

Report of the Workshop on the implementation the System of National Accounts 2008 in Eastern European, Caucasus and Central Asian countries, and linkages with Balance of Payments and International Investment Position Manual, Sixth edition and the Government Finance Statistics Manual 2014

6 - 8 May 2015, Istanbul, Turkey

I. Introduction

1. The workshop on the implementation the System of National Accounts 2008 (2008 SNA) and linkages with the Balance of Payments and International Investment Position Manual, Sixth edition (BPM6) and the Government Finance Statistics Manual 2014 (GFSM 2014) was held in Istanbul on 6 – 8 May 2015. It was jointly organized by the European Free Trade Association (EFTA) and UNECE, in cooperation with the European Central Bank (ECB), Eurostat, International Monetary Fund (IMF) and Turkish Statistical Office (Turkstat).

2. The workshop was attended by participants from the National Statistical Offices (NSOs), Ministries of Finance (MOFs) and Central Banks (CBs) from the following countries: Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, Kyrgyzstan, Mongolia, Republic of Moldova, Russian Federation, Tajikistan, The former Yugoslav Republic of Macedonia, Turkey, Turkmenistan, Ukraine and Uzbekistan. Representatives from the Eurasian Economic Commission (EEC) and Interstate Statistical Committee of the Commonwealth of Independent States (CIS-STAT) also attended.

II. Organization of the workshop

3. The workshop was prepared following the recommendations of the Group of Experts on National Accounts (May 2014, Geneva) and is part of the UNECE programme to support the implementation of the 2008 SNA in the Eastern Europe, Caucasus and Central Asia (EECCA). It benefits from financial support from EFTA and the United Nations Development Accounts 9th Tranche on Statistics.

4. Previous workshops and country consultations had identified the need to strengthen the links and cooperation between the main compilers of macroeconomic statistics in the EECCA countries. Therefore the main goal of the workshop was to bring together the National Accounts (NA), Balance of Payments and International Investment Position (BOP/IIP) and Government Finance Statistics (GFS) compilers to discuss the implementation and links between the 2008 SNA, BPM6 and GFSM 2014.

5. The following substantive topics were discussed on the basis of presentations and supporting documentation:

- (i) Policy relevance of macroeconomic data sets
- (ii) Implementation of the 2008 SNA, BPM6 and GFSM 2014: coordination, data exchange and institutional arrangements
- (iii) Selected methodological and practical issues related to sectorization (plenary and group discussions)
- (iv) Panel discussion: Conclusions and recommended further work

6. The main conclusions reached at the workshop are presented in the following section III. All documentation and materials of the workshop are available at: www.unece.org/index.php?id=38312

III. Summary of the main conclusions reached at the workshop

7. The participants of the workshop:

- a) *Noted* that significant progress have been achieved by countries with respect to the implementation of the most recent internationally agreed methodological standards in the areas of NA, BOP/IIP and GFS. Nevertheless, countries moved with different speed and while some are still testing and improving certain elements of the accounts, other have already implemented the major 2008 SNA and BPM6 changes. Government finance statistics remains the most challenging area – most of the countries are still working on implementation of GFSM 2001 and only few are looking into GFSM 2014.
- b) *Recognized* that the efficient implementation of the 2008 SNA, BPM6 and GFSM 2014 requires close cooperation between the NSOs, MOFs and CBs and other statistical stakeholders.
- c) *Considered* inter-institutional working groups (IWG) set up in response to the UNECE regional recommendations for the implementation of the 2008 SNA, as an effective way forward and *recommended* that all countries should continue and strengthen this good practice to facilitate a coordinated and coherent implementation of the 2008 SNA and related macroeconomic standards, particularly BPM6 and GFSM 2001/2014. Participant also noted that if such an IWG does not exist, a good coordination between compiling agencies should otherwise be ensured.
- d) *Identified* areas where countries and IWGs should focus their efforts, for instance agreed classification and list of institutional units, classification of assets and liabilities, classification of transactions (expenditure categories), review of data sources and improving of accounting standards, examine and explain the (in)consistency between the different data sets. Further it was noted that:
 - Sectorization of government units is a very important but also a difficult issue. There is a set of criteria that have to be used and countries have to be prudent and reflect the actual nature and behaviour of the units.
 - Introducing and commonly applying the institutional sector classification through the statistical register was mentioned as good practice.
 - There are a number of difficult borderline cases posing challenges for the sector classification and treatment of their transaction e.g. affiliates and subsidiaries of foreign companies, head offices, development banks, public units with significant control from government. These are not the predominant part of the units, but attract a lot of the attention of the IWG.
 - Exchange of experience and advice from international experts will be very helpful to ensure a correct sectorization of institutional units and to solve

borderline data issues. Some countries shared their good examples of innovative statistical business process model and borderline data production procedures that have proved useful in addressing these challenges.

- While the focus has been predominantly on government sector accounts it was recognized that public sector accounts and public corporations debt provide very important and useful information for policy analysis.

- There is need to periodically review the classifications, data sources and compilation methods/techniques/assumptions to take account of new developments.

- Currently a number of countries are developing financial sector accounts. This raises the need of having agreed data sources and classification of financial assets and liabilities and also calls for involvement of monetary and financial statistics experts in the IWG.

e) *Recognized* that most of the countries have focused on common priorities in implementation of the 2008 SNA: capitalization of R&D, measuring the financial services, military expenditures, etc. A more specific workshop to exchange experience on these issues will be helpful.

f) In addition to the main priorities listed above, *identified* the following areas where further work is important:

- Improving the availability, quality and timeliness of data sources
- Harmonization of the national accounting practices with internationally agreed standards
- Implementation of accrual accounting for all expenditure and revenue
- Development of balance sheets and estimates of capital formation and consumption of fixed capital of government units.

g) *Considered* communication with main users important to ensure the policy relevance of macroeconomic data.

h) *Highlighted* the need of technical assistance in the areas of NA, BOP/IIP and GFS, including from experts from more advanced countries in the region.

i) *Emphasized* the role of international organizations to promote and strengthen the institutional cooperation in the countries by:

- Providing regularly trainings and forums to share good practices in the compilation/dissemination/use of various macroeconomic statistics.
- Involving participants from all concerned compiling agencies during technical assistance activities.
- Developing practical guidance relevant to the countries from the region.

j) *Highlighted* the importance of sharing good practices and appreciated the possibility to discuss common issues related to the coherence of macroeconomic statistics with colleagues from other countries in the region and with international experts.

- k) *Emphasized* that the format of the workshop extremely useful and strengthen the links between NA, BOP/IIP and GFS compilers.
- l) *Thanked* the organizers for bringing together the main compilers of macroeconomic statistics in the countries and asked for similar types of workshops to be organized in the future possibly involving also compilers of monetary and financial statistics depending on the focus of the workshop.
- m) *Requested* that workshop on more narrow topics to discuss more specialized methodological questions are also organized in the future.