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**Workshop on the Implementation of the 2008 System of National Accounts**  
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Item 5 of the provisional agenda

**IMPLEMENTATION OF THE 2008 SYSTEM OF NATIONAL ACCOUNTS  
IN THE EASTERN EUROPE, CAUCASUS AND CENTRAL ASIA,  
SOUTH EAST EUROPE AND MONGOLIA (2011 update)**

Prepared by UNECE Statistical Division

**I. INTRODUCTION**

1. The main purpose of this paper is to present the progress with implementation of the System of National Accounts (SNA) in the countries in Eastern Europe, Caucasus and Central Asia (EECCA) and South East Europe (SEE) and to define basis for setting up an implementation plan for the 2008 System of National Accounts (the 2008 SNA) in the region. The countries in the region, the regional advisory body – the Steering Group (SG) on National Accounts and other regional partners are invited to express their views on the main steps to be followed and on the objectives and activities proposed in this paper.
2. During the last 3 annual sessions in 2009-2011, United Nations Statistical Commission (UNSC) supported the Implementation Strategy for the 2008 SNA and expressed appreciation for the activities of international and regional organizations to facilitate implementation of the 2008 SNA, especially the regional implementation strategies<sup>1</sup>.
3. Following the decision of the UNSC, United Nations Statistical Division (UNSD) requested the regional commissions to develop regional implementation plans in close cooperation with regional advisory boards. The

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<sup>1</sup> See UNSC Reports on <http://unstats.un.org/unsd/statcom/reports.htm> .

United Nations Economic Commission for Europe (UNECE) was asked to support the development of implementation plans for the 2008 SNA in the EECCA and SEE region.

4. UNECE considers it important that the regional implementation plan takes as a starting point the current state of implementation of the 1993 SNA. It is essential that the plan is demand driven and reflects the priorities and the needs for training and technical assistance of the countries in the region. Therefore, the UNECE secretariat conducted a survey on the main problems in implementation of 1993 SNA and plans for the introduction of the 2008 SNA among the national statistical offices of the countries in the EECCA and SEE region. Mongolia was also included in the survey. The questionnaire was developed in consultation with the SG on National Accounts.

5. The survey was carried out in the first half of 2010 and preliminary results were presented at the meeting of Group of experts in national accounts held in 26-29 April, 2010<sup>2</sup>. This paper takes into account the comments and suggestions received during the meeting and is updated with information from the National accounts questionnaires (NAQ), received in May 2011. Section II summarizes the current state of implementation of the SNA in the countries of the region. Section III presents the outstanding problems and the priority areas for strengthening the national accounts and related economic statistics. Section IV proposes steps to be followed in the development of implementation plan for the 2008 SNA in the region. It includes objectives and key deliverables, coordination and monitoring on a country and regional level, priority areas for future work. The Annex includes detailed country profiles, summarizing the status of implementation of SNA, major problems and expressed need for capacity building.

## II. IMPLEMENTATION OF THE SNA IN THE REGION

6. In order to collect more structured information on the current state, main difficulties and priorities in the implementation of the system of national accounts UNECE conducted a special survey in early 2010. The survey covered 19 countries that are not members of the European Union (EU) or the Organisation for Economic Co-operation and Development (OECD): countries from EECCA and SEE region as well as Mongolia. Replies were received from all 19 countries (Uzbekistan did not reply to 2010 questionnaire, but provided information later as update to country profile).

7. The following countries participated in the survey:

- 12 countries from Eastern Europe, Caucasus and Central Asia: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Russian Federation, Tajikistan, Turkmenistan, Ukraine and Uzbekistan;
- 6 SEE countries: Albania, Bosnia and Herzegovina, Croatia, Montenegro, Serbia and The former Yugoslav Republic of Macedonia;
- Mongolia.

8. For the purpose of this paper, the group of countries that were surveyed are referred to as “the region”.

### A. Statistical programmes, main producers and users of national accounts

9. In all countries of the region the National Statistical Offices (NSOs) are the primary institution responsible for the development and implementation of the SNA. In some countries the Central Banks and Ministries of Finance are also included in the framework as compilers of related economic statistics and data providers for the SNA compilation (*to be verified at the workshop*).

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<sup>2</sup> "Implementation of the 2008 System of National Accounts in the Eastern Europe, Caucasus and Central Asia, South East Europe and Mongolia, Note by Secretariat" - ECE/CES/GE.20/2010/30 available at: <http://live.unece.org/fileadmin/DAM/stats/documents/ece/ces/ge.20/2010/30.e.pdf>

10. Most of the countries in the region (14) have developed national plans for improvement of statistics and national accounts. These plans cover a period of 2 to 5 years and are focused on the introduction of the 1993 SNA. Some countries have started work towards implementation of the 2008 SNA. Currently only Azerbaijan and Kazakhstan (*to be verified*) have already adopted documents specifying concrete activities for implementation of some of the recommendations of the 2008 SNA.

11. According to updated replies by the countries to UNECE questionnaire, the main users of national accounts statistics can be allocated to 8 groups, one of which - *National government*<sup>3</sup>, is mentioned by all countries. Besides that, 11 countries (61.1%) have also mentioned other institutional users, such as the *National or Central banks* as one of the main users of national accounts. Two other groups that were frequently indicated are *Academic and research sphere* (94.4%) and *Business sphere* (77.8%). The other national users cover media, NGOs and individuals. International organisations are seen as important users of national accounts in more than one third of the countries.

12. Main users can be also grouped into two categories with respect to the intensity of statistical use<sup>4</sup>:

- **General Data Users:** journalists, students, teachers, small businesses who have simple data requirements but from a great range of information;
- **Analysis Users:** government departments, local authorities, researchers, international organizations with complex data requirements on detailed variables, time series and regional breakdowns.

According to this grouping, national accounts are used mostly by analysis users in the surveyed countries.

Table 1.

