



STATISTICS

**INTER SECRETARIAT
WORKING GROUP ON
NATIONAL ACCOUNTS**

CM.1 An Assessment Framework to Measure Alignment with Statistical Standards

**Third Regional Thematic Webinar on the System of National
Accounts Update Programme**

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Outline

- Objective of the guidance note
- Summary of proposals
- Summary of global consultation outcome
- Next steps

Objective of the Guidance Note (CM.1)

Develop a framework to measure alignment to the statistical standards



Framework

Develop an alignment framework that countries can use to communicate their alignment to the statistical standards – SNA, BPM, and GFSM.



Communication

Propose guidance on how statistical agencies should complete the alignment framework and how users interpret them.



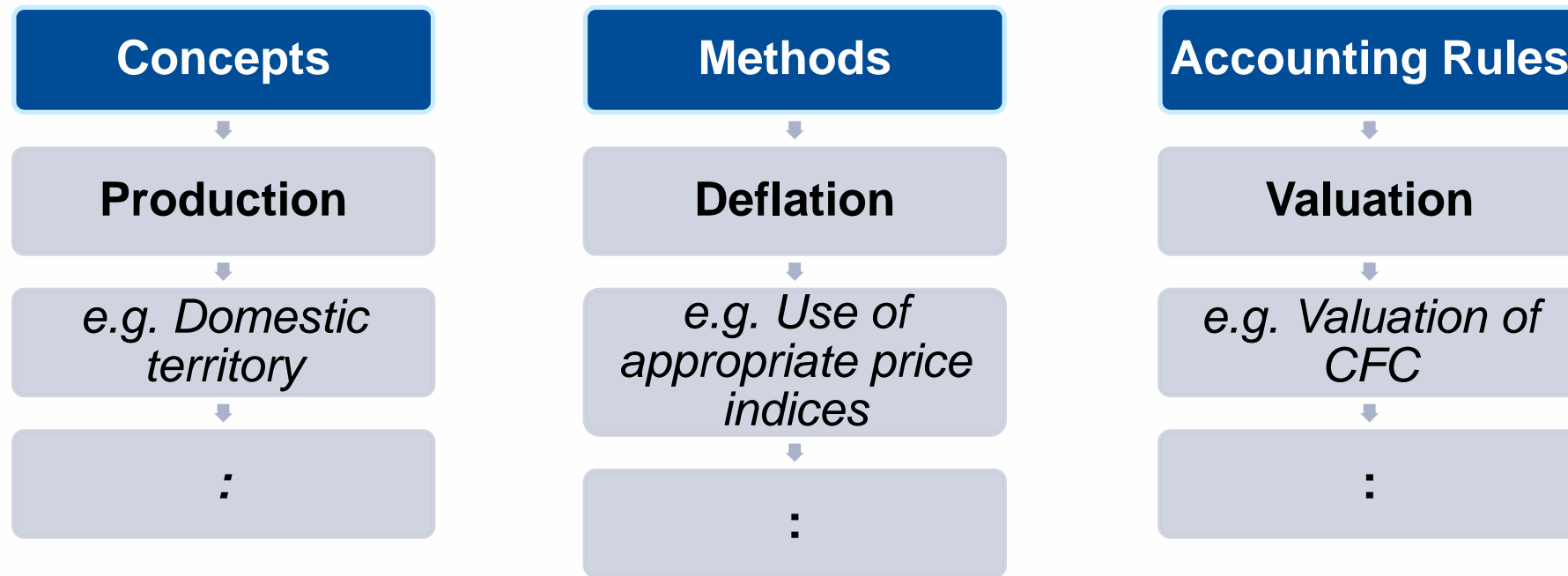
Uses

- Explain the uses of the alignment frameworks for users, the economies, and the international community. Including:
 - *Improving cross-country data comparisons.*
 - *Helping NSOs to prioritize resources, planning, and development.*
 - *Signaling the extent of possible future revisions to users.*

Summary of proposals

What is an Economic Accounting Statistical Standard (EASS)?

