



UNITED NATIONS  
ECONOMIC COMMISSION FOR EUROPE  
STATISTICAL DIVISION

**UNECE recommendations for the implementation of  
the 2008 System of National Accounts in Eastern Europe, Caucasus and  
Central Asia and South East Europe**

**November 2012**

Prepared by the UNECE Statistical Division

## **I. Introduction**

1. This paper presents a set of recommendations for countries in Eastern Europe, Caucasus and Central Asia (EECCA) and South East Europe (SEE) in preparing national implementation plans for the 2008 System of National Accounts (2008 SNA) in line with global recommendations. It outlines activities, priorities and timeframe which countries should consider in the implementation process in order to strengthen the quality and international comparability of their national accounts statistics.

2. At its 40th session, in February 2009, the United Nations Statistical Commission (UNSC) adopted the 2008 SNA and supported the Implementation Strategy proposed by the Intersecretariat Working Group on National Accounts (ISWGNA). The UNSC requested that particular circumstances of countries should be recognized by introducing flexibility in the implementation programme, and emphasized the role of the UN Regional Commissions to facilitate coordination and regional cooperation regarding the implementation. The Implementation Strategy has a dual objective in assisting countries in developing the statistical and institutional capacity:

(a) to carry out the conceptual changeover from the 1968 or 1993 SNA to the 2008 SNA and;

(b) to improve the scope, detail and quality of the national accounts and supporting economic statistics.

3. In response to this request, the United Nations Economic Commission for Europe (UNECE) carried out a number of activities to support the implementation of 2008 SNA in the EECCA and SEE countries. The development of regional recommendations in setting up implementation plans are seen as an important tool in this process.

4. In 2009 the Bureau of the conference of European Statisticians established a Steering Group (SG) on National Accounts, as a regional advisory body, to coordinate the activities towards implementation of the 2008 SNA in the UNECE region and the development of regional recommendations.

5. This paper takes the global guidelines from ISWGNA as a starting point and elaborates on them in order to produce recommendations which are more specific to the needs of the EECCA and SEE countries. Section 2 provides a detailed background on the surveys, meetings and other actions which were taken to formulate these region specific recommendations. Section 3 details these recommendations and actions to be taken by countries throughout the implementation of their 2008 SNA strategy.

6. The recommendations are mainly focussed upon items directly affecting GDP and its main components. These are highlighted as first priorities by countries in the region, and countries have already carried out detailed analysis of the concrete outstanding GDP issues and problems.

7. The set of regional recommendations should be revisited in 2014/2015 when national statistical offices have progressed with the current set of tasks and had sufficient time to consider other priorities in their work.

## II. Background

8. In 2011 the ISWGNA produced a set of guidelines for monitoring the implementation of the 2008 SNA. These guidelines specify the stages, milestones and dimensions to be considered in the development of regional and national strategies. It is underlined, however, that the specific circumstances and priorities of the countries and the regions should be taken as a starting point in the development of more concrete goals. Hence, UNECE undertook a number of activities in order to elaborate region specific recommendations and a structure for the national implementation plans.

9. 19 countries of the region<sup>1</sup> listed in Table 1, participated in the UNECE surveys and activities, which were used as an input for developing the more concrete recommendations.

**Table 1. Participating countries**

Albania	Kazakhstan	Tajikistan
Armenia	Kyrgyzstan	The former Yugoslav Republic of Macedonia
Azerbaijan	Mongolia	Turkmenistan
Belarus	Montenegro	Ukraine
Bosnia and Herzegovina	Republic of Moldova	Uzbekistan
Croatia	Russian Federation	
Georgia	Serbia	

10. In preparing the regional recommendations the following steps have been taken:

- (a) In 2010 the UNECE secretariat conducted a survey on the main problems in implementation of 1993 SNA and plans for the introduction of the 2008 SNA, which provided detailed information about the compilation of GDP and its main components, the main accounts and balance sheets, specific problem areas for the implementation of 1993 SNA, problems with primary statistics and data sources and plans for implementation of the 2008 SNA (the 2010 Survey). The questionnaire was developed in consultation with the Steering Group on National Accounts.
- (b) The meeting of Group of Experts in National Accounts held on 26-29 April, 2010 reviewed the report presenting the preliminary results of the 2010 survey<sup>2</sup>. The report was finalized in the end of 2011 taking into account the comments of the meeting and updated information received through country consultation in autumn 2011. In addition to the main findings it included country profiles, which present structured information for each country in the region.