**Main users of national accounts in the region.**

	Users' groups	Indicated by countries	
		count	per cent
1	National government	18	100.0
2	Academic and research sphere	17	94.4
3	Business sphere	14	77.8
4	National or Central bank	11	61.1
5	International organizations	7	38.9
6	Non-profit institutions	5	27.8
7	Media	5	27.8
8	Individuals	4	22.2

13. Countries were also asked to indicate the most demanded data in a free form without having a predetermined set of data series. As a result, 130 datasets were mentioned by surveyed 18 countries. The UNECE summarized the results according to the milestones and required datasets to monitor SNA implementation. All countries have mentioned *GDP and its basic indicators* as the data series that attract most attention. These are followed by *Integrated accounts and tables* (mentioned by 10 countries or 55.6 per cent). *Institutional sector accounts* come third (*to be verified at the workshop*).

14. Data category of *GDP size and growth rate* within data group of *GDP and its basic indicators* is mentioned by 17 out of 18 countries, as one of the main data used by the users. Users in 13 out of 18 countries are also interested in *GDP breakdown by production and expenditure components*.

<sup>3</sup> General Government (offices of Parliament, President, Prime-Minister), Ministries (Ministry of Finance, Ministry of Economic Development and other area Ministries), other governmental agencies.

<sup>4</sup> Essentials SNA: building basics, edition 2010, Eurostat 2011

Table 2.

**Most demanded data from national accounts in the region.**

Data groups	Data categories	Number of countries	Per cent
GDP and its basic indicators	GDP size and growth rates	17	94.4
	GDP by expenditure categories, in current prices	13	72.2
	GDP by production, Value added by industries in current prices	13	72.2
	GDP per capita	9	50.0
	GDP by income components, Value added components by industry in current prices	5	27.8
	Regional GDP	5	27.8
	GDP by production, Value added by industries in constant prices	5	27.8
	<b>Total</b>	<b>18</b>	<b>100.0</b>
Integrated accounts and tables	GNI and other primary aggregates	8	44.4
	Supply and use tables	4	22.2
	<b>Total</b>	<b>10</b>	<b>55.6</b>
Institutional sector accounts	Household's income, expenditure, gross capital formation	2	11.1
	<b>Total</b>	<b>2</b>	<b>11.1</b>

## B. Progress in implementation of 1993 SNA (Availability of accounts and aggregates)

15. In the majority of the countries the 2008 SNA will have to be implemented while the statistical offices are still developing the full system of accounts. Therefore the implementation plans have to take into account the current state and the compliance with the 1993 SNA.

16. UNSD assesses the level of implementation of the 1993 SNA on the basis of reporting of national accounts statistics through the NAQ. For a phased implementation of the SNA, the Intersecretariat Working Group on National Accounts (ISWGNA) has developed a set of milestones<sup>5</sup>, which has been also updated<sup>6</sup> to be used for monitoring the 2008 SNA implementation.

17. All six SEE countries and ten out of the twelve EECCA countries responded to the UNSD NAQ in 2011. All have responded to at least one questionnaire in the period 2000 – 2010.

18. The countries in the region generally follow the recommendations of the 1993 SNA. They compile annual GDP and main output and expenditure components in current or constant prices. Out of the 19 countries in the region, 16 have reached milestone 2 or higher. This means that they have reported data on gross national income and other primary balancing items for the total economy and rest of the world.

19. More detailed assessment of the progress in implementation of the SNA, the quality of the data and concrete challenges is presented below, based on the results of the 2010 UNECE survey and its update.

### Availability of GDP and main components

20. GDP and its main component are widely compiled in the region (see Table 3) and, in general, they comply with the provisions of the 1993 SNA. The main GDP approach is the output one: all countries in the region produce annual GDP by activity at current and constant prices. Time series date back to the beginning or

<sup>5</sup> Report of the Task Force on National Accounts, Note by the Secretary-General, Statistical Commission 32nd session, E/CN.3/2001/7

<sup>6</sup> Guidelines for monitoring the 2008 SNA implementation. Extract of the report of the ISWGNA to the 42-nd session of the UN Statistical Commission, 2011- <http://unstats.un.org/unsd/nationalaccount/docs/guidelines.pdf>

middle of 1990's. Mongolia even reports series reaching as far back as 1980. Montenegro has GDP data by output approach since 2000, and Bosnia and Herzegovina since 2005. Major break in the time series is related to the introduction of ISIC/NACE in 2000–2005. About half of the countries recalculated backwards their data and published consistent series since early 1990's. The rest left the break, reporting data for the benchmark year in both old and new classification in order to allow users to assess the impact of the change. Tajikistan, Turkmenistan and Uzbekistan still publish time series according to the All-Union Classification of the Branches of the National Economy (CBNE), but work to introduce ISIC is underway.

21. Annual expenditure estimates are also largely available: current price data are published by all countries and 16 have constant price series. Almost similar is the situation with the income components of GDP, which are produced by 13 countries in the region.

Table 3  
Availability of GDP and main components (as of 2011).

		Albania	Armenia	Azerbaijan	Belarus	Bosnia and Herzegovina	Croatia	Georgia	Kazakhstan	Kyrgyzstan	The FYR of Macedonia	Moldova	Mongolia	Montenegro	Russia	Serbia	Tajikistan	Turkmenistan	Ukraine	Uzbekistan	TOTAL		
ANNUAL	Output	current	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	19	
		constant	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	19
	Income			X	X	X	X	X	X	X		X	X		X			X	X			13	
	Expenditure	current	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	19
constant		X	X	X	X	X	X		X	X	X	X	X	X	X		X		X	X	X	16	
QUARTERLY	Output	current	X	X	X	X	X	X	X	X	X	X	X		X		X	X	X	X	X	16	
		constant	X	X	X	X		X	X	X	X	X	X		X	X	X		X	X	X	16	
	Income					X			X	X					X					X			5
	Expenditure	current		X	X	X		X	X	X	X	X			X					X	X		12
constant			X	X	X		X		X	X	X			X					X	X		11	

22. Quarterly GDP is compiled by 16 countries. Here too, the most widespread is the output approach: current and constant price estimates are provided by 16 countries. 12 countries calculate the expenditure and only 5 the income components of GDP. Generally time series are much shorter than the annual ones and some countries have just started to produce them. Frequent changes of the reference period for constant price estimates and cumulative data sources also add to the difficulties in maintaining quarterly time series.

