounts 1993* (the 1993 SNA)² and to make suggestions for the way forward, given that the 1993 SNA was updated and superseded by the 2008 SNA.

22. During 2010, a number of experts from member countries were invited to participate in the Friends of the Chair Group. Those experts are the repositories of a range of knowledge and experience relevant to the production of national accounts in developed and developing countries. Representatives of the Working Group member organizations participate as observers. The Friends of the Chair Group conducts its business predominately by e-mail, with members meeting, whenever possible, while attending other meetings or travelling on related business. The United Nations Statistics Division will provide an electronic collaboration environment for the Group as well as secretarial and research support.

23. The Friends of the Chair Group will:

(a) Review the progress of the implementation of the 1993 SNA, drawing as much as possible on existing work, such as that performed by the regional commissions (for example, by the Economic and Social Commission for Asia and the Pacific (ESCAP) in its project to improve economic statistics in the region) and under the auspices of the Luxembourg Recommendations on Global Implementation and Outreach for the System of National Accounts;

(b) Identify the barriers to the implementation of the 1993 SNA, including while not being restricted to:

(i) Underlying barriers to the development of national accounts;

² United Nations publication, Sales No. E.94.XVII.4.

- (ii) Barriers related to the suitability of the 1993 SNA and/or the 2008 SNA to developing countries (does the 1968 SNA³ serve their policy needs just as well?);
 - (iii) The “quantum leap” (perceived or real) required to move from the *System of National Accounts* (the 1968 SNA) to the 1993 SNA;
 - (iv) Components of the 1993 SNA and/or the 2008 SNA that are perceived as barriers, for example, FISIM and chain volume measures;
 - (v) The need to compile multiple measures of GDP to fulfil international reporting requirements (for example, production-based GDP for the Millennium Development Goals and expenditure-based GDP for the International Comparison Programme);
 - (vi) The lack of the internal demand (from national policy agencies) needed to drive implementation of the 1993 SNA.
24. The Friends of the Chair Group will produce a succinct analysis of the barriers and suggest alternative approaches to developing appropriate macroeconomic statistics for both developed and developing countries. This will include, but will not be restricted to a consideration of:
- (a) The appropriateness of the goal of full implementation of the 1993 SNA and/or the 2008 SNA in all countries;
 - (b) The possibility of developing tailored versions of the 1993 SNA and/or the 2008 SNA or tailored guidelines to suit the real needs of a range of countries;
 - (c) The possibility of phased or modular implementation of the 1993 SNA and/or the 2008 SNA;
 - (d) The anticipated time frame for large-scale implementation of the 1993 SNA and/or the 2008 SNA to the point where 85 per cent of countries are compiling comparable and timely annual measures of GDP now and across each of the next two decades.
25. The Friends of the Chair Group will provide a report in this regard at the forty-third session of the Commission, to be held in February 2012.

V. Mandates and governance of the Intersecretariat Working Group on National Accounts and the Advisory Expert Group on National Accounts

26. At its forty-first session in 2010 the Commission expressed its support for the continuation of the work of the Advisory Expert Group on National Accounts. The terms of reference and composition of the Advisory Expert Group were revised to reflect the purpose of the Group and subsequently incorporated into the governance structure and the terms of reference of the Working Group. A comprehensive description of the governance structure of the Working Group and its terms of reference, including the same information for the Advisory Expert Group, are

³ Studies in Methods, Series F, No. 2, Rev. 3 and corrigendum (United Nations publication, Sales No. E.69.XVII.3).

provided in a background document to this report entitled “Intersecretariat Working Group: mandate and governance”.

27. The Intersecretariat Working Group on National Accounts is one of the oldest inter-agency bodies set up by the Commission to enhance cooperation among international organizations working in the same field. Since the early 1980s, it has had five members: Eurostat, the International Monetary Fund (IMF), the Organization for Economic Cooperation and Development, the United Nations⁴ and the World Bank. In the mid-1990s, it was agreed that the chairmanship of the Group would rotate among the five organizations and that the secretariat would be within the United Nations Statistics Division. The usual practice has been for the Working Group to function at two levels: that of the so-called Management Group and that of the National Accountants.

28. The Commission is the apex entity that determines the mandate of the Working Group, endorses its work programme and monitors its progress of work. In the course of carrying out its mandate, the Working Group reports to the Commission on its progress achieving the goals set out in its programme of work. Within each area of its work programme, the Working Group undertakes specific activities and in so doing engages technical expert groups, city groups and other expert groups, and for large projects establishes separate project management frameworks in order to carry out the work programme. The mandate of the Working Group is to:

(a) Provide the strategic vision, direction and coordination required for the methodological development and implementation of the System of National Accounts in national, regional and international statistical systems;

(b) Revise and update the SNA and develop supporting normative international statistical standards and other methodological documents on national accounts and supporting statistics;

(c) Promote the development of databases at international, regional and national levels on national accounts statistics;

(d) Also promote the implementation of the SNA and supporting statistics;

(e) Further promote the use of national accounts and supporting statistics in policy formulation.