---

<sup>1</sup> For the purpose of this paper, the group of countries are referred to as “the region”. Some of the countries are candidates of the EU and as such will follow the ESA implementation programme. However, they were included in the UNECE activities as they have encountered similar problems in transforming their statistical system to the new requirements. Their experience proved valuable for the other countries of the region.

<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>

- (c) The Workshop on the implementation of the 2008 SNA for East European and Central Asian countries held in Kiev on 29 November – 2 December 2011<sup>3</sup> aimed to support the formulation of national implementation strategies for national accounts and related statistics. The paper *Implementation of the 2008 System of National Accounts in the Eastern Europe, Caucasus and Central Asia, South East Europe and Mongolia (2011 update)*, and the *Country Profiles* were used as a main background information.
- (d) As a follow up to the workshop a second survey was prepared and sent out to countries in early 2012. This survey was more forward looking and based on so called implementation plan template that collected information on the activities planned by countries in order to address the challenges identified at the earlier stage (the 2012 Survey).
- (e) The Group of Experts on National Accounts, held in Geneva on 1-4 May 2012 reviewed the summary of the national implementation plans and a draft set of regional recommendations for the implementation of the 2008 SNA and improving the quality of supporting statistics based on the information from the 2010 and 2012 UNECE surveys.

11. Taking into account the feedback of the 2012 Group of Experts meeting, the UNECE secretariat revised the recommendations. Input from other sources such as the global assessments of the national statistical systems and the discussions at the 7th SPECA Project Working Group on Statistics (27 – 30 August 2012, Issyk-Kul, Kirgizstan) on streamlining statistical production processes in the context of the implementation of the 2008 SNA was also used. The recommendations will be/were finalized in consultation with the CES Steering Group on National Accounts.

### **III. Recommendations on the 2008 SNA implementation**

12. The global guidelines for the 2008 SNA implementation developed by the ISWGNA recommend three stages of implementation leading to the change over to the 2008 SNA:

Stage I. Review of strategic framework and detailing of national and regional implementation programmes;

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

Stage III. Application of adapted frameworks and source data, backcasting and changeover to the 2008 SNA.

13. The regional recommendations suggest a number of activities under each stage and a timeframe that should facilitate the countries in setting up structured implementation plans based on analysis of the current capacity of the statistical system to produce national accounts and supporting statistics, consultations with main stakeholders and assessment of the required resources (Figure 1). These activities should not be seen as strictly consecutive, most of them should be carried in parallel and countries should be open to adjustments based upon continuous feedback from various stakeholders.