#### Availability of main accounts and Balance sheets

23. Table 4 provides information on compilation of main accounts and balance sheets.

24. The full sequence of accounts, up to the financial account, is quite frequently compiled in the region: 16 countries indicated that they have all the accounts up to net lending for the total economy. 14 countries the same accounts also by the institutional sectors. However, a number of countries noted problems with the delineation of the institutional sectors and need of further work in order to provide the accounts in full institutional sector breakdown.

25. Six countries publish current and capital accounts back to the early 1990's (1990 in Armenia, Belarus, Kazakhstan, Kyrgyzstan and Ukraine; 1991 in Azerbaijan). For the rest, series start since 1995-1997.

26. Supply-use and/or input-output tables are compiled in more than half of the countries in the region. Eleven countries have them on a regular basis and two more had compiled them at least once in recent years on

ad-hoc or experimental basis. For those countries which have regular supply-use and/or input-output tables, they are often with annual frequency. Here as well, the main problem is the change of the economic activity classification. The supply-use tables for the years prior to 2000 use the CBNE classification. Kyrgyzstan has supply-use tables dating back to 1972. ISIC was generally introduced in the period 2002 – 2005 and no backward revision was done - an exercise that would have required substantial resources.

Table 4.

**Availability of main accounts and balance sheets (as of 2011)**

		<i>Albania</i>	<i>Armenia</i>	<i>Azerbaijan</i>	<i>Belarus</i>	<i>Bosnia and Herzegovina</i>	<i>Croatia</i>	<i>Georgia</i>	<i>Kazakhstan</i>	<i>Kyrgyzstan</i>	<i>The FYR of Macedonia</i>	<i>Moldova</i>	<i>Mongolia</i>	<i>Montenegro</i>	<i>Russia</i>	<i>Serbia</i>	<i>Tajikistan</i>	<i>Turkmenistan</i>	<i>Ukraine</i>	<i>Uzbekistan</i>	<i>TOTAL</i>
INTEGRATED ACCOUNTS	Current and capital accounts		x	x	x		x	x	x	x	x	x	x		x	x	x	x	x	x	<b>16</b>
	Financial account		e	e			x		x		e								x		<b>6 (3)</b>
INSTIT. SECTOR ACCOUNTS	All accounts for all sectors (until net lending)		x	x	x		x		x	x	e	x	x		x	x		x	x	x	<b>14 (1)</b>
	Financial accounts for all sectors						x		x		e								x		<b>4 (1)</b>
Other changes in assets							x		e		e										<b>3 (2)</b>
Balance sheets											e										<b>1 (1)</b>
Others	Supply/Use; Input/Output tables		e	x	x		x	x	x	x	x	e	x		x				x	x	<b>13 (2)</b>
	Regional Accounts			x			x	x	x	x	x	e	x		x			x	x	x	<b>12 (1)</b>
	Satellite Accounts			e				e	x	x	x										<b>5 (2)</b>

x- regularly available and published

e- experimental, irregular or not published

27. Regional accounts (especially GDP by regions) are particularly popular in the EECCA countries, where they attract significant attention by policy-makers. Among these countries 9 (out of the 12), provide regional breakdown of GDP and key components.

28. Financial accounts are a new area that are under development. Six countries compile financial accounts, but for the moment only three (Croatia, Kazakhstan and Ukraine) make them publicly available. The estimates in Azerbaijan are still experimental and will be published on a later stage. Armenia had compiled experimental financial account on ad-hoc basis for 2004-2005.

29. Compilation of Balance sheets and other changes in assets is the further goal in the full implementation of SNA. Currently only the FYR Macedonia has indicated experimental compilation of balance sheets.

30. Satellite accounts are compiled by 5 countries in the region. Most often these are Tourism satellite accounts which were mentioned by Azerbaijan, Georgia and Kazakhstan.

### III. PRIORITY AREAS FOR FUTURE IMPROVEMENT

31. Priority areas for future improvement in statistics and especially in national accounts for the countries of the region are highly conditioned by the processes taking place in the economies in the last 20 years. The

countries in the region experienced transition from centrally planned to a free market economy, which caused almost similar problems in statistical monitoring processes in the countries. These problems can be divided into three main groups:

- overall changes to the institutional and informational infrastructure in the country,
- issues with human resources in statistics,
- statistical issues.

32. During the transition to free market economy all countries have to face new phenomena. New types of economic relations and units were created, but at the same time the adjustment of legislation, accounting standards and the institutions for their monitoring was not always in the place. Thus, issues to be solved include new accounting standards in the countries, establishment of institutional bodies to monitor and supervise new types of relations and creation of fully functional administrative registers.

33. National statistical offices, which are the main responsible agencies for official statistics in the countries, have to solve issues with limited human resources while demand for statistical information is growing. Weaknesses in recruitment of new staff, relatively low salaries, high turnover rate, absence of well developed continuous training in special statistical topics for staff are the main issues which need to be improved.

34. Statistical issues related to the quality of economic statistics are: a) the quality and availability of basic statistics, and b) national accounts issues. Paragraphs below are more focused on the discussion of these two groups of issues.

#### A. Need for improvements in basic statistics

35. The quality and availability of basic statistics affect the quality of national accounts. Therefore, the ISWGNA recognized the importance of improving basic statistics as an essential part of implementation of the 1993 and the 2008 SNA. A clear understanding of the required changes to national accounts is needed to be able to communicate and implement these changes in the basic statistics.