29. The purpose of the Advisory Expert Group is to assist the Working Group in carrying out its work programme within the context of developing the elements of the implementation programme of the SNA and taking forward issues in the research agenda of the SNA and newly emerging research issues. The composition of the Advisory Expert Group encompasses the global community by representing all regions in the world; the number of members was initially set at 15 (not including the 5 representatives of the Working Group member organizations). The period for which a member might be invited to serve in the Advisory Expert Group would depend on the particular issue that the Working Group needed to consider; the minimum period would be three years.

30. The Working Group may from time to time convene technical expert groups to advance research on particular normative and methodological matters. The technical

⁴ Represented by the United Nations Statistics Division and the statistical divisions of the United Nations regional commissions.

expert groups consist of relevant experts in national accounts and are characterized by a balanced regional representation. The technical expert groups have limited lifespans and focus on particular issues. The terms of reference for the tasks related to the subject matter are formulated for every expert group and include specifications on deliverables, timelines and work arrangements for monitoring the technical discussions and for reporting recommendations to the Working Group.

31. For large projects, such as the revision or implementation of the SNA, it may be necessary to develop separate project management frameworks, including specifications on deliverables, timelines, budget, staffing and work arrangements for monitoring the technical discussions and for reporting recommendations to the Working Group.

VI. Response to the global economic and financial crisis

32. In response to the global economic and financial crisis, countries and international organizations launched coordinated statistical initiatives. The focus of the initiatives comprised identifying and remedying data gaps in order to monitor rapid changes in economic activity, to allow for timely and measured policy responses, and to improve the dissemination and communication of available relevant information. These initiatives included a series of International Seminars on Early Warning and Business Cycle Indicators, organized by the United Nations Statistics Division of the Department of Economic and Social Affairs of the United Nations Secretariat and Eurostat in collaboration with Canada, the Netherlands and the Russian Federation; reports of the IMF and Financial Stability Board secretariat staffs on the financial crisis and information gaps to the G-20 Finance Ministers and Central Bank Governors on 29 October 2009 and May 2010;⁵ and the activities of the Inter-Agency Group on Economic and Financial Statistics (IAG) comprising IMF (Chair), the Bank for International Settlements, the European Central Bank, Eurostat, OECD, the World Bank and the United Nations.

33. The United Nations Statistics Division and Eurostat initiative on Early Warning and Business Cycle Indicators covered five areas: a data template of indicators, flash GDP estimates, business cycle indicators, tendency surveys, and communication and dissemination. For all areas, the intention was to establish an inventory of existing compilation guidelines and country practices and, where applicable, to propose new guidelines and recommendations so designed as to encourage countries to draw on them for the compilation, dissemination and communication of early warning and business cycle indicators. The report of the Secretary-General on short-term economic indicators (E/CN.3/2011/11), to be submitted to the Commission at its forty-second session, elaborates on the outcome and recommendations of the seminar series.

34. The reports of the IMF and Financial Stability Board secretariat staffs on the financial crisis and information gaps set out 20 recommendations on how to address the data gaps, as related to the information gaps on risks in the financial sector, data on international financial networks and the vulnerabilities of domestic economies to shocks. The Inter-Agency Group, which is the main forum within which to advance

⁵ See <http://www.imf.org/external/np/g20/pdf/102909.pdf> and <http://www.imf.org/external/np/g20/pdf/053110.pdf>; see also document E/CN.3/2011/11.

this work, has also established a website on principal global indicators. The Inter-Agency Group is advancing work in particular on sectoral accounts, including the balance-sheet approach, starting with the systemically important countries. The implementation of this approach will allow for an improved measure of cross-border exposures and domestic vulnerabilities of the sectors of the economy. Where relevant, distributional information for national accounts statistics including aggregates and averages will also be compiled.

35. The SNA is recognized as being the overarching framework for economic statistics. Its 2008 update provides a broader explanation of drivers of growth and productivity by virtue of its enlarged scope in respect of produced and non-produced assets. As the 2008 SNA provides a framework that allows for a better understanding of the structural aspects of the financial and economic crisis, it follows that the production and dissemination of high-frequency estimates and their accelerated release, with a view to tracing developments of the business cycle could also facilitate the implementation of the 2008 SNA. The development of both a data template of high-frequency indicators and compilation guidance, and the initiatives of the Inter-Agency Group undertaken to develop guidance on the compilation of balance sheets, will be integrated into the implementation programme of the 2008 SNA.

VII. Implementation of the SNA

A. Introduction

36. The Implementation Programme for the System of National Accounts 2008 and Supporting Statistics constitutes a global statistical initiative whose dual objective in assisting countries in developing statistical and institutional capacity is to enable them thereby (a) to make the conceptual changeover from the 1968 or 1993 SNA to the 2008 SNA and (b) to improve the scope, detail and quality of national accounts and supporting economic statistics.

37. The efficiency and sustainability of the global statistical initiative for the implementation of the 2008 SNA rest on the agreed principles of the implementation strategy, namely: (a) strategic planning, (b) coordination, monitoring and reporting and (c) improving statistical systems. The strategy, which takes as a starting point the different levels of implementation of the SNA in various countries, acknowledges the need for coordinated action, not only at the international level but also at regional and subregional levels, and emphasizes the need for close cooperation with the regional commissions.