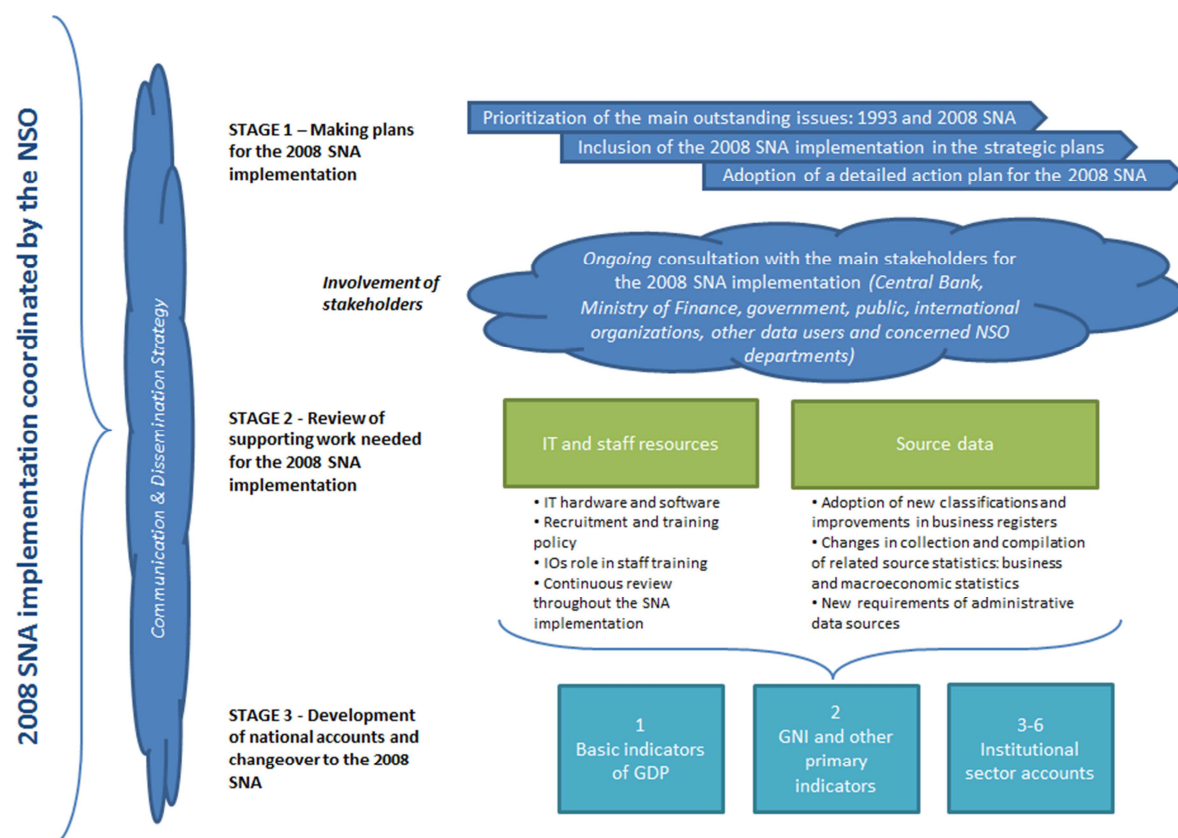
---

<sup>3</sup> [www.unece.org/stats/documents/2011.11.sna.html](http://www.unece.org/stats/documents/2011.11.sna.html).

14. The NSOs, which are the primary institutions responsible for the SNA methodology in the countries of the region, should ensure the overall coordination of the process and should seek proper reflection of implementation of the SNA in national strategic papers for development of statistics.

15. The overall process from the planning phase and consultation with main stakeholders to the dissemination of the revised data should be effectively facilitated by clear communication and dissemination strategy taking into account all the relevant data producers and users in each country.

**Figure 1: Stages in the implementation of the 2008 SNA**



### STAGE 1 – Making plans for the 2008 SNA implementation

16. The first step is to identify the main issues which require action in the SNA implementation. Most countries are not yet fully compliant with the 1993 SNA concepts, while the work towards implementing the 2008 SNA has started. The plan for the 2008 SNA implementation should be based on an in-depth analysis of the national situation and a prioritization of tasks based on user needs, financing, statistical capacity, data sources and conditions of the country, such as the structure of the country's economy. For many countries, full implementation of the SNA is not feasible in the short or medium term.

17. For the successful development of national accounts and the related source data, the views of the relevant data producers and users have to be taken into account in each country. A careful analysis of national circumstances will help achieving a workable implementation plan. This first stage of work includes 4 activities as elaborated below in a) to d). These activities should be completed during 2012-2014.

#### **a) Prioritization of the main outstanding issues: 1993 and 2008 SNA**

18. Prioritizing the outstanding issues with the 1993 SNA will be useful for planning the 2008 SNA implementation. The UNECE survey in 2010 analysed the progress in the 1993 SNA implementation in the countries of the region, which showed that countries are well aware of the remaining challenges with the 1993 SNA.

19. A starting point for this prioritisation is the analysis of the most needed national accounts series and a focus upon the issues which are most likely to impact them. The UNECE survey revealed that GDP (and its basic indicators) is the most demanded data in all countries in the region, followed by integrated accounts, regional accounts, institutional sector accounts and supply and use tables.

