

Project Manager Update

ISWGNA Meeting 3 May 2023

Outstanding GNs

- WS.1 A broader framework for wellbeing and sustainability – to be updated following the March AEG meeting and then circulated to AEG for approval for global consultation
- WS.3 Unpaid household services work – to be updated following phase 1 testing; if changes are substantive will be circulated to AEG for final approval
- WS.6 Accounting for the ownership and depletion of natural resources – to be updated following phase 1 testing and discussion at March AEG meeting; will then be circulated to SEEA/GFS communities for comment
- WS.12 Environmental classifications – has been updated following the March AEG meeting and will be circulated to AEG for final approval
- WS.14 Distinction Between a Tax and Service Transaction and other Borderline Cases -- to be updated following the March AEG/BOPCOM meeting and then circulated to AEG/BOPCOM for final approval

Outstanding GNs (continued)

- CM.2 Terminology and Branding of the Economic Accounting Statistical Standards -- has been updated following the March AEG/BOPCOM meeting and will be circulated to AEG/BOPCOM for approval for global consultation
- CM.3 Taxonomy for Communicating Economic Statistics Releases, Products and Product Updates -- to be updated to incorporate results from phase 1 testing and then circulated to AEG/BOPCOM for final approval
- F.10 Treatment of Cash Collateral – Updated GN to be circulated to AEG/BOPCOM for final approval
- AI.1 Valuation principles and methodologies – to be circulated to AEG/BOPCOM for written comments (in form of track changes)
- A1.2 Treatment of Rent – to be updated to be updated following the March AEG meeting and then circulated to AEG for approval for global consultation

Action items

- A.6: Treatment of trusts and other types of funds as separate institutional units – has been updated following the March AEG meeting and will be circulated to AEG for final approval
- A.8: Consistency in the application of the sum-of-costs approach – to be updated following March AEG meeting and then circulated to AEG for approval for global consultation
- A.9: Consistency in measuring the output of central banks -- has been updated following the March AEG meeting and will be circulated to AEG to establish preferred position prior to global consultation
- A.10: Treatment of holding gains/losses and capital income in the measurement of insurance output – following on from the March AEG meeting has been circulated for review by selected AEG members and then will be circulated to the AEG for its consideration

Action items (continued)

- A.13: Address the current ambiguities and inconsistencies regarding the recording of social security and employment-related schemes, and the current guidance for constructive liabilities – Issues Note to be prepared and will likely be discussed at July 2023 AEG meeting
- C.2: Treatment of (services derived from) the atmosphere -- Issues Note to be prepared and will likely be discussed at July 2023 AEG meeting
- Minor action items (including A.12 Work-in-progress, transfer of ownership and capital services and B.10 Recording of non-life insurance claims in the case of losses of capital assets) – to be circulated to AEG/BOPCOM for final approval

AEG

- In the next month, several notes will be circulated to the AEG for approval for global consultation or final approval
 - To manage the workload on the AEG these will be sent out in batches – one batch will be sent today, a second batch will be sent around 15 May and a third batch will be circulated at the end of May
 - The first and second batches will mainly involve notes where approval for global consultation is being sought, while the third batch will mainly involve notes which are being circulated for final approval
- An AEG meeting has been scheduled for mid-July (10-13 July)
 - Possible topics for discussion include
 - Results of global consultation on GNs WS.1, CM.2 and AI.2, and Action items A8 and A.9
 - Issues Notes for Action items A.13 and C.2
 - The outcome of discussions with the SEEA/GFS communities on GN WS.6
 - Comments received on A1.1
 - Some of these will also need to be discussed with BOPCOM which will need to be sorted out

Glossary

- The SNA and BPM editorial teams are reviewing the 'first cut' that was prepared by the CMTT
 - PdV has gone through all of the terms and the IMF BOP team is making good progress in reviewing Peter's work
 - Later this month, there will be a meeting to agree on 'difficult terms' on which consensus cannot be reached in the initial review
 - The review will be completed by the end of May
- In June, the MFS, GFS and SEEA communities will be invited to review the terms relevant to their domains
 - They will be asked to focus on substance and correctness of definitions, not style and editing
- In July/August, the AEG and BOPCOM will be consulted
 - The consultation will focus on a few high-level questions (eg scope of the glossary, missing elements etc); a detailed discussion of individual terms and definitions will be avoided
 - A note will be developed by the editorial teams to support this
 - AEG/BOPCOM will decide whether the glossary should be circulated for global consultation or only for information, based on a proposal to be made by the editorial teams

Glossary (continued)

- The Glossary will be labelled ‘provisional’ on the basis that subsequent work on the drafting of chapters for the updated standards may identify the need for changes to be made to definitions or for new terms/definitions to be added
- Later in 2023 and into 2024, the UNSD and IMF will arrange for the translation of the glossary into the UN/IMF languages
- The UNSD will also give consideration to the tools that could be utilized to develop a digital version of the glossary

Drafting of chapters

- A drafting platform has been established (thanks to UNSD)
- Work has commenced on drafting various chapters using the platform
- V1 for chapter 2 (national accounts and measures of well-being and sustainability) is complete
- V1 for chapter 25 (selected issues on financial instruments) is almost complete
- V1 for chapter 22 (digitalization) is well advanced
- Work has commenced on developing V1 for chapters 16 (labour accounts) and 23 (globalization), noting that the IMF is taking the lead on chapter 23
- We are slightly behind the timetable but expect that this will be caught up in the coming weeks
 - There was some 'slack' built into the initial part of the timetable to allow for teething issues to be sorted out
 - The first global consultation on the draft chapters is due to commence in August