38. The principles of the implementation strategy are operationalized through four elements, namely: (a) the use of priority-setting national strategies for the development of statistics or similar national plans as the strategic planning framework, (b) a programme information structure built around the statistical production process, and encompassing scope and compliance of the national accounts and supporting economic statistics, (c) the modalities of statistical capacity-building: training and technical cooperation, publication of manuals and handbooks, research and advocacy and (d) the stages of implementation leading to the changeover to the 2008 SNA. The three stages are:

(a) I. Review of the strategic framework and detailing of national and regional implementation programmes;

(b) II. Adaptation of classification frameworks, business registers and frames, surveys, administrative data sources and information technology infrastructure;

(c) III. Application of adapted frameworks and source data, back-casting and changeover to the 2008 SNA.

39. Each country will determine on its own the duration of the stages leading up to the changeover to the 2008 SNA. However, it is expected that from 2014 onward, most of the Member States will change over to the 2008 SNA following a gradual two- to three-year transition for each changeover stage.

40. These elements were extensively described in the document entitled “Progress on the implementation programme for the *System of National Accounts 2008* and supporting statistics”, which was a background document for the report of the Working Group submitted to the Commission at its forty-first session.⁶

41. For the purpose of setting up a national implementation programme for the 2008 SNA, it is necessary to assess the current capacity of all aspects of the statistical production process to produce national accounts and supporting statistics. Based on this assessment, goals regarding the relevant scope and detail of the national accounts and supporting statistics required to inform policy- and decision-making need to be set in consultation with all relevant stakeholders in the national statistical system. A plan based on the self-assessment and identifying a set of actions for accomplishing statistical and institutional goals would be an important step towards establishing a road map for the implementation of the 2008 SNA and supporting statistics and would be instrumental in improving the statistical agenda so as to ensure adherence to best practices in official statistics.

42. In respect of the changeover to the 2008 SNA, the Working Group recognizes that three main dimensions need to be taken into account in determining implementation goals and monitoring the progress of implementation: (a) scope of the accounts, (b) compliance with the SNA concepts and (c) quality issues. All three dimensions need to be assessed so as to ensure a better and more comprehensive evaluation of the implementation of the System of National Accounts.

43. Section B below reports on the guidelines for monitoring the implementation of the 2008 SNA. Sections C and D discuss the activities of the Working Group and the regional commissions. Section E provides an assessment of the scope and details of the implementation of the 1993 SNA.

B. Guidelines for monitoring the implementation of the 2008 SNA

44. For the purpose of monitoring the implementation of the 1993 SNA, the Working Group developed a set of six milestones to assess the scope of the accounts that are compiled by countries. These milestones were later supplemented by three data sets describing (a) the minimum set of accounts that need to be compiled; (b) a recommended set of accounts; and (c) a desired set of accounts. To assess the

⁶ See <http://unstats.un.org/unsd/statcom/doc10/BG-NationalAccounts2008.pdf>.

compliance with major 1993 SNA concepts, the Working Group developed a set of questions. Quality within the dimension of the national accounts was assessed using the IMF quality assessment framework.

Milestones

45. At its twenty-ninth session, the Commission commended the milestone measures defined by the Task Force on National Accounts (see E/1997/24, chap. VIII).⁷ The purpose of the milestones is twofold: (a) to provide some guidance to countries that are considering expanding the scope of their national accounts coverage in line with the recommendations of the SNA and (b) to serve as a monitoring instrument permitting the measurement of the level of national accounts development at different points in time and the identification of the groups of countries (by type or by region) that might need particular attention from the international community.

46. However, there are some limitations to the milestone measure. In this regard, countries have perceived the milestones as setting out the order in which additions to national accounts must be approached. Further, the milestones can also give a misleading impression in respect of SNA implementation, owing to the fact that there are different degrees of implementation. For example, for some countries with relatively small economies that engage in a narrow range of activities, full implementation could involve a much smaller subset of the SNA than that required by other countries. In addition, the milestones make no reference to conceptual or quality issues since they are concerned with coverage only in terms of the accounts and tables recommended by the SNA.

Required data sets

47. Owing to the limitations of the milestone approach, the Working Group developed the above-mentioned three data sets to assess the scope of national accounts implementation according to the 1993 SNA (see para. 44). The first is a defined benchmark known as the minimum requirement data set (MRDS), which is a set of annual accounts that essentially groups together the accounts recommended in milestones 1 and 2. The second is the recommended data set, comprising annual accounts “recommended” for compilation by all countries plus some “recommended” quarterly accounts, which are recommended because of their importance in assessing developments of an economy. The third is the desired data set, which comprises useful data that should be compiled, if possible. In addition, the recommended data set and the desirable data set facilitate scope assessments beyond the threshold of the benchmark. The Commission expressed support for this measure at its thirty-second session and called for an assessment of the minimum requirement data set based on the United Nations national accounts database (E/2001/24, chap. III.A).⁸

⁷ See the report of the Task Force on National Accounts submitted to the Commission at its twenty-ninth session (E/CN.3/1997/12, annex).

⁸ See the report of the Secretary-General on the assessment of the implementation of the *System of National Accounts 1993* (E/CN.3/2001/8), submitted to the Commission at its thirty-second session.