20. In prioritizing the outstanding issues with the 1993 and 2008 SNA, the NSOs should:

- (a) Review the existing programmes to address the outstanding issues with the 1993 SNA in view of the 2008 SNA changes.
- (b) Establish a list of the main changes in the 2008 SNA relevant for the country.
- (c) Focus in parallel on those recommendations of 1993 and 2008 SNA<sup>4</sup> that are likely to have the biggest impact on GDP and its main components. At the same time improvements to the integrated set of accounts and major indicators such as GNI and Gross Saving should be pursued.
- (d) Focus on institutional sector accounts as a secondary priority for the implementation of the 2008 SNA.
- (e) Ensure effective communication and coordination with the main stakeholders (source data providers within and outside the statistical office and national accounts data users) throughout the process.

#### **b) Consultation with the main stakeholders for the 2008 SNA implementation**

21. In all countries of the region the NSOs are the primary institution responsible for the development and implementation of the SNA. In some countries the Central Banks and the Ministries of Finance are also included in the framework as compilers of related economic statistics and data providers for the SNA compilation, i.e. financial statistics, balance of payments and government finance statistics. Producers of economic statistics other than the NSO may not be fully aware of the 2008 SNA recommendations which apply to their respective area. Their active involvement would undoubtedly support the 2008 SNA implementation and improve the quality of national accounts. Heads of NSOs have an important role to initiate and encourage regular exchanges amongst the concerned departments of the NSO as well as with the other institutions collecting or producing SNA related data. The NSOs need to present the new data needs and measurement requirements to partners and agree on future work. Supporting documents should clarify the actions required from each party.

---

<sup>4</sup> A useful study of the main changes between the 1993 and 2008 SNA is available in the 2008 SNA as Annex 3: Changes from the 1993 System of National Accounts in the System of National Accounts 2008 (available in Russian).

22. The stakeholders also include the data users. The main users of national accounts data in the region are national governments for monitoring the economic and fiscal policy and for national development planning. In this respect, GDP levels - both in current and constant prices - are of greatest interest, complemented by a set of key indicators including value added by activity; final consumption expenditures, capital formation and income components; gross national income and gross saving. Regional GDP is also of interest for the policy makers from countries linked with and within the region.

23. The Central Banks, in addition to being data providers, are also indicated as an important user of national accounts. In addition to the above-mentioned statistics, they are interested in some more detailed analytical information by institutional sectors.

24. The international organisations use national accounts data mainly for the purpose of international comparisons and setting up regional development policies. Academics, universities, the public, and representatives of the media are interested in the macroeconomic development of countries and especially in the living standards as measured by GDP, GNI and final consumption per capita. Accounts for the household sector and supply-use tables are also often requested.

25. Clear institutional agreements help to engage the main stakeholders in the 2008 SNA implementation, whether they are data producers or users. SNA implementation could also be included in existing framework agreements, such as memorandums of understanding between NSOs and other institutions. For more challenging tasks, joint Task Forces or work programmes on specific SNA issues with other data producers may prove useful. This is already the case in a number of countries such as Azerbaijan, Belarus, the former Yugoslav Republic of Macedonia and Ukraine. Presenting the main changes to the users would also help prioritization and may enhance awareness for the forthcoming revisions. Many NSOs form expert groups with the users of national accounts to ensure continuous feedback on urgent priorities and to inform the users about forthcoming changes.

26. An important part of the implementation is to assess the resource requirements of the different tasks. It may be feasible to start with those important tasks which require fewer resources and then assess the need for additional funds. Involving in the discussion of representatives of the Government or the Ministry of Finance could help to raise awareness on the resource implications. The international requirements for economic statistics and the necessity for the changeover in order to provide internationally comparable and high quality statistics should be explained.

### **c) Inclusion of the 2008 SNA implementation in the strategic plans**

27. UNECE recommends that a major undertaking such as the 2008 SNA implementation should be clearly noted in the overall strategic plan or the work programme of the national statistical system. Ideally, the multi-year statistical work programme includes the activities of all producers of official statistics, and is therefore a suitable tool for planning the 2008 SNA implementation. In instances where multi-year programmes are already in place, work on the 2008 SNA implementation may be included as an amendment.

#### **d) Adoption of a detailed action plan for the 2008 SNA**

28. To ensure efficient work towards the 2008 SNA, a detailed action plan for the short and medium term should be adopted.