Early implementation

- In recent weeks, discussions have been held with each Task Team about plans for early implementation of selected GNs
- The purpose of these discussions has been to confirm and prioritize the GNs to be included in early implementation, to establish broad plans for taking forward the early implementation work, and to determine who might take the lead on the work, particularly for the high priority GNs
- Also, it is proposed to form a task team consisting of representatives from UNSD, IMF and the World Bank, as well as the SNA Update PM, to ensure that there is a coordinated approach to the early implementation work, particularly in regard to implementation in developing countries
- Discussions are being held with the IMF BPM Update team to ensure that there is coordination across the SNA early implementation work and any similar work planned for the BPM update

Priority for early implementation -- High

GNs involving change to the SNA production/asset boundary as well as GNs that will require a significant effort to implement

- DZ.6 Recording of data in the national accounts
- G.9 Payments for Nonproduced Knowledge-Based Capital (Marketing Assets)
- F.18 The Recording of Crypto Assets in Macroeconomic Statistics
- WS.6 Accounting for the Economic Ownership and Depletion of Natural Resources, WS.8 Accounting for Biological Resources, WS.10 Valuation of Mineral and Energy Resources and WS.11 Treatment of Renewable Energy Resources as Assets

Note: these are being treated as a 'package' for early implementation

Priority for early implementation -- Medium

Other GNs that impact the sequence of economic accounts where implementation may not be straight forward

- DZ.7 Improving the visibility of Artificial Intelligence in the national accounts
- DZ.8 Cloud computing
- DZ.9 Incorporating Digital Intermediation Platforms into the System of National Accounts
- F.12 Hybrid Insurance and Pension Products -- treatment of employer-independent pension funds

Priority for early implementation -- Low

GNs that have limited impact on the sequence of economic accounts (eg those that involve supplementary tables or thematic accounts)

- DZ.4 Recording and Valuing "Free" Products in an SNA Satellite Account
- F.2 Asymmetric Treatment of Retained Earnings
- IE.1 – Informal Economy (needs further discussion)

DZ.6 Recording of data in the national accounts

- A task team – co-led by Eurostat and IMF -- will be formed to take the work forward
- A concept note/ToR is being developed which will be used to invite potential members
- Aiming to have a kick-off meeting late June/early July
- Possibly hold a physical meeting back-to-back with AEG meeting in Paris
- Aim is to have materials to support compilation available by the end of the year
- In the meantime countries wishing to start work on early implementation will be encouraged to do so
- If \$s can be found it may be useful to engage a consultant to assist with the work – particularly to be available to assist countries with early implementation

G.9 Payments for Nonproduced Knowledge-Based Capital (Marketing Assets)

- A task team consisting of both national accounts and BOP compilers will be set up to develop compilation guidance
- This task team will be lead by the IMF
- The terms of reference for the task force will be developed in May/June
- Aim is to have materials to support compilation available by the end of the year
- In the meantime countries wishing to start work on early implementation will be encouraged to do so
- If \$s can be found it may be useful to engage a consultant to assist with the work – particularly to be available to assist countries with early implementation

NOTE: There is some overlap between DZ.6 and G.9 – discussions will be held in the coming weeks on how to best manage this

F.18 The Recording of Crypto Assets in Macroeconomic Statistics

- The IMF will be developing ‘digital money and crypto assets’ compilation guidance to support the G20 DGI
- The SNA early implementation will leverage off this
- The IMF has formed an internal group to take the work forward – there will be the opportunity to have relevant national accounts input into this work
 - The SNA update manager and other key SNA stakeholders will be kept in the loop
- The compilation guidance is expected to be available in October/November 2023 for discussion at an IMF Statistical Forum

Natural Resources GNs

- The OECD will lead work to develop practical guidance on the 'natural resources' national accounting, with the aim of publishing it in late 2024 or early 2025
- The work will proceed in stages, starting with the development of short practical guides in 2023 and into 2024 in parallel with early implementation by leading countries
- Once the short guides are available, other countries will be identified and encouraged to undertake early implementation from early 2024
 - The possibility of providing technical assistance will be investigated
- In the next few weeks, the ToR for a new group to take forward the work will be developed
 - The group will be established in June with a virtual kick-off meeting in September

Medium priority

- DZ.7 Improving the visibility of Artificial Intelligence in the national accounts/DZ.8 Cloud computing/DZ.9 Incorporating Digital Intermediation Platforms into the System of National Accounts
 - Eurostat/IMF will provide oversight for early implementation of these GNS
 - A list of countries that could be approached for early implementation will be produced
 - It is considered that sufficient guidance largely exists for these topics
 - To support implementation, the ISWGNA should request that in the updated CPC that AI and Cloud computing be identifiable as separate products – Eurostat is preparing a draft
- F.12 Covering Hybrid Insurance and Pension Products (treatment of employer-independent funds)
 - Eurostat will organise early implementation involving selected countries
 - Following on from this, other regions will be given the opportunity to undertake a similar exercise if they consider it worthwhile