Table 5

#### Priorities for future improvement in basic statistics.

	<i>Albania</i>	<i>Armenia</i>	<i>Azerbaijan</i>	<i>Belarus</i>	<i>Bosnia and Herzegovina</i>	<i>Croatia</i>	<i>FYR Macedonia</i>	<i>Georgia</i>	<i>Kazakhstan</i>	<i>Kyrgyzstan</i>	<i>Moldova</i>	<i>Mongolia</i>	<i>Montenegro</i>	<i>Russian Federation</i>	<i>Serbia</i>	<i>Tajikistan</i>	<i>Turkmenistan</i>	<i>Ukraine</i>	<i>Uzbekistan</i>	<b>TOTAL</b>
Business statistics	X	X			X	X	X		X		X	X	X	X	X	X		X	X	<b>14</b>
Prices, volume measures, deflators		X	X		X		X	X			X	X					X		X	<b>9</b>
Business registers, administrative registers (exhaustiveness)	X	X				X		X	X					X	X					<b>7</b>
Classifications				X						X				X		X	X		X	<b>6</b>
Financial statistics			X											X				X	X	<b>4</b>
Agricultural accounts					X	X							X							<b>3</b>
Government finance statistics														X	X					<b>2</b>
Social statistics, satellite accounts	X						X													<b>2</b>
External sector statistics	X																	X		<b>2</b>
Household surveys, consumption														X					X	<b>2</b>
Labour force surveys					X															<b>1</b>
Monetary statistics																		X		<b>1</b>

36. Most of the new requirements call for improvements in statistical infrastructure, e.g. classifications, business registers, surveys and production processes. Countries report plans to use statistical business register as the core of statistics production in order to ensure coherence.

37. As priorities for improvement of data sources and basic statistics, the countries mentioned most often:

(a) Deficiencies in business statistics, particularly short-term statistics relate to the availability of data on intermediate consumption and value of output. In many countries industrial production is measured based on quantities, value measures for the output of services may not exist and new data sources and methods to measure intermediate consumption are needed. Coverage of service activities is often mentioned as an area for improvement, and development of new short-term indicators for services is foreseen by many. The coverage of services was mentioned as the main challenge for structural business statistics, involving both identification of new data sources and development of the methodology. Introduction of seasonal adjustment is topical in some countries in order to improve economic analysis;

(b) The need for development of price indices is mentioned several times, in order to implement double deflation method. Several countries indicate an urgent need for better industrial producer prices and development of price indices for services, industrial services, exports and imports.

(c) Improvements in the coverage of statistical units in the statistical business registers as well as in administrative registers, e.g. coverage of small enterprises and non-profit organisations, and availability of data on kind-of-activity-units. Better use of administrative data sources should be made in order to avoid imposing higher response burden on enterprises while responding to the new requirements.

(d) Improvement of classifications used in basic statistics is another priority for national accounts. Countries expect challenges with the revision of both basic statistics and national accounts according to the ISIC/NACE classification;

38. In addition to these challenges, many countries mention the necessity of improvements of government statistics, social statistics, monetary and financial statistics and external sector statistics. Overall the coordination and cooperation with other institutions providing source data and producing other sets of macroeconomic statistics should be strengthened.

## **B. Problem areas in national accounts**

39. Over the years, the availability of national accounts data in the region has been continuously increasing. The quality has also improved due to the gained experience, training of staff and technical assistance. The cooperation between the national statistical offices and the other institutions that compile statistics, e.g. Central Banks, Ministries and Tax administration, has improved and lead to better quality of statistics, and to introduction of new data sources.

40. Despite these developments, countries have still to make efforts to fully implement SNA. Table 6 and Figure 1 summarize countries replies on priorities for future improvement in national accounts. These priorities were set up by statistical offices, taking into account users needs and existence of methodological and practical issues in order to adhere to the SNA recommendations.

41. Countries have indicated several datasets as priorities in each data category. Table 6 summarizes replies according to the milestones and required datasets to monitor SNA implementation. The last column shows the distribution of priorities in the region based on replies of all countries.

42. The main priorities are still in the area of GDP and its basic indicators (comprises 64.8% of all mentioned data series). Second most important priority area is the Institutional sector accounts (15.5% of all priorities for the region).