29. The medium-term plan is aimed to detail the actions which have been selected as a priority in the long term plan, i.e. the overall 2008 SNA implementation plan. It could include, for example, the plan of all activities needed up to the publication of GDP according to the 2008 SNA. Ideally, the medium-term plan allocates responsibilities for main tasks and sets a time table.

30. The short-term plan, on the other hand, breaks down the medium-term plan into the practical actions required during the next year, therefore involving the implementation plan into the annual statistical programme.

#### **STAGE 2 - Review of supporting work needed for the 2008 SNA implementation**

31. The second step in the 2008 SNA implementation is to review the supporting work needed outside the national accounts. Many relevant improvements and changes need to be made within supporting statistics for the effective implementation of the 2008 SNA. The 2008 SNA introduces changes which have a wide-reaching impact in the statistical system, e.g. changes to do with statistical units and institutional sectoring; scope of transactions and production boundary; concepts of assets, capital formation and consumption of fixed capital; treatment of financial instruments and assets; transactions concerning government and public sector; and goods for processing and merchanting. At the same time the national statistical offices should use this opportunity to review and strengthen the overall quality and scope of source data for national accounts. The second stage of work includes four activities as elaborated below in a) to d). These activities should be undertaken preferably by 2014-2015.

##### **a) Adoption of new classifications and improvements in business registers**

32. The current version of the International Standard Industrial Classification of All Economic Activities, ISIC, Rev. 4, takes into account the new concepts introduced in the 2008 SNA. Strong links also exist between ISIC, Rev. 4 and the current Central Product Classification (CPC 2), which were drafted simultaneously. Work on introduction of ISIC, Rev. 4 (or NACE 2) and CPC 2 in economic and other relevant source statistics is already completed or underway in many countries of the region. In a limited number of countries of the region the ISIC classification is still not in use or the implementation of ISIC Rev. 3 is in early stages. In such cases that the work should focus directly on introduction of the new version of ISIC Rev.4.

33. The national accounts departments should actively participate in the discussion and planning stages together with the statistical registers and business statistics departments to ensure that the specific 2008 SNA requirements are taken into account. For instance, coverage of statistical units in the statistical business registers and structural business statistics, e.g. coverage of small enterprises and non-profit organisations, and availability of data on kind-of-activity-units is an important area for improvement.

34. The classification of institutional sectors within the new SNA has also made changes: particularly for the financial corporations. Therefore, in addition to business registers directorates, central banks may be involved to ensure consistent coverage of the institutional sectors.

35. The recommended classifications should be used throughout business statistics, via the business register, including any relevant data collection schemes and dissemination formats. Furthermore, the 2008 SNA specifications of statistical units should be implemented throughout economic, financial and social statistics, not only in national accounts. Such wide implementation requires strong coordination with source data providers, especially with the Ministry of Finance and the Central Bank in the case of macroeconomic statistics.

36. Regular meetings between the departments in charge of national accounts and business registers for clarifying the SNA recommendations, as well as the relevant departments of central banks are recommended. Activities (e.g. workshops, production of training materials) on classifications should focus on the practical implementation of SNA recommendations in business registers, other primary statistics and national accounts. The activities should also address time series issues, such as linking and back-casting.

**b) Changes in collection and compilation of related source statistics: business and macroeconomic statistics**

37. The changes needed in business statistics to meet the 2008 SNA requirements should be included in the implementation plan and follow the overall priorities and time table. The UNECE survey identified the following common problems within basic statistics in the region:

- development of sampling techniques and proper coverage of private businesses, particularly in short-term business surveys
- the coverage of service activities in structural business statistics, involving both identification of new data sources and development of methodology
- the development of new short-term indicators for services
- the development of price indices in order to implement double deflation method, particularly better producer price indices for both industry branches and for services (including industrial services) and exports and imports price indices.

38. A specific characteristic for the production of short-term business statistics in some EECCA is that bookkeeping standards are still not fully harmonised with international accounting standards. As a result the short-term business statistics derived from enterprise surveys is not consistent with international guidelines e.g. data are not on accrual basis or presented as cumulative series. Since deriving of quarterly national accounts from cumulative data results in lack of temporal and international comparability, the production of short-term statistics allowing compilation of discrete chain linked on previous year national accounts series should be addressed in the implementation strategies. While revision of the accounting standards is not the responsibility of national statistical offices they should try to influence the process by

active cooperation with the respective authorities or develop surveys collecting discrete data.

