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**Expert Group meeting on International economic  
and social classifications  
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## **Working Group on International Classifications for the ECLAC region**

Economic and Social Commission for Latin America and the Caribbean

## **Working Group on International Classifications for the ECLAC region**

### **Background**

The development, adoption and use of social and economic classifications are fundamental for the collection, processing and publication of internationally comparable basic and synthetic statistics. The classifications of products, activities and occupations are essential elements of the taxonomy of the System of National Accounts, census, economic surveys and other descriptive economic systems.

Applying new methodological tools and international recommendations requires a permanent effort in order to update and develop the technical and methodological skills in the economic, social and environmental statistics areas. The study of these and other classifications (economic and social) constitutes an ongoing task in the work carried out by the national statistical institutes and all those institutions responsible for the development of statistical and sector data systems, such as central banks and other public agencies and ministries.

In each country, the problems for adopting or adapting the new versions of the international classifications are multiple and complex. The technicians in charge of the implementation in the countries of the region frequently seek support and access to participate in forums and expert groups, in order to expand their knowledge and get updated in terms of classifications, as well as to share and discuss methodologies to attain the most recommended practices in the implementation processes.

In this context, Latin American countries need to have a Working Group on International Classifications (WGIC), focused on planning, analyzing, discussing, agreeing and specifying classification proposals which accurately reflect the structure and evolution of the countries of the region. On the other hand, it is necessary to support the updating of international classifications, the timely communication and ensuring the necessary resources to implement new versions of the classifications, both economic and social.

The Latin American and Caribbean Demographic Centre (CELADE-Population Division) together with the SCA/ECLAC Census Group –and with the support of the United Nations Population Fund (UNFPA)– organized the “Regional Seminar on the exchange of experiences on classifications and nomenclatures”, held at the ECLAC on December 13<sup>th</sup>-14<sup>th</sup>, 2010.

The seminar’s objective was to describe the situation of the countries of the region in preparing the population census; in implementing the economic activity, occupation and education classifications, and to advance in the harmonization processes by sharing experiences and identifying cooperation and complementarity areas in terms of classifications.

Among the future lines of action it was proposed to create a Working Group on International Classifications of the SCA, whose Technical Secretariat is the ECLAC. The Statistics and Economic Projections Division committed to prepare the terms of reference and guidelines of a work plan for consideration and approval in the next Executive Committee meeting.

In this perspective, a Steering Committee on International Classifications has been formed, composed of the following countries and institutions:

Chile (INE)

Andean Community of Nations (CAN)

Costa Rica (INEC)  
México (INEGI)  
United Nations Statistics Division (UNSD)

INEGI is carrying out the role of coordinator of the Steering Committee. The first task of this Committee will be the development of a biennial work plan (2012-2013), which will be presented at the sixth Conference for approval.

The general objective of the WGIC is to support the countries of the region in adopting or adapting the new versions of the international classifications, in order to contribute to the development of official statistics in the various statistical programs.

Group members must commit to participate actively in meetings, conduct and follow up the tasks agreed in the biennial work program, assist in fundraising, prepare reports for the SCA and its Executive Committee, among other tasks.

## **Financing**

The activities of the WGIC will be financed as far as possible by its members and by donations from countries and international organizations willing to support this initiative of the SCA. Besides, the Working Group should make ongoing efforts to seek for adequate financing in order to carry out the activities in its work program.

## **Executive Committee of the Statistical Conference of the Americas of the Economic Commission for Latin America and the Caribbean.**

The Statistical Conference of the Americas (SCA) is a subsidiary body of the Economic Commission for Latin America and the Caribbean (ECLAC) that contributes to the progress of the statistical policies and activities in the countries of the region.

One of the key objectives of the SCA is to promote the development and improvement of national statistics and work to ensure that they are comparable internationally, bearing in mind the recommendations of the United Nations Statistical Commission and its specialized agencies.