Conceptual compliance

48. To determine conceptual adherence to the 1993 SNA, the Working Group developed a set of questions. The questionnaire is limited in scope, covering only some of the key conceptual differences between the 1993 SNA and the 1968 SNA, and requires simple answers (yes/no/partly), with some elaboration if necessary. Its objective is to determine to what extent important concepts in the 1993 SNA affecting the level of GDP, gross capital formation and gross national income (GNI) have been implemented.

Data-quality assessment of national accounts

49. To assist in formulating strategies to improve data quality, IMF has developed a framework for assessing the quality of national accounts and other macroeconomic statistics. The framework provides a structure and common language for best practices as well as internationally accepted concepts and definitions. The framework has a cascading structure which begins with a set of prerequisites and five dimensions of quality: integrity, methodological soundness, accuracy and reliability, serviceability and accessibility.

50. IMF has used the framework as a tool for preparing the data module of Reports on the Observance of Standards and Codes (Data ROSCs) for its member States. Data ROSCs cover the major macroeconomic data sets, including the national accounts. The data-quality assessment framework is currently being reviewed to enable it to take on board recent changes in statistical methodologies. The review will continue to reflect best statistical practices and reinforce the links with work by other organizations in this domain.

51. The framework is also being used outside IMF, since it encompasses the most important aspects of the statistical system and organizes them into a systematic framework that can be used across various areas of statistics. The framework can also be used, for instance, for self-assessments by national statistical offices and other users.

Scope and compliance measures for the 2008 SNA

52. The elements of the scope and compliance measures used for the 1993 SNA are deemed to be adequate also for assessing the scope and compliance in respect of the 2008 SNA. However, the need for more timely information to facilitate appropriate policy responses highlights the importance of including the compilation of quarterly national accounts as well, which require some adjustments to the scope measure, as reflected by the required data set measure.

53. The minimum requirement data set was broadened to include quarterly accounts for the nominal and volume measure of GDP by industry or by expenditure components and the quarterly compilation of the integrated accounts until net lending for the total economy and the rest of the world. The minimum requirement data set was also extended to include the compilation of annual institutional sector accounts until net lending for the corporate, government, households and non-profit institutions serving households sectors, while the quarterly compilation of these sectors is now recommended. Moreover, the annual compilation of the sectoral financial accounts and sectoral balance sheets and other changes in assets accounts is now recommended, while the compilation of their quarterly accounts is desirable.

The adjusted minimum requirement data set, and the recommended and desirable data sets, are provided in table 2 of the annex.

54. The compliance questionnaire was adjusted to reflect the 2008 SNA concepts for determining the conceptual adherence to the updated SNA. The details of the questionnaire are presented in table 3 of the annex. Its objective is to determine to what extent important concepts in the 2008 SNA affecting the level of GDP, gross capital formation and gross national income have been implemented. The Working Group will assess the need to expand at a later stage the compliance questionnaire, so that it would also include other 2008 SNA concepts not currently covered in the questionnaire.

C. Activities of the Intersecretariat Working Group on National Accounts

55. In accordance with the request of the Commission to provide guidance on the consistent implementation of the 2008 SNA, the Working Group, in cooperation with countries and the regional commissions, was actively dedicated to the implementation of the 2008 SNA and supporting statistics. The activities of the Working Group focus on the modalities of statistical capacity-building. For this purpose, its member organizations work in the following areas: research issues, such as emission permits, globalization and financial intermediation services indirectly measured, to provide clarification in respect of the implementation of the new guidelines; the development of handbooks such as “Essential SNA”, “2008 SNA: concepts in brief” and “2008 SNA: implementation in brief” aimed at addressing the implementation of the SNA in countries with different levels of statistical development; technical assistance and training workshops; and seminars on regional implementation strategies.

56. Following the conclusion of the 1993 update process, it became necessary to update the Working Group website. The updated website (<http://unstats.un.org/unsd/nationalaccount/default.asp>) now includes, in addition to information on Working Group activities, a platform for monitoring the implementation of the SNA with links to the work programmes of Working Group members and the regional commissions; information about the research agenda of the SNA; and information about the activities of the Advisory Expert Group.

World Bank

57. The World Bank supports the implementation of the 2008 SNA through activities related to its regular programme of work for improving statistical capacity, particularly in developing countries, and work related to the International Comparison Programme (ICP). These activities are further described below.

58. The ICP Global Office provides support to the regional coordinating agencies and provides technical assistance on national accounts preparatory activities. Although the 2011 round of ICP (ICP 2011) will be based on the 1993 SNA, technical assistance helping countries improve their national accounts so as to enable them to conform to international standards and/or improve estimates of household consumption (with breakdown) will contribute towards implementing the 2008 SNA down the line. In addition, work will also include guidance on price issues; work on owner-occupied housing; the measurement of government outputs,

education and health; the measurement of financial services and machinery and equipment; and productivity adjustments.