- The CMTT proposes that the alignment frameworks be developed around the main components of the SNA, BPM and GFSM : concepts, methods, accounting rules, classifications and accounts/tables.
- **The proposed frameworks focus on features of the EASSs that impact the levels of key economic aggregates.** For example, the SNA framework features



Alignment Framework: Communicating the Results

- While some consideration was given to the development of a “scoring” system or methodology to communicate the assessments results, initial consultations showed a preference for the **dashboard and a range approach**.
- **The starting point for the dashboard is the alignment framework.**
- While most of the items in the framework can be structured to solicit a “yes” or “no” response, this does not provide the granularity that users need to properly interpret the results.
- For each item in framework, the compiling organization would indicate if they:
 - **Fully align** 95-100 *per cent* of the guidance is implemented (Green)
 - **Highly align** 75-95 *per cent* of the guidance is implemented (Light green)
 - **Broadly align** 50-75 *per cent* of the guidance is implemented (Yellow)
 - **Partially align** 25-50 *per cent* of the guidance is implemented (Ligth Yellow)
 - **Do not align** 0-25 *per cent* of the guidance is implemented (Red)
- There is also a category for **Not Applicable** which may relate to cases when the issue is not material or not relevant for the specific economy.

Alignment Framework: Possible Uses

Cross-country comparisons

Having a standard alignment framework allows for more accurate and economically meaningful cross-country comparisons.











Communicating future revisions

Communicate with users about the impact of the proposed changes to the economic statistics or the impact of other improvements.






Planning and future improvements

Helps to inform planning, resource allocation, identifying improvements, prioritization and developments to improve quality and comparability.

Cross-country comparisons

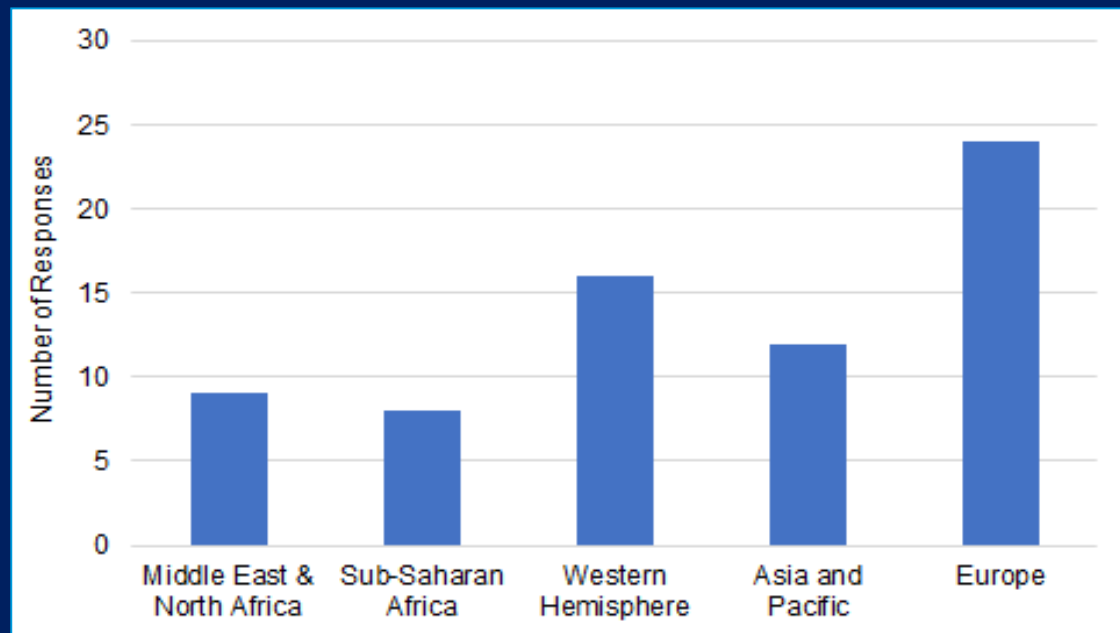
Criteria	Country A	Country B
Production		
Market Output		
Non-Market Output		
Output for Own Final Use		
Imputed Services		
.....		
Assets		
Machinery and Equipment		
Cultivated Biological Assets		
...		