At its tenth meeting, held in Havana from 6 to 8 April 2011, the Executive Committee of the Statistical Conference of the Americas of the Economic Commission for Latin America and the Caribbean, approved the formation of an initiative committee for the establishment of a working group on international classifications and endorses the general objective of supporting the countries of the region in the adoption or adaptation of new versions of the international classifiers in pursuance of the development of official statistics.

Such initiative committee being formed by Mexico, as the coordinating country, and Chile, Costa Rica, the Andean Community, the United Nations Statistics Division and the Economic Commission for Latin America and the Caribbean, which would act as technical secretariat for the working group; and requests that a programme of work identifying possible sources of financing for the planned activities be prepared and submitted to the Conference, at its sixth meeting, for review and approval.

## Future plans

Activities planning must consider the heterogeneity of economic structures

- Take into account the needs of the users of international and national classifications.
- Organize the lines of action according to recommendations by international bodies; to existing initiatives, considered relevant –within and outside the region-, as well as to the activities carried out by other Working Groups of the SCA-ECLAC (e.g., Working Group on Censuses of the SCA-ECLAC).
- The proposed activities should identify the financial resources required for carrying them out and the specific commitments that will be assumed by the countries and bodies belonging to the WGIC to achieve its objectives.
- Develop a regional diagnosis on the countries' current situation in terms of the adoption and use of the International Standard Industrial Classification (ISIC) and the Central Product Classification (CPC).
- Create an electronic forum in ECLAC's website.
- Establish electronic communication in order to share information and monitor the implementation of the work plan.
- Depending on the needs and lines of action, the WGIC may establish subgroups to address specific and detailed issues. These groups may include the participation of experts.
- Prepare an annual report for presentation to the Executive Committee of the Conference.
- Develop a monitoring and evaluation plan to measure progress and make adjustments to the work plan.

## **Annex 1**

# **Terms of reference for forming a Working Group On International Classifications Statistical Conference of the Americas**

## **Context**

The development, adoption and use of social and economic classifications are fundamental for the collection, processing and publication of internationally comparable basic and synthetic statistics. The classifications of products, activities and occupations are essential elements of the taxonomy of the System of National Accounts, census, economic surveys and other descriptive economic systems.

Applying new methodological tools and international recommendations requires a permanent effort in order to update and develop the technical and methodological skills in the economic, social and environmental statistics areas. The study of these and other classifications (economic and social) constitutes an ongoing task in the work carried out by the national statistical institutes and all those institutions responsible for the development of statistical and sector data systems, such as central banks and other public agencies and ministries.

In each country, the problems for adopting or adapting the new versions of the international classifications are multiple and complex. The technicians in charge of the implementation in the countries of the region frequently seek support and access to participate in forums and expert groups, in order to expand their knowledge and get updated in terms of classifications, as well as to share and discuss methodologies to attain the most recommended practices in the implementation processes.

In this context, Latin American countries need to have a Working Group on International Classifications (WGIC), focused on planning, analyzing, discussing, agreeing and specifying classification proposals which accurately reflect the structure and evolution of the countries of the region. On the other hand, it is necessary to support the updating of international classifications, the timely communication and ensuring the necessary resources to implement new versions of the classifications, both economic and social.

## **Background**

The Statistical Conference of the Americas (SCA) is a subsidiary body of the Economic Commission for Latin America and the Caribbean (ECLAC) that contributes to the progress of the statistical policies and activities in the countries of the region.

One of the key objectives of the SCA is to promote the development and improvement of national statistics and work to ensure that they are comparable internationally, bearing in mind the recommendations of the United Nations Statistical Commission and its specialized agencies.

The Strategic Plan 2005-2015 of the SCA includes among its goals:

- *“Goal 2, To promote the training of staff in producing high-quality statistical information, managing national statistical systems and carrying out research into statistical methodology.”*

That strategic goal encompasses the following specific goals that can be made possible by forming the WGIC:

1. Promote an awareness and identification of institutional needs and the work skills required for producing statistical information and for management.
2. Strengthen the region’s networks of statistical information experts in various spheres.