39. Along with these general outstanding issues, countries should take this opportunity to review statistical questionnaires in view of the new 2008 SNA requirements e.g inclusion of data on R&D in enterprise surveys or adjusting the merchandise trade statistics for data on goods for processing.

40. In addition to the review of statistical surveys inside the statistical office, there is a need to assess the source statistics coming from other institutions, namely the Central Banks and Ministries of Finance. The 2008 SNA and the sixth edition of the Balance of Payments Manual (BPM6) are fully consistent between each other. There is also a need for better coordination with Central Banks in terms of implementing the updated standards in a coherent way, which was continuously emphasised by the countries from the region. For example, harmonization of concepts with BOP also influences measurement of output in terms of how to treat goods for processing, research and development and merchanting. The improved measures of financial services and the introduction of 2008 SNA sector accounts will not be possible without the close involvement of the monetary and financial statistics departments of the Central Banks. Memoranda of understanding and special working groups should foster the process.

41. In the majority of countries the government finance statistics are still not compiled on accrual basis and are thus not compliant with SNA recommendations. Work towards implementation of the 2001 Government Finance Statistics Manual (GFSM 2001) is already underway – in many countries. Furthermore the GFSM 2001 is also under revision to reflect the 2008 SNA recommendations. Thus close cooperation with the Ministry of Finance on Government sector accounts should be pursued and lead to improved overall quality of both datasets.

#### **c) New requirements of administrative data sources**

42. In the majority of countries in the region a variety of administrative registers exist. However, these are often not suited for statistical purposes and not used in practice. Administrative data sources are becoming more and more central in statistical production. The NSOs may either adjust the compilation methods or try to influence administrative data providers directly (at least with issues that have an impact on the GDP).

43. As a first step an inventory of administrative data and assessment of their coverage, quality and usability for national accounts should be undertaken. Establishing Task Forces and institutional agreements with administrative data providers can help to facilitate the work. The NSOs should be involved in negotiations regarding the content of administrative registers, bearing in mind the overall response burden. In part, increasing the use of administrative data sources may help to improve efficiency of production and quality of statistics.

#### **d) IT and staff resources**

44. Sufficient statistical capacity to implement the 2008 SNA depends on the available financial resources and usually requires development of staff skills and improvement of IT hardware and software. The success also depends on the institutional

capacity of the NSO to cooperate with other involved institutions and to organize the office so as to make efficient use of available resources.

45. The necessary changes in IT should be planned according to the priorities set out in the 2008 SNA implementation plan and the general IT strategy of the NSO, keeping in mind the existing infrastructure for the source data within the NSO and other data providing institutions. Countries may also identify other areas for supporting work for the 2008 SNA implementation.

46. The development of staff resources should be part of the human resource policy of the NSOs. The formation of concrete priorities and tasks for the 2008 SNA implementations should help the national accounts and human resource departments to define their recruitment and training policy. International organizations also have an important role to play in the training of staff via involvement of representatives of the NSOs in workshops, seminars and expert meeting.

47. The required IT and staff capacity should be reviewed continuously throughout the SNA implementation and documented in the annual and multi-year programmes to ensure appropriate and sufficient resources.

### **STAGE 3 - Development of national accounts and changeover to the 2008 SNA**

48. The third stage of the 2008 SNA implementation refers to the final changeover to the 2008 SNA. It includes both outstanding issues of the 1993 SNA and the new recommendations of the 2008 SNA. The steps include actions for GDP and its main components, gross national income (GNI) and other primary indicators, and several for institutional sector accounts. The development of national accounts include six milestones recommended by the ISWGNA, which are in line with the priorities set up by countries in their implementation programmes.

#### **a) Basic indicators of GDP - Milestone 1**

49. Annual accounts of GDP by the production and expenditure side are compiled by all 19 countries in the region; 16 countries also have quarterly estimates. GDP and its basic indicators are also the data set that attracts highest attention by the main users in 18 countries of the region. Therefore, the results of the UNECE survey and the decisions of the Kiev workshop identified improvements of existing statistics and the 2008 SNA changes that affect GDP and its major components as a first priority. About half of the countries in the region are already implementing programmes that would lead to improved annual and quarterly measures by the production and expenditure side. This corresponds with the first milestone of the guidelines developed by the ISWGNA.