Potential future revisions

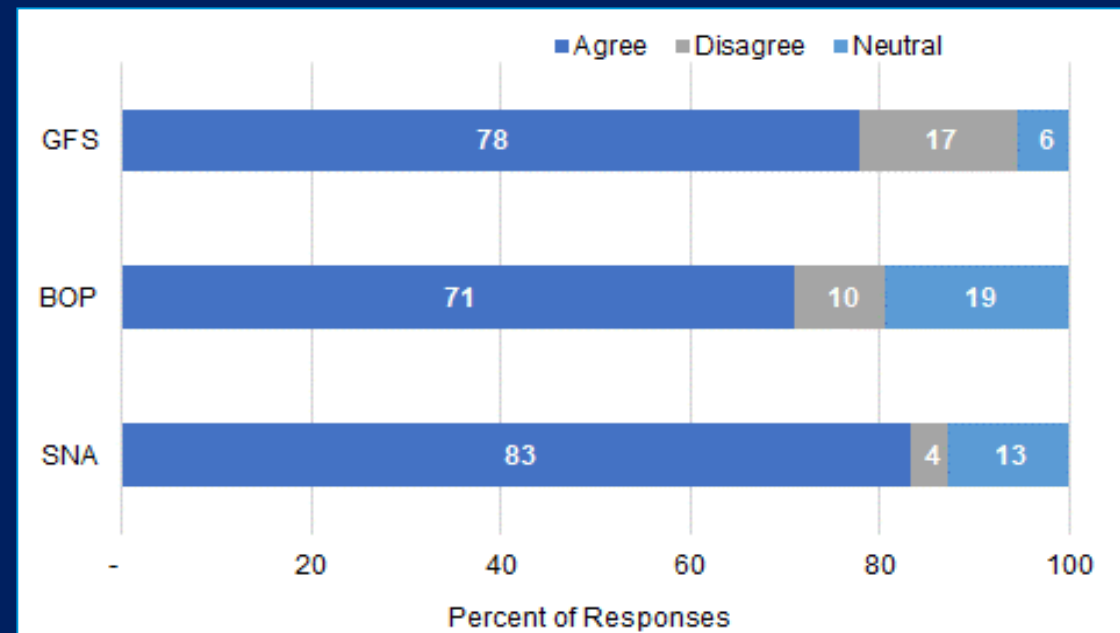
Criteria	Own Account Child Care Services	Data (Digitized Observations)
Production			
Market Output		 	
Non-Market Output			
Output for Own Final Use			
Imputed Services	 		
.....			

Results of Global Consultation

Geographical Distribution of Responses



Views on the Need for Alignment Framework in the Standards

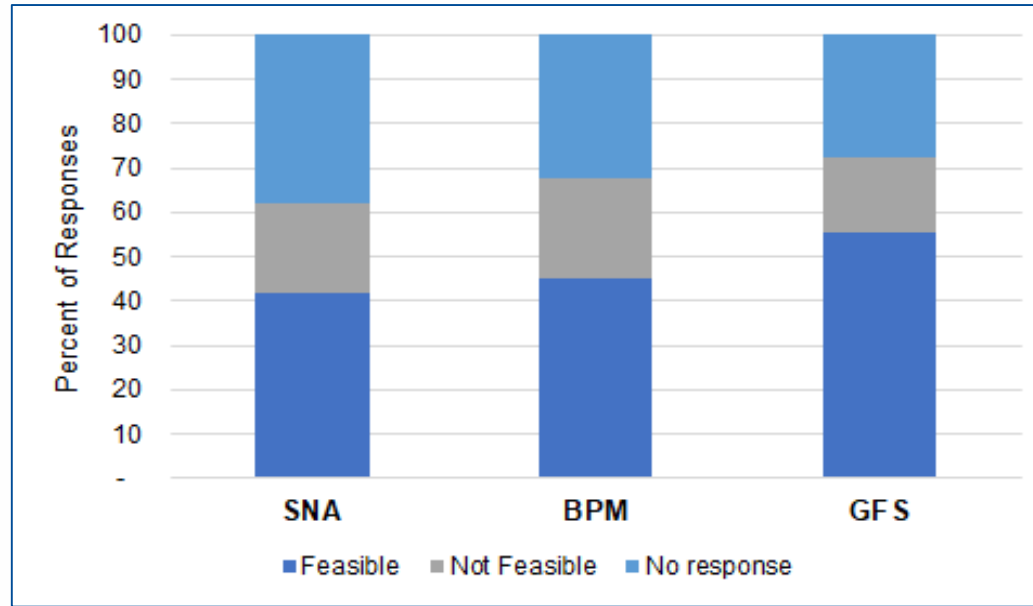


- 69 complete responses were received from 55 economies, reflecting compilers from all three domains.
- Respondents from Europe had the largest participation (35 per cent), followed by those from Western Hemisphere (23 per cent), Asia and Pacific (17 per cent), Middle East (13 per cent), and from Sub-Saharan Africa (12 per cent).
- Majority of the respondents agreed with incorporating a set of alignment frameworks in next update of the statistical standards.