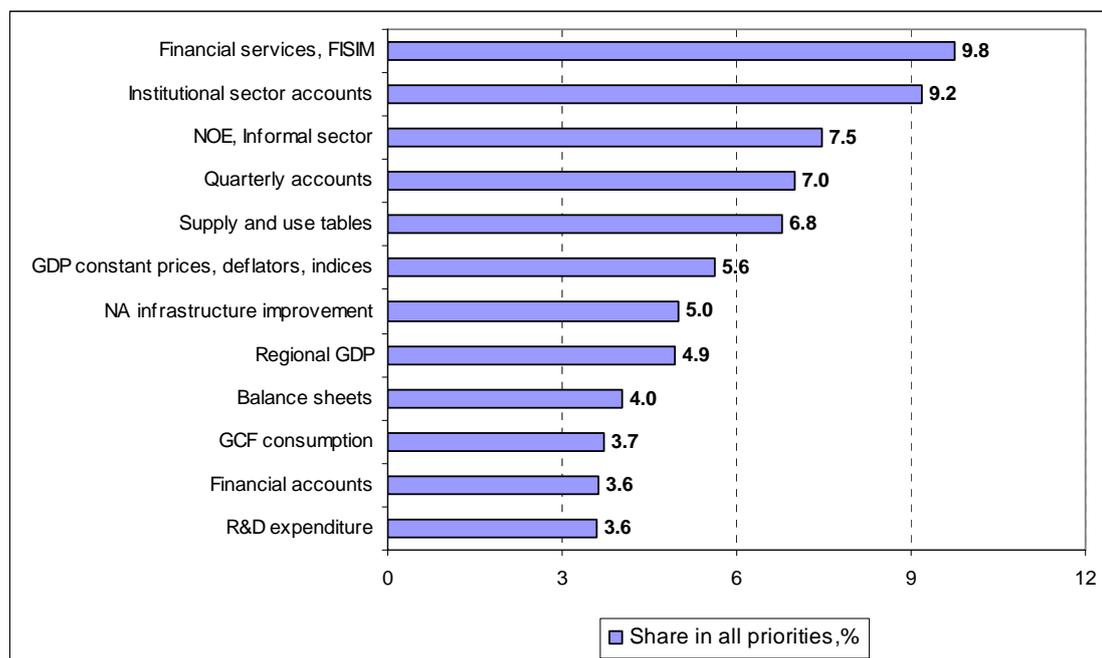
Table 6

**Priorities for future improvement in national accounts by broad data groups.**

	Albania	Armenia	Azerbaijan	Belarus	Bosnia and Herzegovina	Croatia	FYR Macedonia	Georgia	Kazakhstan	Kyrgyzstan	Moldova	Mongolia	Montenegro	Russia	Serbia	Tajikistan	Turkmenistan	Ukraine	Uzbekistan	TOTAL, for all countries
GDP and its basic indicators	77	76	71	100	37	30	29	70	80	72	56	100		42		37	79	57	90	<b>64.8</b>
Integrated accounts and tables	5	0	0	0	0	33	46	0	0	5	0	0	No reply	25	No reply	33	21	10	0	<b>10.6</b>
Institutional sector accounts	16	0	0	0	63	37	25	30	20	16	0	0	No reply	15	No reply	30	0	12	0	<b>15.5</b>
Financial account	2	14	0	0	0	0	0	0	0	5	24	0		7		0	0	0	10	<b>3.6</b>
Balance sheet	0	10	29	0	0	0	0	0	0	3	21	0		11		0	0	20	0	<b>5.6</b>
Total, priorities	100	100	100	100	100	100	100	100	100	100	100	100		100		100	100	100	100	<b>100.0</b>

Figure 1

**Priorities for future improvement in national accounts by more detailed datasets, average for country in the region.**



43. Figure 1 goes into more detailed presentation of the priorities by theme. Improving measures of financial services and particularly FISIM estimation is the main concern of the countries in the region. Second priority is the institutional sector accounts, followed by non-observed economy and informal sector issues.

44. Several other areas are mentioned by individual countries, such as imputed rent, adjustments for holding gains/losses, implementation of the ISIC (or its new revision), government sector accounts. Due to the stepwise implementation, some of the more complex issues are not currently the priority of countries that are less advanced in the implementation of SNA. For example, some countries mention their plans for improvement of seasonal adjustment and econometric modelling, while others may not have considered these issues at this stage.

45. As far as changes originating from the 2008 SNA are concerned, the countries have identified the areas presented in table 7.

Table 7  
**Priorities in implementation of the 2008 SNA**

	Albania	Armenia	Azerbaijan	Belarus	Bosnia and Herzegovina	Croatia	Georgia	Kazakhstan	Kyrgyzstan	The FYR of Macedonia	Moldova	Mongolia	Montenegro	Russian Federation	Serbia	Tajikistan	Turkmenistan	Ukraine	TOTAL
Issues concerning non-financial assets			X	X	X		X	X	X	X		X	X	X				X	11
of which:																			
Research and development (R&D)			X	X	X		X	X	X	X								X	8
Military expenditures			X		X		X	X					X					X	6
Issues concerning informal and illegal activities	no reply to this question	no reply to this question	X	X		no reply to this question		X	X	X	X			X		X	X	X	10
Issues concerning financial services			X	X	X			X	X	X			X	X				X	9
Issues concerning government and the public sector			X	X			X	X	X				X					X	7
Issues concerning the rest of the world				X				X	X	X				X					5
Issues concerning financial instruments									X		X							X	3
Issues concerning units								X	X										2
Other issues: Interest under high inflation									X										1

46. Highest importance countries attach to the following 2008 SNA issues:

(a) Issues related to non-financial assets: capitalisation of research and development and military expenditures attract particular attention. Other issues that are mentioned are mineral exploration, cultivated assets, cost of ownership transfer and land improvements;

(b) Improved coverage of non-observed economy including informal sector and illegal activities;

(c) Issues concerning financial services: pension schemes and employee stock options appear most frequently;

(d) Issues concerning the government and public sector, in particular allocation of the output of central banks and public/private/government sector delineation;

(e) Treatment of multi-territory enterprises, processing and merchanting are among the most often mentioned issues concerning the rest of the world.

47. All countries mentioned that the overall target is to achieve improved reliability and quality of estimates, and more internationally harmonised and comparable compilation methodology and practices.

### C. Ongoing projects and technical assistance

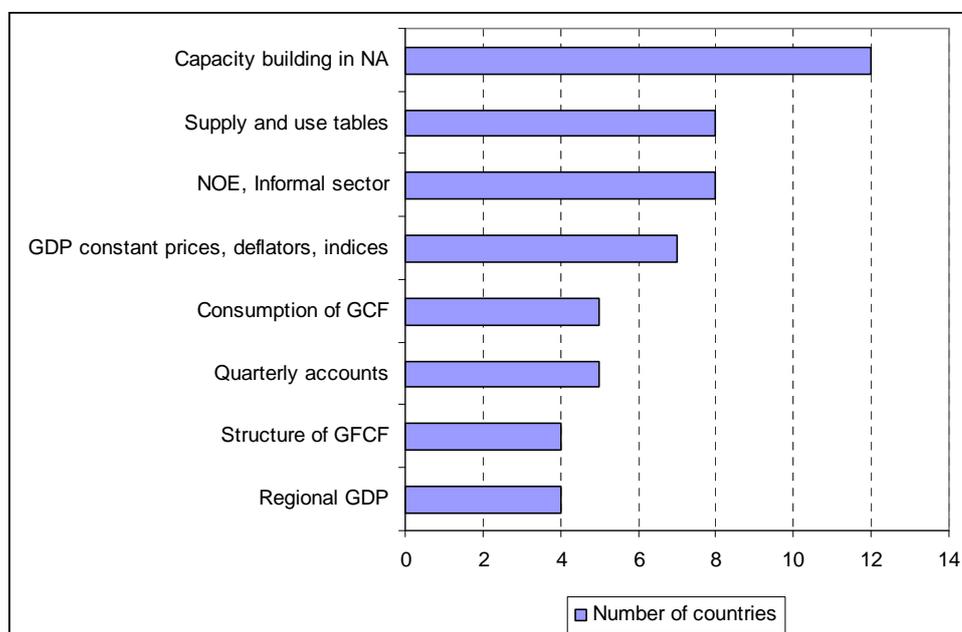
48. Countries continue to improve statistics on national accounts through many ongoing projects, most of which are technical assistance projects. All 6 SEE countries have ongoing projects through the Instrument for Pre-Accession Assistance (IPA) provided by the European Union. EECCA countries have also technical assistance projects provided by EU through projects such as Twinning, etc.