59. The World Bank is continuing to work — along with other key donors — towards scaling up its support to developing countries. The Statistics for Results Facility, including a Catalytic Fund, is now operational, and complements other mechanisms available through the World Bank, including the multi-donor Trust Fund for Statistical Capacity Building and the STATCAP lending programme. Although the World Bank support mechanisms available to countries for improving their statistical systems are broad-based, these facilities could also be used to address country-specific needs aimed at the implementation of the 2008 SNA.

60. The World Bank is preparing two handbooks complementing the 2008 SNA and aimed specifically at supporting national accountants in small developing countries. One is entitled “2008 SNA: concepts in brief” and the other, an accompanying implementation guide, is entitled “2008 SNA: implementation in brief”. It is expected that both handbooks will be available in 2011.

61. The World Bank is also developing an e-learning course on national accounts. The course will be made available free of charge to all interested parties on the Web and will include lessons on GDP calculation, supply and use tables (SUT), data sources, exhaustiveness, and estimates beyond GDP, such as institutional sector accounts. It is expected that the course will be available in 2011.

Eurostat

62. The 2008 SNA will be implemented in the European Union (EU) in the form of a revision of the European System of Accounts (ESA), the European version of the SNA. In Europe, extensive discussions have led to the establishment of an implementation plan and milestones for the period 2009-2014. The implementation plan has been approved by the European Statistical System Committee (ESSC), which brings together Eurostat and the national statistical institutes of EU member States. It is expected that training on the new ESA for Eurostat and the civil servants in member States working on national accounts will be conducted during the period 2011-2013; and the implementation of the new ESA methodology and transmission programme by EU member States will commence in 2014. This implementation will be largely supported by preparatory work and discussions on specific topics in working parties and expert groups of EU.

63. Eurostat is developing a handbook entitled “Essential SNA”. The handbook offers an approach to the implementation of the SNA in developing countries that consists in the gradual compilation of the accounts and tables that are relevant for addressing policy issues and considered to be of the highest priority. For this purpose, the main reference framework is the minimum requirement data set developed by the Working Group. It is expected that the handbook will be published in early 2011.

64. Eurostat and France are co-owners of ERETES, one of the most widely used common tools for the compilation of national accounts in the world. The Commission, at its forty-first session, supported the use of such tools. Therefore, Eurostat is upgrading ERETES to make it fully compliant with the 2008 SNA by the end of 2012. In this regard, moreover, Eurostat offers about four training workshops

per year (which are open to all interested developing countries) and supports the community of ERETES users.

OECD

65. The main activities of OECD directed towards the implementation of the 2008 SNA are centred on its active participation in advancing the research agenda of the 2008 SNA. OECD also organizes annual meetings on national accounts: the meetings of the OECD Working Party on Financial Statistics and the OECD Working Party on National Accounts; and the workshop held with China's National Bureau of Statistics. As part of the effort to develop a balance-sheet approach to the implementation of the SNA, OECD and IMF are organizing a conference at the end of February 2011.

IMF

66. IMF supports the implementation of the 2008 SNA through its technical assistance projects with IMF member countries encompassing missions by representatives of regional technical assistance centres, externally funded capacity-building projects, and projects at IMF headquarters. In addition, IMF also conducts missions aimed at assessing countries' statistical systems, as reported on in the Data ROSCs, and missions aimed at supporting its data dissemination standards: the General Data Dissemination System and the Special Data Dissemination Standard.

67. The Fund's extensive technical assistance and training programme within the national accounts integration framework is conducted primarily through its execution of projects for a range of external funding agencies. Technical assistance and training activity on a smaller scale are supported through the Fund's own budget. Training on national accounts is conducted at the IMF Institute at IMF headquarters, through IMF regional training centres, regional technical assistance centres (RTACs) and ad hoc courses under the topical trust funds. IMF also collaborates with other international and regional organizations in their delivery of courses. The principal vehicles for externally funded project execution are the regional technical assistance centres and modular topical projects. There are currently seven such centres (with two more expected to be open in the near future).

68. IMF also manages technical assistance projects supported by topical trust funds, of which two directly support work on national accounts statistics. One is a three-year technical assistance project aimed at the implementation of the SNA and the ICP for about 10 Asian and Pacific countries. The project is financed by the Government of Japan. The overall objective is to provide technical assistance designed to complement the ICP programme by developing capacity for sustainable national accounts and price statistics compilation. The project will focus on two topical areas: estimates of GDP by expenditure aggregates and price indices. The second project is the five-year Enhanced Data Dissemination Initiative (EDDI) for Anglophone Africa, funded by the Department for International Development (DFID) of the United Kingdom of Great Britain and Northern Ireland, which supports the compilation of quarterly and annual national accounts in selected African countries. Supported by these various funding sources during the financial year ending April 2011, IMF plans to undertake over 220 technical assistance and training missions in the area of real sector statistics (national accounts and price statistics).

69. As part of its work for the Inter-Agency Group on Economic and Financial Statistics, IMF, in cooperation with OECD, is organizing a Conference on Strengthening Position and Flow Data from the Macroeconomic Accounts from 28 February to 2 March 2011 which will focus on improving the sectoral accounts. It is expected that the outcome of this work will provide guidance on the implementation of milestones 5 and 6 of the milestone measure of SNA implementation.