50. In the majority of countries the 2008 SNA will have to be implemented while still developing the full system of national accounts. The recommendations under this milestone are, therefore, divided into 2 parts: General outstanding issues for the implementation of the SNA and new issues arising from the 2008 SNA. This division of issues aims at better understanding of priorities and to illustrate how implementation of the 2008 SNA issues could fit into the existing programmes for development of national accounts considering the impact on GDP, available resources and user feedback.

### ***Main outstanding issues***

51. The following areas are identified by countries as the main outstanding issues which have an impact upon GDP:

- a) Improved measures financial services
- b) Improved estimates at constant prices: development of suitable deflators; implementation of double deflation method; chain linking procedure on annual basis
- c) Exhaustiveness of GDP (non-observed economy, informal, illegal and underground activities) and estimates of owner occupied dwellings
- d) Balancing in a supply and use framework and combining information coming from different data sources
- e) Implementation of accrual recording of the transactions of the government sector (linked to the implementation of the revised GFS)
- f) Improved measures of gross fixed capital formation and consumption of fixed capital
- g) Seasonal adjustments methods for quarterly national accounts.

### ***New issues arising from the 2008 SNA***

52. The following issues affected by the 2008 SNA update are ranked as most important by countries in the region. As they will have an impact on the GDP measures and on the broad areas identified in paragraph 47 they should be taken into account in the corresponding statistical programmes:

- a) Measurement of financial services: FISIM, Output of the Central Bank, insurance services, etc.
- b) Expenditure on research and development (R&D)
- c) Military expenditure
- d) Other issues related to fixed assets: mineral exploration, databases and software, etc.
- e) Issues concerning informal and illegal activities
- f) Introduction of ISIC Rev4/NACE Rev. 2
- g) Goods for processing
- h) Back-casting

53. The need to improve the output and value added measures of financial intermediaries has been mentioned by the majority of countries. Almost none of the countries in the region allocate FISIM to user sectors and this is seen as one of the priority areas which will impact the level of GDP and its components. Allocation of FISIM will also enhance the comparability of GDP with other countries in the UNECE region (EU and OECD members). The current programmes for improving the measures of financial services should take into account the 2008 SNA clarifications on measuring FISIM, the output of central banks and recording of output of insurance services.

54. A number of countries recognise that the double deflation method is not fully implemented. Combined with the relatively high inflation in the region this affects the quality of growth rates. The lack of appropriate producer price indices and the generally poor coverage of services are the main obstacles. The lack of suitable price indexes is the reason that some countries do not produce quarterly constant price estimates and therefore could not respond to the user's interest in quarterly growth rates. In five countries, work in this area is on-going and results are expected in the short-term.

55. In the last few years, the majority of the countries have developed estimates for non-observed economy (NOE). There are large implications for the coverage and quality

GDP due to the high proportion of activities within the informal sector and the scope of the other non-observed economic activities, therefore the inclusion of these estimates should be considered a high priority. More than half of the countries have indicated work on NOE estimates as on-going or planned to take place in the short term. The 2008 SNA provides more detailed guidance on measuring the non-observed economy and the informal sector, which should strengthen the national programmes on improving the quality and exhaustiveness of the accounts.

56. Production of detailed supply-use or input-output tables is resource intensive and countries may not be able to include it in their short or medium term programmes. However using the supply-use framework to balance and crosscheck information coming from different data sources is a powerful tool for ensuring consistency and quality of the accounts. In many countries of the region enterprise surveys are the main source for national accounts. Although the leading role of these data is not questioned, the countries are recommended to complement and cross check the estimates with additional information coming from household budget surveys, labour force surveys and/or administrative sources.

57. The estimates of gross fixed capital formation and consumption of fixed capital are generally considered by the countries in the region as an area where further work is needed. For example, estimates of consumption of fixed capital are often based on bookkeeping data and only a few countries have plans to introduce the perpetual inventory methods (PIM). Here too, a number of changes in the 2008 SNA would affect the capital formation estimates (R&D capitalization, military expenditures, mineral exploration, etc.) and have to be addressed with priority by countries.