49. Other international organisations such as World Bank, IMF, UNDP also have technical assistance projects in the countries of the region. Bilateral projects are also taking place: such as Norway statistics with Kazakhstan and SIDA with Serbia.

50. Figure 2 summarises the ongoing projects in the countries by themes/areas in national accounts. Twelve out of 18 countries in the region have projects on overall improvement of national accounts. Other two specific topics often covered by capacity building projects are *Supply and use tables* and *Non-observed or Informal economy*.

Figure 2.

**Ongoing projects in national accounts in the region, main areas**



## IV. PROPOSED IMPLEMENTATION PLAN FOR THE REGION

### A. Objectives and key deliverables

51. The main objective of the implementation plan is to strengthen national accounts statistics in the EECCA and SEE region and to ensure coordinated implementation of the 2008 SNA and to enhance international comparability across countries.

52. Three main dimensions need to be taken into account for determining goals and for monitoring the progress of implementation, which are: a) scope of accounts, b) compliance with SNA concepts, c) quality issues. ISWGNA had determined 3 stages of implementation leading to the change over to the 2008 SNA:

- (a) Stage I. Review of strategic framework and detailing of national and regional implementation programmes;
- (b) Stage II. Adaptation of classification frameworks, business registers and frames, surveys, administrative data sources and information technology infrastructure; and
- (c) Stage III. Application of adapted frameworks and source data, backcasting and changeover to the 2008 SNA.

53. Each country will determine its own duration of the stages to make the change over to the 2008.
54. As indicated by the results of the survey, first priority for the countries in the region is improving the quality of annual and quarterly GDP and implementation of 2008 changes most affecting GDP and its main components. In this regard, improvement of basic statistics, including availability and access to administrative registers is an essential. Also in the short-term perspective implementation of the set of current accounts should be pursued. Although prioritization of issues may differ across countries, it is recommended that from 2014 onwards, most of them would be able to provide comparable estimates of GDP, GNI and basic aggregates according to the 2008 SNA.
55. As a next priority for the implementation plans of the 2008 SNA, countries should focus on institutional sector accounts. At the same time countries should make efforts to implement the full system of accounts in the medium term. This will include work on implementation of capital accounts, financial accounts, the other changes in assets accounts and balance sheets. (*Kiev workshop to agree on proposed areas and timeframe*).

## **B. Main actors, Coordination and Governance**

56. The implementation of the 2008 SNA would require efforts and activities on national, regional and global levels.

### National level

57. The implementation plan should take into account the global recommendations expressed by the ISWGNA and adopted by UNSC. The national implementation plans should determine priorities and timeframe based on the needs of main users. It is important that the focus is not only on implementing the new items in the 2008 SNA, but also on streamlining overall improvement of SNA and supporting statistics in the countries.
58. Each country is encouraged to develop a national implementation plan for the 2008 SNA and supporting statistics. The plan should involve the producers and users of macroeconomic statistics in the country.
59. As highlighted by the survey, the primary institutions responsible for the 2008 SNA implementation in most countries are the national statistical offices. They naturally would develop the plans and initiate discussions with other producers of economic statistics, like central or national banks and ministries of finance. At the same time a mechanism for consultations with users of national accounts would be very beneficial. That should ensure on one hand feedback on most urgent priorities and also be used as means to inform the users about forthcoming changes.
60. Funding of the different activities, both from national and international sources, should be considered in planning the implementation of the SNA. Countries are advised to set up focal points coordinating the donors support in order to look for synergies and avoid overlaps between technical assistance programmes.

### Regional level

61. At the same time international comparability of data to support monitoring of regional developments and policies is needed. UNECE could provide the means for discussion and coordination of work on implementation of the 2008 SNA in the region.
62. The main forum could be regular biennial Meeting of Group of experts in National accounts in Geneva, organized jointly with Eurostat and OECD. Special sessions of interest to EECCA and SEE countries held back-to-back with the Meeting on National Accounts would discuss region specific issues. The processes will be coordinated by the regional advisory body – the Steering Group (SG) on National Accounts.

63. The main role of the SG is to provide advice in coordinating the UNECE activities towards implementation of the 2008 SNA in the UNECE region, focusing on the countries from EECCA and SEE. It has an advisory role in the organisation of meetings and workshops on national accounts by the UNECE secretariat.

64. The SG reflects the different regions in the UNECE. It consists of the following countries: Netherlands, Canada, Norway, the Russian Federation, The former Yugoslav Republic of Macedonia and Armenia. The SG also includes the following international organisations that are active in national accounts in the UNECE member countries: Eurostat, OECD, CIS-STAT, UNSD and IMF.

65. The main monitoring tools for the implementation of the 2008 SNA will be the data questionnaires which UNECE receives on regular basis from the countries of the region. These questionnaires include annual NAQ (with detailed metadata) as well as questionnaires for quarterly national accounts, which now are received twice a year.

66. Other initiatives are also useful for monitoring the implementation, like IMF tools (SDDS, GDDS, DQAF, ROSC), Reports of UNECE, Eurostat and EFTA on Assessment of statistical systems, WB statistical capacity building initiatives, etc.

67. If considered necessary, UNECE could develop additional questionnaires to monitor progress in selected areas. Such Progress reports would be presented at the special sessions during biennial Meeting of Group of experts in National accounts.