United Nations Statistics Division

70. The United Nations Statistics Division is working closely with the regional commissions and other regional partners to foster the implementation of the 2008 SNA. For this purpose, the Statistics Division is organizing a series of seminars. Three of these have already been held: in the Economic and Social Commission for Western Asia (ESCWA) region (May), in the Caribbean region (June) and in the Economic Commission for Latin America and the Caribbean (ECLAC) region (November, in collaboration with IMF). It is expected that during 2011, seminars in this series will also be held for the regions of Eastern Europe, the Caucasus/Central Asia and South-Eastern Europe; Africa; and that of the Economic and Social Commission for Asia and the Pacific (ESCAP).

71. The purpose of these seminars is to facilitate the implementation programme for the 2008 SNA, provide support in the area of economic statistics, with the objective of enabling the development of comparable economic statistics in those regions that have not yet reached that point, and provide support to those regions that have already started their own regional programmes, by ensuring that those programmes are aligned with the global implementation programme as endorsed by the Commission.

72. The implementation programme for the 2008 SNA, as supported by the Commission in 2010 calls for a review of the statistical production process in countries and a revisiting of the scope, detail and quality of the accounts and supporting economic statistics through a determination of which socio-economic and financial policies have to be informed by structural and short-term economic statistics, including annual and quarterly national accounts.

73. The United Nations Statistics Division in collaboration with the European Central Bank is preparing a handbook on financial production, flows and stocks in the SNA. The handbook aims to provide guidance on compilation issues in the financial corporate sector and that sector's links to the other institutional sectors. It is expected that the handbook will be available at the end of 2011.

74. With a view to helping countries assess the adequacy of their national statistical production process for supporting the implementation of the 2008 SNA, the United Nations Statistics Division has developed a Diagnostic Framework for National Accounts and Supporting Economic Statistics (DF-NA&ES). The Framework uses taxonomies based on the Classification of Statistical Activities developed by the Conference of European Statisticians. By utilizing this framework, it is possible to develop an information structure for planning, monitoring and evaluating the implementation of the SNA. This builds jointly with the efforts of the Working Group to establish an information structure for managing technical assistance operations. The tool can help countries make a self-assessment of the statistical prerequisites outlined in stages I and II of the 2008 SNA implementation

strategy. Based on this assessment, countries can then set implementation goals and develop a vision for improving the availability and quality of the basic economic statistics required for the compilation of national accounts according to the 2008 SNA recommendations.

75. The United Nations Development Accounts projects are also strengthening the statistical capacity in national accounts and related source data through multi-year programmes. The technical assistance and training activities of the United Nations Statistics Division are aligned with these projects so as to support and supplement capacity-building undertaken in the development accounts projects.

D. Activities of the regional commissions

76. The regional commissions, in collaboration with countries, subregional organizations and Working Group organizations, have established advisory groups on national accounts and economic statistics. The purpose of the advisory groups is to assist the regional commissions in formulating regional implementation programmes for the 2008 SNA and supporting statistics. Almost all of these advisory groups have already prepared implementation programmes for their respective regions, which have been, or are in the process of being, approved by the regional statistical commissions. These regional programmes are well aligned with the global implementation programme for the 2008 SNA and supporting statistics, as they cover all of the elements of the global 2008 SNA implementation programme.

77. A common feature of these programmes is the consensus among the countries concerned that a need exists for an assessment of their current capacity and needs with respect to producing the supporting statistics for national accounts compilation; for a road map to enhance the scope and quality of basic economic statistics and national accounts for improved policy- and decision-making; and for a minimum common data set of annual and high-frequency statistics with metadata descriptions for the purpose of monitoring progress on implementation. It is expected that the progress on the implementation of the 2008 SNA and supporting statistics will be monitored by the regional commissions, according to the milestone and minimum requirement data set measures and the common data set with metadata descriptions. More detail on these regional implementation plans can be found in the background document entitled "Progress on the regional implementation programmes for the 2008 SNA".

E. Reporting of national accounts data

78. In accordance with a request from the Commission, the United Nations Statistics Division regularly evaluates the availability and scope of official national accounts data, as reported by Member States, and their conceptual compliance with the recommendations of the System of National Accounts.

79. An assessment of this kind — according to the recommendations of the 1993 SNA, and based on replies to the United Nations National Accounts Questionnaire (UN-NAQ) for the last five reporting periods, that is, from 2005 to 2009 — is provided in the present section. The data are reported directly to the United Nations Statistics Division or through the Economic Commission for Europe (ECE), OECD or the Caribbean Community (CARICOM) Secretariat.

80. Taking into consideration at least one submission over the last five reporting periods (2005-2009), 92 per cent (177) of Member States, which include all developed countries and 90 per cent of developing countries, reported national accounts data to the United Nations Statistics Division. On a regional level, 97 per cent of Asian and Latin America and Caribbean countries reported national accounts data. In Africa and Oceania, the proportion of countries reporting national accounts data was somewhat lower, at 83 per cent.

