**Forwarding Armenian Statistics Through Twinning**

**AM09/ENP-PCA/TP/04**

# MISSION REPORT

## on

# BUSINESS STATISTICS

## ACTIVITY B.4.2
## WORKSHOP TRAINING

Mission carried out by

Ms Ashu Conrad, Senior Advisor
Ms Vibeke Skov Møller, Chief Advisor

*Armenia*, 3rd - 7th September 2012

Final version

National Statistical Service
Republic of Armenia

STATISTICS DENMARK

Statistics Denmark

**Authors' names, addresses, e-mails**

Ms Ashu Conrad, Senior Advisor
Statistics Denmark, Data collection and Methodology
Sejrøgade 11
DK-2100 København Ø
smc@dst.dk

Ms Vibeke Skov Møller
Statistics Denmark, Business Registers
Sejrøgade 11
DK-2100 København Ø
vsm@dst.dk

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*Other annexes collected or made for the report*
Annex B4.2.7           Response Burden Measurement (PowerPoint)
Annex B4.2.8           Business Register Presentation (PowerPoint)

# List of Abbreviations

EU           European Union
NSSRA      National Statistical Service, Republic of Armenia
RA           Republic of Armenia
SBR         Statistical Business Register
SBS         Structural Business Survey
SCM        Standard Cost Model
SD           Statistics Denmark
SRCRA      State Revenue Committee of Republic of Armenia

## 0. Executive Summary

Component B involves the following objectives: 1) To identify and quantify response burden; 2) to improve reporting forms for business surveys, and 3) to define and adopt a strategy for reorganising the SBR with better coverage and actuality.

This mission was the 7th activity of component B. The key objectives of this activity were:

- To continue the process initiated during activity B4.1 of a developing strategy for the Statistical Business Register of NSSRA
- To clarify the degree and the consequences of external dependencies related to the SBR strategy – and the possible alternatives;
- To continue the process from B4.1 on restructuring, redesigning and testing of reporting forms;
- To evaluate and further develop the method of measuring response burden.

As a follow-up to the B4.1 activity, the purpose was to continue the training of relevant staff members in issues related to restructuring of reporting forms and of the statistical business register of NSSRA.

The overall conclusion is that good results have been achieved with the redesign of the reporting forms. This has contributed to a significant reduction in the response burden.

The MS experts recommend that NSSRA calculate the reduction in response burden based on the baseline measurement. A plan should be made for further reductions to the response burden through prioritizing the most costly surveys and working on further improvements to the reporting forms and reduction of samples.

Regarding the Business Register, the contact with the external stakeholders has been continued since mission B.4.1, and some progress has been achieved.

The MS Experts see the delivery of correct and comprehensive data from the administrative registers as the greatest challenge for NSSRA. The MS Experts therefore strongly recommend that NSSRA works on establishing a forum (eventually in the form of a working group) with the purpose of improving the quality of the basic information on the Legal Units.

The next activity (B.6) will take place 26-30 November 2012, and several follow-up actions must be performed by NSSRA in order for this activity to be fruitful.

## 1. General comments

This mission report was prepared within the project "**Forwarding Armenian Statistics through Twinning**". Within the framework of this project NSSRA has decided on the reduction of reporting burden as an overall aim for component B of the project, *Business Register, Structural Business Surveys and Response Burden*. This involves several objectives:

- To identify and quantify response burden
- To improve reporting forms for business surveys
- To define and adopt a strategy for the reorganisation of the SBR with a better coverage and actuality – primarily based on data from administrative registers.

This activity was the seventh within component B – a "workshop training" mission. As a follow-up to the B4.1 activity, the purpose was to continue the training of relevant staff members in issues related to restructuring of reporting forms and of the statistical business register of NSSRA.

The concrete objectives / expected output of this mission, cf. Annex 1, were:
- To continue the process initiated during activity B4.1 of a developing strategy for the Statistical Business Register of NSSRA;
- To clarify the degree and the consequences of external dependencies related to the SBR strategy – and the possible alternatives;
- To continue the process from B4.1 on restructuring, redesigning and testing of reporting forms;
- To evaluate and further develop the method of measuring response burden;

The MS Experts would like to express their sincere thanks to all officials and individuals met for their hospitality and for the kind and active support as well as the valuable information which they received during their stay in Armenia. This has highly facilitated the MS Experts' work.

The views and observations stated in this report are those of the MS Experts and do not necessarily correspond to the views of EU, NSSRA or SD.

## 2. Assessment and results

The observations in this report are based on interviews and discussion with managers and staff at NSSRA in the meetings and workshops held during the mission. Good progress has been achieved since mission B.4.1 with regard to the redesign of reporting forms, which will help to reduce the response burden.

All in all, the MS Experts find that NSSRA and the staff participating in this activity clearly showed a positive and constructive interest and commitment to this component as well as good initiative in the actions taken since the last missions.

The work plan of this component was verified and some adjustments were made to it in the beginning of the mission B.4.2.

An overview of the current status and progress achieved since the last activity regarding the response burden measurement, design issues, tasks of the NSSRA necessary to be done before mission B4.2 was given by the BC component leader, Mr. Gagik Ananyan.

## 2.1. Reporting forms

*Current status of redesign process*

There has been continued work on the redesign of reporting forms and many relevant changes have been made. A significant decrease in the response burden has already been achieved through reduction of fields in the forms. The layout has been simplified, making the forms more user-friendly for both respondents and the NSSRA staff.

*Review of 11-HM Fixed Assets Survey*

During the mission, a new draft of the 11-HM (Fixed assets) form was reviewed. In the new draft, the number of columns in the first section of the form has been decreased from 13 to 11 (amortization removed as suggested in mission B3.2). Some suggestions for improvements to the layout were made. Some recommendations were also made concerning review of the contents of the form (see section 3.1).