Results of Global Consultation

- A significant majority of the respondents agreed with the list of concepts and definitions, accounting rules, classification systems, and presentation dimensions (and elements) of the three frameworks.
- Respondents generally agreed with the dashboard presentation of the frameworks. However, there were concerns about relying on the statistical offices to be objective about the degree of alignment of their statistical programs.
- Respondents were also concerned that with the categories (expressed in per cent), it could be difficult for compilers to judge elements that are not aligned with statistical standards.
- Most respondents expressed concerns about the number of elements in each of the frameworks.

Feasibility of Completing the Alignment Frameworks



- A slight majority of respondents agreed that it would be feasible for their office to update, maintain, and publish the framework regularly.
- Respondents acknowledge the initial upfront resource cost to complete the framework. However, they noted that subsequent updates to the frameworks would require less resources and therefore would be feasible.
- The other half of the respondents argued that their agencies do not have sufficient resources to regularly maintain the frameworks.

Some Initial Results From Global Consultation

Completed Alignment Frameworks

- Twenty economies agreed to complete relevant alignment frameworks as part of the consultation.
- The economies that participated are from a range of regions and statistical capacity, and income levels.
- Most (16 of 20) of the participating economies stated that the alignment framework was fairly straightforward. The others thought that the frameworks were difficult to complete.

Some extracts and takeaways from the completed SNA alignment frameworks are presented in the following slides.

Extracts from Completed SNA Alignment Frameworks

Economies (Names Concealed)											
Concepts and Definitions (Extract)	1	2	3	5	6	7	8	9	10	11	12
Production Boundary Covers:											
Informal economy											
Underground economy											
Illegal activities											
Other non-observed activities											
Imputed services (of owner-occupied dwellings)											
Own-account production of all goods for own final consumption											
Research and development for market and own account											
Output of goods for own-account fixed capital formation;											
Costs of mineral exploration											
Production of entertainment, literary, or artistic originals											
Production of computer software for own account											
Asset boundary (Extract)	1	2	3	5	6	7	8	9	10	11	12
Dwellings											
Other buildings and structures											
Machinery and equipment											
Weapons systems											
Cultivated biological resources											
Intellectual property products											
Valuables											
<div><div></div><div></div><div></div><div></div><div></div><div></div></div> <div>Not Fully Highly Broadly Partially Not Applicable Aligned Aligned Aligned Aligned Aligned</div>											

SNA Alignment Frameworks (Costa Rica and Mexico Comparison)

Concepts and Definitions (Extract)	Costa Rica	Mexico
Production Boundary Covers:		
Informal economy	Not Aligned	Aligned
Underground economy	Not Aligned	Not Aligned
Illegal activities	Partially Aligned	Not Aligned
Other non-observed activities	Not Aligned	Not Aligned
Imputed services (of owner-occupied dwellings)	Aligned	Aligned
Own-account production of all goods for own final consumption	Aligned	Aligned
Research and development for market and own account	Aligned	Not Aligned
Output of goods for own-account fixed capital formation;	Aligned	Aligned
Costs of mineral exploration	Not Applicable	Aligned
Production of entertainment, literary, or artistic originals	Aligned	Aligned
Production of computer software for own account	Aligned	Not Aligned
Asset boundary		
Dwellings	Aligned	Aligned
Other buildings and structures	Aligned	Aligned
Machinery and equipment	Aligned	Aligned
Weapons systems	Not Applicable	Aligned
Cultivated biological resources	Aligned	Partially Aligned
Intellectual property products	Aligned	Partially Aligned
Valuables	Aligned	Not Aligned



Some Takeaways from Completed SNA Alignment Frameworks

- Some positivity bias observed on the part of the compiling agencies.
- The alignment framework clearly communicates areas of possible revisions to users.
- Single, comprehensive framework for users to understand the metadata of one economy relative to others, without the need for extensive metadata research (which may still be incomparable).
- The countries that participated report alignment to both *2008 SNA* and *1993 SNA* .
Nevertheless, the alignment framework shows more clearly the variation in methods and concepts underlying the national accounts estimates produced by each economy, and the difficult that less sophisticated users would have to compare the results.
- There is a clear need to provide sufficient explanatory notes and guidance on how to complete all three alignment frameworks.

Next Steps

Next Steps

- Add a section to the guidance note to detail the benefits of the alignment frameworks for users..
- Add explanatory notes to all three frameworks.
- Review whether there needs to be an overall message to communicate the level of alignment.

THANK YOU!