81. An analysis of the national accounts data shows that 72 per cent of Member States had implemented the 1993 SNA by the time of the 2009 UN-NAQ reporting period. Nearly all developed and transition economies reported national accounts data according to the 1993 SNA methodology. Additionally, 63 per cent of developing countries reported national accounts data to the Statistics Division that had followed the 1993 SNA. Specifically, 55 per cent of African countries, 64 per cent of Latin American and Caribbean countries, 68 per cent of Asian countries and 75 per cent of Oceanic countries have implemented the 1993 SNA. The rates of implementation of the least developed countries and small island developing States have significantly progressed, with 57 per cent and 48 per cent, respectively, having implemented the 1993 SNA.

82. The scope of national accounts data reported to the United Nations Statistics Division is evaluated against the standard minimum requirement data set and the milestone measure. A total of 58 per cent of countries provided six or more tables of the minimum requirement data set and 41 per cent provided seven of the minimum requirement data set tables. This means that 41 per cent of countries have reported GDP by expenditure and industry, at current and constant prices; output, value added and gross capital formation by industry; relations among product, income, saving and net lending/borrowing; and at least parts of the integrated economic accounts for the total economy and the rest of the world. The lowest coverage is observed for least developed countries and small island developing States: only 10 per cent of least developed countries and 12 per cent of small island developing States have provided seven tables of the minimum requirement data set.

83. Milestone 2 was observed by the great majority of developed countries, transition economies, developing countries in Western Asia and countries in the Caribbean and Latin America. For African countries and Oceanic countries, only 45 per cent and 42 per cent, respectively, met milestone 2. Milestone 1 is attained when GDP by expenditures in current or constant prices and gross national income are provided; and milestone 2 is attained when at least value added by industry, GDP by expenditures in current or constant prices, and GNI are provided.

VIII. Points for discussion

84. **The Commission is requested to:**

(a) **Express its views on the publication and translation process of the 2008 SNA;**

(b) **Express support for and provide guidance on the proposed research agenda on national accounts;**

(c) Also express support for and provide guidance on the proposed mandate and governance of the Intersecretariat Working Group on National Accounts and the Advisory Expert Group on National Accounts;

(d) Further express support for and provide guidance on the integration of a minimum set of high-frequency data and indicators, coherent with the quarterly national accounts, into the implementation programme of the 2008 SNA;

(e) Express support for and provide guidance on the assessments of the scope and compliance of the implementation of the 2008 SNA;

(f) Also express support for and provide guidance on the implementation programme for the 2008 SNA and supporting statistics;

(g) Take note of the establishment of the Friends of the Chair Group on the barriers to the implementation of the 1993 System of National Accounts.

Annex

Information system for assessing the progress of the implementation of the System of National Accounts 2008

Table 1
Scope of the implementation of the System of National Accounts 2008: milestones

<i>Implementation milestones</i>	<i>Complementary data systems</i>	<i>SNA-related data and development</i>
Pre-SNA phases	Basic data on production, turnover, consumption, investment, exports and imports Consumer and producer price indices Balance of payments goods and services account Monetary survey statistics	
Milestone 1. Basic indicators of gross domestic product (GDP) Final expenditures on GDP current and constant prices GDP by industry at current and constant prices	Supply and use table worksheets Balance of payments: current, capital and financial accounts Government finance statistics (GFS) transaction accounts	
Milestone 2. Gross national income and other primary indicators • For rest of the world External account of primary incomes and current transfers Capital and financial accounts	Capital stock statistics International investment position GFS transactions and stocks in assets and liabilities Monetary and financial statistics	Quarterly national accounts Regional accounts Satellite accounts for environment and other satellite accounts Input-output analysis
Milestone 3. Institutional sector accounts: first step: • For all institutional sectors Production account • For general government Generation of income Allocation of primary income Secondary distribution income Use of disposable income Capital and financial accounts	Same as for milestone 2	Same as for milestone 2
Milestone 4. Institutional sector accounts: intermediate step 1: • For all institutional sectors Generation of income Allocation of primary income Secondary distribution of income Use of disposable income Capital accounts	Same as for milestone 2	Same as for milestone 2
Milestone 5. Institutional sector accounts: intermediate step 2: • For all institutional sectors Financial account	Same as for milestone 2	Same as for milestone 2
Milestone 6. Institutional sector accounts: final step: • For all institutional sectors Other changes in assets account Balance sheet	Same as for milestone 2	Same as for milestone 2

Table 2
Scope of the implementation of the 2008 System of National Accounts: data sets