58. The effect of the listed issues may vary from country to country. Countries are therefore advised to evaluate the importance of the different issues and prioritize their implementation according to their importance for GDP. A brief overview of the main new issues introduced by the 2008 SNA is provided in the *Guidelines for monitoring the 2008 SNA implementation* (<http://unstats.un.org/unsd/nationalaccount/docs/guidelines.pdf>).

59. In developing their implementation plans countries should bear in mind that similar data sources may not be available for annual and quarterly data. Therefore specific methods to consistently reflect the changes in quarterly GDP estimates should be considered. Development of regional accounts is not included as first priority in the global guidelines. However, in some EECCA countries these data are of specific policy interest. Similarly to quarterly GDP countries need to reflect on methods for consistent recording of the changes in the regional accounts.

60. A few EECCA countries compile monthly GDP and some even regional monthly GDP estimates, often on cumulative basis. The programmes for improvement of the quality of national accounts statistics and the introduction of the 2008 SNA changes would require significant mobilization of resources. Therefore the decision to continue the production and the development of methods to carry the 2008 changes into these series should be made after careful consideration of the requested resources versus the usability of the data.

61. The recommended timeframe for implementing changes affecting GDP and related statistics is 2014-15 (for reference year 2014).

## **b) GNI and other primary indicators - Milestone 2**

62. The work on integrated economic accounts and major indicators, such as GNI and saving is also a high priority for the region. According to the 2010 UNECE survey these data sets are compiled in 16 countries and are ranked second in users' needs. GNI and other primary indicators present the second milestone in the global recommendations and together with basic components of GDP form part of the minimum required data set developed by the ISWGNA.

63. The changeover to the 2008 SNA methodology should be linked to the work on implementation of the Balance of Payments and International Investment Position Manual, 6th edition (BPM6) and focus on improved estimates of reinvested earnings, remittances, etc.

64. Many countries will work on strengthening the quality of integrated economic accounts in parallel with the improvements to the GDP estimates. The changes should be consistently carried on through all the existing accounts and indicators. Countries also expect to have BPM6 implemented by 2014-2015. The recommended timeframe for having GNI and other primary aggregates in line with the 2008 SNA is therefore 2015 (for reference year 2014).

## **c) Institutional sector accounts: first, intermediate and final steps - Milestones 3 to 6**

65. The 2008 SNA implementation for the institutional sector accounts is divided into four milestones presented in order of increasing complexity. As the main priority lies with the changes which have the biggest effect on GDP and its main components, the changes for institutional sector accounts and balance sheets have second priority for the countries in the region. Yet in view of the increasing users' interest and the recommendations in the G20 Data Gaps initiative it is expected that countries address the production of sectoral data in their statistical programmes over the next few years.

66. In respect to the availability and quality of institutional sector accounts the countries in the region differ to a greater extent. 14 countries compile institutional sector accounts up to net lending, but few of them have addressed quality issues or changeover to the 2008 SNA in their statistical programmes. Only four countries publish estimates of financial accounts by institutional sector. The countries that compile sector accounts should make sure that the changes focusing on improvement of GDP and other basic indicators are consistently reflected in the full sequence of existing accounts.

67. The countries experience difficulties with the allocation of institutional units to sectors. The distinction of public entities into public corporations and general government sector is one example. Certain countries also consider it important to focus efforts on the accounts for the sub-sectors of financial corporations. However, some types of financial intermediaries may not be existing or not important for the economies of the countries in the region. As far as the transactions are concerned, the allocation of property income by sectors is seen as an area where improvements are necessary.

68. The statistical programmes on implementation or improvement of institutional sector accounts should take the 2008 SNA institutional sector classification and the revised recommendations on recording of specific units such as holding companies and special purpose entities as a starting point. The decision to focus efforts on selected sub-

sectors and on the grouping used should be done in close cooperation with central banks, ministries of finance and other interested stakeholders.

69. The implementation of changes and/or introduction of the institutional sector accounts and other data systems are expected gradually after 2015.