The strategic plan also points out among its lines of action:

1. Identify and document institutional needs and the work skills required for producing statistical information and for strategic management.
2. Identify and organize networks of experts in various statistical spheres and mobilize them in the interest of the region.
3. Coordinate the various initiatives and activities of training centres within member countries of the Conference in order to harmonize face-to-face statistics training programs.

- *“Goal 3, To promote the development of technical and methodological capacities in order to generate high-quality statistical information in the region.”*

That strategic goal encompasses the following specific goals that can be made possible thanks to the WGIC:

1. Support and promote the development of the economic and demographic censuses in the countries of the region through the adoption and adaptation of the classifications.
2. Support and promote the implementation of the System of National Accounts (1993 SNA) in all the countries of the region.
3. Ensure that all countries, according to their circumstances, have relevant statistics on their natural resources and environment, in addition to a minimum set of common sustainability indicators for the region as a whole.

The strategic plan also points out among its lines of action:

1. Hold workshops and encourage different forms of cooperation that allow a sharing of experiences in relation to preparatory work for the population and housing censuses in the region.

2. Provide a diagnostic analysis of the development of the System of National Accounts (SNA) in the countries and its technical and institutional linkages with the production of economic statistics.
3. Define the priority stages for the implementation of the SNA in all the countries of the region.

The Latin American and Caribbean Demographic Centre (CELADE-Population Division) together with the SCA/ECLAC Census Group –and with the support of the United Nations Population Fund (UNFPA)– organized the “Regional Seminar on the exchange of experiences on classifications and nomenclatures”, held at the ECLAC on December 13<sup>th</sup>-14<sup>th</sup>, 2010.

The seminar’s objective was to describe the situation of the countries of the region in preparing the population census; in implementing the economic activity, occupation and education classifications, and to advance in the harmonization processes by sharing experiences and identifying cooperation and complementarity areas in terms of classifications.

Among the future lines of action it was proposed to create a Working Group on International Classifications of the SCA, whose Technical Secretariat is the ECLAC. The Statistics and Economic Projections Division committed to prepare the terms of reference and guidelines of a work plan for consideration and approval in the next Executive Committee meeting.

In this perspective, a Steering Committee on International Classifications has been formed, composed of the following countries and institutions:

Chile (INE)  
Andean Community of Nations (CAN)  
Costa Rica (INEC)  
México (INEGI)  
United Nations Statistics Division (UNSD)

INEGI is carrying out the role of coordinator of the Steering Committee. The first task of this Committee will be the development of a biennial work plan (2012-2013), which will be presented at the sixth Conference for approval.

### **General objective of the WGIC**

The general objective of the WGIC is to support the countries of the region in adopting or adapting the new versions of the international classifications, in order to contribute to the development of official statistics in the various statistical programs.

## Specific objectives

1. Identify and promote regional and subregional cooperation activities to strengthen the capacities of member countries in the processes of adopting international classifications.
2. Exchange and compile experiences, knowledge and good practices related to the implementation of international classifications.
3. Report on a permanent basis about the progress in terms of new revisions of the international classifications, mainly towards carrying out economic and population censuses, and the operations of change in the base year of the national accounts which are being performed by the countries, as well as for the proper management of business registers.
4. Promote the creation of inter-institutional platforms for collaboration, coordination and integration of regional initiatives in terms of international classifications at the level of country blocs.
5. Give priority to the Spanish translation of international classifications texts, thus enabling the timely adoption in the countries of the region.
6. Negotiate the necessary resources to hold meetings of this Working Group, in order to promote the use and dissemination of economic and social classifications.
7. Promote the creation of a network of experts in international classifications, enabling the countries to rely on communication tools and updates on classifications.

## Expected results

The following results are anticipated:

- Strengthening the communication to support the adoption of international classifications in the countries of the region.
- Improve the regional coordination for the production of economic and social statistics in Latin American and Caribbean (LAC) countries.
- Greater comparability of the region's statistics.
- Adoption of international classifications.
- Form a network of experts of the region on national classifications.
- Have national classifications which take into account the needs of the countries of the region.