### **C. Technical assistance requested by the countries**

68. All countries request international organisations to provide regional training workshops for the staff of the NSOs, and two thirds propose international training workshops with practical exercises. Some countries would prefer to have experts working at their office for a solid period during the implementation of critical changes. The following kind of assistance is considered most important by the countries in the process of the 2008 SNA implementation:

- (a) Training workshops for the staff of NSOs (regional and international);
- (b) Study visits to more developed statistical offices;
- (c) Region-specific manuals and guidelines;
- (d) Seminars for other producers of statistics;
- (e) On the job training.

69. Summary of the modes of technical assistance considered most efficient by countries is in the table 8. Detailed replies from countries are summarised by UNECE secretariat.

70. Technical assistance needs are related to the countries' priorities in the 2008 SNA implementation. Most often assistance is needed for measuring research and development activities, financial services, the overall improvement of methodology and reliability of estimates and for improving the measurement of FISIM. Measurement of informal sector and public sector are mentioned quite often. However, some countries have not yet defined the areas for assistance, and are expecting more information on the 2008 SNA in Russian.

71. Most of the surveyed countries indicated that although not of the first priority, actions are also foreseen to inform the government institutions and the public at large of the new provisions in the 2008 SNA and their impact on the estimates. The countries highlighted the need for promoting the importance and uses of national accounts to the public and decision makers.

Table 8

**The modes of technical assistance considered most efficient by countries**

	<i>Albania</i>	<i>Armenia</i>	<i>Azerbaijan</i>	<i>Belarus</i>	<i>Bosnia and Herzegovina</i>	<i>Croatia</i>	<i>Georgia</i>	<i>Kazakhstan</i>	<i>Kyrgyzstan</i>	<i>The FYR of Macedonia</i>	<i>Moldova</i>	<i>Mongolia</i>	<i>Montenegro</i>	<i>Russian Federation</i>	<i>Serbia</i>	<i>Tajikistan</i>	<i>Turkmenistan</i>	<i>Ukraine</i>	<i>Uzbekistan</i>	<i>TOTAL</i>	
National and regional training workshops	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	19
International training workshops	X	X	X	X				X	X	X	X	X	X		X	X	X		X		14
Study visits	X						X			X		X	X				X	X			7
Regionally oriented manuals		X	X	X					X		X			X			X				7
On the job training	X		X	X						X		X					X				6
Seminars for other producers of statistics	X						X	X						X			X				5
Exchange of experiences with other countries								X	X					X		X	X				5
Expert assistance for a longer period in the country								X			X	X					X				4
Seminars for main users	X						X										X				3

**D. Activities current and planned.****1. Status or plans for the 2008 SNA implementation on a national level**

72. Most of the countries in the region (14) have developed national plans for improvement of statistics and national accounts. These plans cover a period of 2 to 5 years and are focused on the introduction of the 1993 SNA.

73. Some countries have started work towards implementation of the 2008 SNA. Currently only Azerbaijan and Kazakhstan have already adopted documents which include planned activities for implementation of some of the recommendations of the 2008 SNA. The Russian Federation and Ukraine reported that they are currently working on their national strategies. Armenia and Kyrgyzstan have indicated work toward implementation of the 2008 SNA in their three-four year programs for development of national statistics, but still do not have developed special implementation plans. Croatia and The former Yugoslav Republic of Macedonia are also developing their national plans as part of the process of harmonization with the EU standards (*to be updated at the Workshop*).

74. Azerbaijan has developed a detailed Action Plan to improve national accounts in 2009-2011. The national statistical office plans to improve methods for measuring the informal sector and illegal activities, FISIM, GDP at constant prices, consumption of fixed capital, capitalisation of research and development, military expenditures and measures of the market and non-market activities of the Central Bank.

75. According to the plan of Kazakhstan, the 2008 SNA recommendations, which directly affect GDP, should be implemented in the next five years. The plan for 2011 includes development of measures of research and development, and a study of methodological issues on FISIM.

76. A number of countries requested more detailed guidance and recommendations from international organisations in relation to the development of national plans. Training of staff into the concepts of the 2008 SNA and translation into Russian language are major prerequisites for undertaking concrete steps.

## **2. International and regional organizations**

77. UNECE maintains the Database of Integrated Statistical Activities (DISA), which lists the activities of over 30 statistical organizations active in the UNECE region. Updated every January, DISA is a coherent catalogue of planned work in international statistics over the coming year. In 2011 ten international organizations have reported on their planned activities in the area of macroeconomic statistics and economic accounts and five about technical cooperation and capacity building programmes relevant for national accounts.

### **UN Statistics Division (UNSD)**

78. The UN Statistics Division's objective is to support national efforts in building and strengthening national statistical capacity of developing countries, particularly the least developed countries, and of countries with economies in transition to produce reliable and timely statistics and indicators for national policymakers and for other users at the national and international levels.

79. To meet the overall objective, UNSD's capacity building programme consists of providing advisory services, conducting workshops, organizing study tours, and making available statistical toolkits in three subject domains. These domains are i) national statistical system, ii) population censuses and social statistics, and iii) national accounts, basic economic statistics, environment statistics, and environmental-economic accounting frameworks. The first domain covers activities directly related to the organization of national statistical systems, such as the building of better institutional arrangements, improved legal frameworks, better organizational structure and better management of human resources. The other two subject domains are very broadly defined to cover together most substantive areas in statistics.

80. Within the broad domain of national accounts and basic economic statistics, the priorities are i) implementation of the 2008 SNA, ii) implementation of the revised recommendations in areas of industry statistics, international trade statistics, distributive trade statistics, and tourism statistics, and iii) implementation of the System of Environmental-Economic Accounting (SEEA).

81. The UNSD is working closely with the regional commissions and other regional partners to foster the implementation of the 2008 SNA. For this purpose, the UNSD is organizing a series of seminars.

82. The UNSD 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 2012.

83. With a view to helping countries assess the adequacy of their national statistical production process for supporting the implementation of the 2008 SNA, the UNSD 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. The tool can help countries make a self-assessment of the statistical prerequisites outlined in stages I and II of the 2008 SNA implementation.