<i>National Accounts Questionnaire table number</i>		<i>Annual accounts</i>	<i>Quarterly accounts</i>
GDP, value added and employment			
	Nominal and volume measure of GDP by industry or by expenditure components	Minimum requirement	Minimum requirement
1.1	Expenditures of the GDP in current prices	Minimum requirement	Optional minimum requirement
1.2	Expenditures of the GDP in constant prices	Minimum requirement	Optional minimum requirement
2.1	Value added and GDP in current prices by industry	Minimum requirement	Optional minimum requirement
2.2	Value added and GDP in constant prices by industry	Minimum requirement	Optional minimum requirement
2.3	Value-added components by industry, current prices	Minimum requirement	Recommended
	Employment by industry	Minimum requirement	Recommended
Integrated accounts and tables, including integrated satellite accounts			
1.3/4.1	Accounts for the total economy (until net lending)	Minimum requirement	Minimum requirement
	Supply and use table	Recommended	Desirable
5.1	Cross-classification of output/value added by industries and sectors	Recommended	
	Tourism accounts, environmental accounts and other socio-economic accounts	*	
Purpose classification of expenditures			
3.1	General government final consumption (and other) expenditure by purpose in current prices	Recommended	
	General government final consumption expenditure by purpose at constant prices	*	
3.2	Individual consumption (and other) expenditures by purpose in current prices	Recommended	
	Individual consumption expenditures by purpose at constant prices	*	
	Purpose classification of intermediate and final consumption across all sectors	*	
Institutional sector accounts (until net lending)			
4.2	Rest of the world accounts (until net lending)	Minimum requirement	Minimum requirement
4.3	Non-financial corporations sector accounts (until net lending)	Minimum requirement	Recommended
4.4	Financial corporations accounts (until net lending)	Minimum requirement	Recommended
4.5	General government sector accounts (until net lending)	Minimum requirement	Recommended
4.6	Household sector accounts (until net lending)	Minimum requirement	Recommended
4.7	Non-profit institutions serving households sector accounts (until net lending)	Minimum requirement	Recommended
Financial accounts			
4.1-4.7	Financial accounts for all sectors	Recommended	Desirable
Balance sheets and other changes in asset accounts			
	Balance sheets, revaluation and other volume changes in asset accounts for all sectors	Recommended	Desirable

Note: Minimum requirement indicates an adequate scope of implementation of the 2008 SNA, when relevant. Recommended: recommended for compilation by all countries. Desirable: Useful statistics that should be compiled, if possible. Tables shown without a number are not included in the annual United Nations Questionnaire (NAQ).

For the institutional sector accounts, the household accounts and the non-profit institutions serving households could be presented together. An asterisk (*) signifies other data sets that would count in assessing the degree of 2008 SNA implementation.

Table 3
Conceptual compliance questionnaire for the System of National Accounts 2008

<i>Question: Does your country's reported national accounts data currently include estimates for ...:</i>	<i>Yes</i>	<i>No</i>	<i>Partly</i>	<i>Not applicable</i>
Elements affecting the level of gross domestic product (GDP)				
Gross capital formation (GCF)/output				
1. The entire defence expenditure incurred by government included in the GCF?				
2. Consumption of fixed capital measured on all government fixed assets (airfields, roads, hospitals, docks, dams and breakwaters and other forms of construction except structures) including military weapon systems?				
3. The expenditure on research and development included in the output and GCF?				
4. All (successful and unsuccessful) mineral exploration expenditure capitalized?				
5. Purchases of computer software expected to be used for more than a year included in GCF?				
6. Expenditure on software development on own account expected to be used for more than a year and for sale included in GCF and output?				
7. 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 and output?				
8. Expenditure on entertainment, literary or artistic originals included in the GCF and on their development included in the output?				
9. Expenditure on valuables included in the GCF?				
10. The natural growth of cultivated forests included in output in GCF?				
11. The output of financial intermediation services indirectly measured (FISIM) calculated on loans and deposits using only interest rates on deposits and loans and a reference rate of interest?				
12. The output of FISIM allocated to users?				
13. The production of all goods that are produced by households whether for sale or not included in the output?				
14. The activity of the own-account moneylenders included in the output?				
15. The value of output of goods and services produced by households and corporations for own final use, when estimated on cost basis, includes a return to capital?				
16. The output of non-life insurance services in the event of catastrophic losses estimated using adjusted claims and adjusted premium supplements?				
17. The output of the Central Bank estimated separately for financial intermediation services, monetary policy services and supervisory services overseeing financial corporations?				

<i>Question: Does your country's reported national accounts data currently include estimates for ...:</i>	<i>Yes</i>	<i>No</i>	<i>Partly</i>	<i>Not applicable</i>
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18. The unit undertaking purely ancillary activity, located in a geographically separate location from establishments it serves, treated as a separate establishment?

19. The output of the activity of non-autonomous pension funds and unfunded pension schemes separately recognized?

Volume estimates

20. Volumes estimated using a chaining procedure on an annual basis?

Social contributions/insurance

21. Unfunded social contributions (for sickness, unemployment, retirement, etc.) by enterprises imputed as compensation of employees and included as contributions to social insurance?

22. Non-life insurance estimates include premium supplements rather than being based just on premiums less claims?

23. Life insurance estimates include premium supplements rather than being based just on premiums less claims?

Elements affecting gross national income (GNI)

24. Reinvested earnings estimates included in the rest of the world account?

25. Foreign workers' remittances excluded from GNI?

Elements not affecting the level of GDP/GNI

Valuation of output

26.a Output and value added measured at basic prices?^a

26.b Output and value added measured at producers' prices?^a

26.c Value added measured at factor cost?^a (not part of the 2008 SNA)

27. The goods for processing recorded on a net basis?

Final consumption

28. Government final consumption expenditure broken down into individual and collective consumption?

Status of implementation of the 2008 SNA

29. The 2008 SNA has not been implemented in officially reported national accounts. When does the country plan to implement and release data based on the 2008 SNA (specify the year)?

^a These questions are raised for information only since the SNA allows alternative treatments.