## Members

It is worth noting that international classifications is an area of complex, transverse and multisector statistical production, which involves various actors and institutions. In most of the Latin America and Caribbean countries, the National Statistical Organizations are responsible for the adoption and dissemination of international classifications.

Due to this complexity in the field of international classifications, both thematic and institutional, it is advisable that the Working Group on International Classification of the SCA is constituted by national teams composed of:



- Experts in charge of national classifications (or its representatives) in the national statistical agencies of member countries or other government bodies responsible for national classifications.
- Representatives of international and regional organizations, which currently work on the topic: United Nations Statistics Division (UNSD), Andean Community of Nations (CAN), Caribbean Community (CARICOM), World Customs Organization (WCO). It is also pertinent to integrate Advisory Agencies that provide their expertise and support in improving financing conditions and developing projects related to the adoption of international classifications.

Group members must commit to participate actively in meetings, conduct and follow up the tasks agreed in the biennial work program, assist in fundraising, prepare reports for the SCA and its Executive Committee, among other tasks.

### **General guidelines for the work plan**

The Executive Committee of the SCA will be asked to review and approve these terms of reference and recommend the constitution of the WGIC at the sixth meeting of the SCA. The Steering Committee will develop a biennial work plan (2012-2013) which will be presented at the sixth Conference for approval. This plan will take into account the following general guidelines:

- Activities planning must consider the heterogeneity of economic structures Take into account the needs of the users of international and national classifications.
- Organize the lines of action according to recommendations by international bodies; to existing initiatives, considered relevant –within and outside the region-, as well as to the activities carried out by other Working Groups of the SCA-ECLAC (e.g., Working Group on Censuses of the SCA-ECLAC).
- The proposed activities should identify the financial resources required for carrying them out and the specific commitments that will be assumed by the countries and bodies belonging to the WGIC to achieve its objectives.

### **Operation mode**

The WGIC will follow the structure proposed by the SCA so that a LAC country leads its activities, promoting the coordinated efforts of countries and organizations which comprise it. Based on the SCA's experience with different working groups, the WGIC leader should be a country with significant experience in the adoption and use of international classifications, which has a unit engaged in the topic and an official with conceptual and technical knowledge who can devote adequate time to coordinate the Working Group. For these reasons, it is recommended that Mexico takes the lead of the WGIC.

The working methods will be as follows:

- Develop a regional diagnosis on the countries' current situation in terms of the adoption and use of the International Standard Industrial Classification (ISIC) and the Central Product Classification (CPC).
- Create an electronic forum in ECLAC's website.
- Establish electronic communication in order to share information and monitor the implementation of the work plan.
- Hold annual meetings to review progress, share experiences and set future plans. Such meetings shall be subject to the availability of resources.
- Depending on the needs and lines of action, the WGIC may establish subgroups to address specific and detailed issues. These groups may include the participation of experts.
- Prepare an annual report for presentation to the Executive Committee of the Conference.
- Develop a monitoring and evaluation plan to measure progress and make adjustments to the work plan.

The Statistics and Economic Projections Division of ECLAC will be the Technical Secretariat of the WGIC and will seek to commit the various agencies and international bodies responsible for international classifications in the different subject matter areas. ECLAC, in collaboration with the lead country, will support the Group's coordination through organizing meetings, preparing agendas, monitoring and evaluating the work plan, communicating the Group's results and achievements. In addition, the Group, together with the Statistics and Economic Projections Division of ECLAC, will coordinate the provision of technical assistance, promoting and identifying horizontal cooperation projects to that end.

## **Financing**

The activities of the WGIC will be financed as far as possible by its members and by donations from countries and international organizations willing to support this initiative of the SCA. Besides, the Working Group should make ongoing efforts to seek for adequate financing in order to carry out the activities in its work program.

To ensure sustained financing it is necessary to develop a project proposal within the lines of cooperation of the donor organizations and agencies. In addition, the topic of international classifications will be promoted within countries in order to make this a priority; thus facilitating access to additional financial resources.