### **The UNECE**

84. Implementation of the 2008 SNA in the region will be one of the main priorities of the UNECE Statistical Division for the following years. The UNECE will work closely with regional partners to ensure coordination and joint efforts.

85. All of the countries reported particular needs for training in support of implementing the SNA recommendations. The UNECE is planning, in collaboration with international organisations and partners in the region, to conduct region specific training workshops related to national accounts and basic statistics. Different funding mechanisms will be explored e.g. international and country donors, UN Development Account projects, One UN Pilot. To ensure availability of best expertise and to avoid duplication of resources, UNECE will co-operate internationally and regionally, taking note of other donor activities in the region. The workshop

on implementation of the 2008 SNA in Kiev on 29 November - 2 December, 2011 is an example of such coordination.

86. The UNECE has established a wiki-based website containing training material on national accounts, business registers, price indices, short-term economic statistics, seasonal adjustment and other topics. Many of these training materials are available in Russian. The website will be continuously updated: [www1.unece.org/stat/platform/display/trainstats](http://www1.unece.org/stat/platform/display/trainstats) .

87. In addition to the biennial National accounts meeting and the special session for transition economies, UNECE is running regular meeting and capacity building programs on other economic statistics domains. One example is the Capacity Building programme on the New Challenges in Economic Statistics for 2010-2012 for Central Asia and other countries in the region. It was financed by the World Bank and was launched as a response to the results of surveys of the current challenges with economic statistics.

88. UNECE is organising annual meetings and seminars on business registers. Information on statistical business registers from the countries in the region has been collected every two years since 1998. In 2009, the UNECE published a Practical Guide to Producing Consumer Price Indices, a Supplementary Handbook to the Consumer Price Index Manual. The Handbook provides practical guidance on all aspects of compiling CPIs, and offers advice on operational issues in data collection, processing and publication.

89. UNECE jointly with EFTA and Eurostat are continuously undertaking the Global Assessments of the National Systems of Official Statistics in the countries of the region. The assessment are initiated in response to the requests of the countries. The main goal of the Global Assessment is to evaluate the level of conformity vis-à-vis the accepted international and European standards, incorporating the Fundamental Principles of Official Statistics and European Statistics Code of Practice, as well as Eurostat Statistical Requirements Compendium.

## **EUROSTAT**

90. Within the framework of international cooperation, Eurostat is conducting a series of projects that aim at a successful implementation of the SNA. It also seeks to help countries in adapting and improving their statistical systems. "Essential SNA: building the basics" is a practical handbook for SNA implementation for that group of countries in full compliance with the 2008 SNA.

91. Eurostat also provides technical assistance to particular countries through projects to strengthen statistical systems, which include also components of national accounts. This includes the following ongoing activities in 2011:

- Contract new technical assistance for implementing the statistical acquis in the candidate and potential candidate countries (2011 IPA programme).
- Implement the ongoing technical assistance programmes for the candidate and potential candidate countries (IPA 2008 and IPA 2009 programmes);
- Complete implementation and close the files relating to the technical assistance programmes MBP 2005 and MBP 2006;
- Contribute to the accession negotiations and the structures set up under the Stabilisation and Association Agreements;
- Contribute to the Commission opinions and reports and to the monitoring procedures on the compliance of candidate and potential candidate countries with the statistical acquis;
- Support implementation of national cooperation programmes in the candidate and potential candidate countries;
- Conduct full assessments of the statistical systems of candidate and potential candidate countries.

## **EFTA**

92. The availability of impartial and reliable statistical information is widely considered as a prerequisite for a democratic society and a necessary condition for the smooth running of a competitive market economy. Thus, EFTA and the EU have a common interest in assisting countries neighbouring the enlarged EEA to develop their statistical methods and standards in line with international norms. EFTA gives priority to countries that have concluded Declarations on Cooperation or Free Trade Agreements with EFTA. Support is mainly granted to developing countries and economies in transition in the Balkans and Mediterranean regions, and to recent and prospective partner countries to the eastern boundary of the enlarged EU. EFTA participates in Global assessment initiatives with UNECE and Eurostat and also as co-organizers of seminars/workshops on the 2008 SNA implementation in a region.

## **CIS-STAT**

93. A substantial contribution to the implementation of the 2008 SNA in the region is the translation of the 2008 SNA into Russian provided by ROSSTAT and CIS-STAT. The draft translation was finished in the second half of 2011. This is very important especially for Commonwealth of Independent States (CIS) countries.

94. The CIS-STAT has prepared a document on the treatment of research and development (R&D) in accordance with the 2008 SNA. Another work undertaken by the CIS-STAT refers to development of recommendations on improvement of the consumer price indices to obtain more reliable deflators for valuation of GDP at constant prices.

95. The CIS-STAT provides technical assistance by developing methodological papers for compiling national accounts in the CIS. It also organizes seminars, participates in the joint seminars with other international organisations, and provides consultations to national accountants on a day-to-day basis. *(to be updated or verified)*

## **WORLD BANK**

96. The World Bank supports the implementation of the 2008 SNA in developing countries through activities of its regular work program of statistical capacity building. The World Bank is preparing two handbooks complimenting the 2008 SNA aimed specifically at supporting national accountants in small developing countries. The first of these is the *2008 SNA - Concepts in Brief*, and the second an accompanying implementation guide, the *2008 SNA - Implementation in Brief*. The World Bank is also developing an e-learning course on National Accounts, which will be provided free of charge on the web.

## **IMF**

97. The IMF conducts training courses on the 2008 SNA and on quarterly national accounts. The IMF provides technical assistance in national accounts to member countries through a variety of venues, including staff missions to individual countries.

## **Others**

98. Other international organisations may also provide technical assistance, but at the moment of drafting this paper UNECE does not have more detailed information on their activities.

*(Depending on the interest of Workshop participants, this section could be extended with the help of the corresponding international organizations).*

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