*Review of Business Register Survey and suggestions for design changes*

NSSRA has made a revised draft of the Business Register Survey. This draft was reviewed by the MS experts together with Ms. Lilit Petrosyan and members of the Business Register Division and suggestions were made for improvements to the questionnaire (see section 3.1).

During the mission, a new draft of the revised questionnaire was made which implemented many of the suggestions. Examples of the existing and redesigned forms can be seen in Annexes B4.2.10 and B4.2.11.

It was agreed that the existing form will be used for the remainder of 2012 and the new version will be implemented in 2013.

General design and test principles for reporting forms were also discussed and some recommendations were made (see 3.1).

## 2.2. Response burden

A workshop was held for the Subject Matter Divisions on the measurement of response burden and burden reduction. The model for calculating response burden and the template were presented Annexe B4.2.7.

The baseline measurement has been calculated by NSSRA using the Standard Cost Model and the template has been completed for all surveys.

An additional section has been added to the template by the MS Experts, which can be used to calculate the reductions in the response burden as a result of:

- reduction of number of fields in questionnaires
- reduction in sample size
- reduction in frequency

## 2.3. Business Register

*A. Contact to External stakeholders*

- Generally the contact with the external stakeholders has been continued since mission B.4.1, and some progress has been achieved. A government decision has been taken on implementation of a 5 digit national NACE code to be used throughout the public sector.

- The Central Bank of RA
  As previously reported in the mission report B.4.1, the extension of the annual Business Survey of enterprises for 2011 has been a success. (To keep this extended annual Business Survey will require external financing; not necessarily by the Central Bank.)

  Agreement about quarterly delivery of data to NSSRA about financial Legal Units on individual basis has been agreed, but no data has been received yet.

  A discussion on delivery of statistical information from NSSRA to the Central Bank in the form of database tables is going on.

  The co-operation has been formalized in a working group.

  The Central Bank strongly supported a common administrative register of good quality.

- SRCRA
  NSSRA receives information at the individual level on turnover and employees from the SRCRA (who runs the "tax register"). Unfortunately, there are quality problems concerning these data as well as a serious lack of completeness. Unfortunately, it is not expected that the quality and coverage will be good in the near future.

  It has been agreed to implement a change in SRCRA so that a 5 digit national NACE code will be used instead of the now implemented 4 digit NACE code. This change will be introduced in 2013. All new registered Legal Units will get a 5 digit NACE code. However, there is still a problem concerning those Legal Units registered with a 4 digit NACE code.

  A great work has been carried out to train and inform the staff of the SRCRA about the new national NACE code classification. A hotline to NSSRA has been established, so any question on the (practical) classification can be solved.

- State Register of Enterprises (Ministry of Justice)
  It is expected that a single unique identification number to be used in all administrative registers will be implemented, but no timetable has been determined yet. However, an agreement in principle has been made between SRCRA and the Ministry of Justice's State Register on Enterprises concerning the introduction of the SRCRA number as the unique identifier. In the future, the Legal Unit will have to register (electronically) first in State Register to get the identification number. For new Legal Units, only one common unique identifier will be given, but there seems to remain three identifiers for existing Legal Units, at least in the short and medium term run.

  The Ministry of Justice is working on establishing and improving the electronic self-registration system.

  A process of reorganization of the State Register is going on, and NSSRA has problems to get information on the foreign trade, the founder of the Legal Unit, etc. However, NSSRA con-

siders these problems to be of a technical character. NSSRA expects that a solution for these problems will be found within a short time.

- Addresses
  No progress on this subject has been observed since mission B4.1.The quality of the addresses is still a problem, mostly because enterprises have no legal obligation to register any kind of (address) changes to the administrative registers.

  A common register with official addresses would be helpful in the case of establishing an electronic self-registration. The Legal Unit could find its address (street name) by typing in only the postcode and first 1-5 letters of the street name. Then the Legal Unit would be presented for all street names which correspond to the search and could select the correct street name. Only official addresses could be selected and spelling errors would be eliminated. This would also ensure that the Legal Unit could be found in the administrative business register if a search is carried out using addresses.

- A presentation was given of the Danish web site ([www.cvr.dk](www.cvr.dk)) where it is possible for anyone to look up any Legal Unit (including entrepreneurs). Information about unique identification number, name, address, owner (for the moment only for entrepreneurs, but a work on primary owners and founders for legal persons is in progress), legal form, kind of activity code, Phone-no, Fax-no and e-mail, creditor information (compulsory closing or liquidation) is public information and not confidential. The Danish official address register also ensures that all registered addresses are existing addresses. From this web site, the Legal Unit can make its own registration and make changes to the registered data free of charge. The Danish experience is that this public site gives the Legal Unit a reason to ensure that the information is correct. From this web site, it is also possible to access online forms for reporting to SD.

- The presentation of www.cvr.dk also included a presentation of a tool developed by the Danish Commerce and Companies Agency (DCCA) together with Statistics Denmark (SD), where DCCA was responsible for the technical implementation and SD was responsible for the content. The tool ensures that 8 out of 10 Legal Units are able to find the correct activity code with no further assistance, which saves time for the Legal Unit and the staff in DSSA and SD.

### B. Internal initiatives
- The NSSRA internal initiatives have concentrated on redesign of the SBR annual survey reporting form. See paragraph Reporting forms.
- Strategy for developing the SBR data
  During the Study visit in Copenhagen, 20th – 24th August 2012, it was discussed if a tangible deliverable from this part of Component B could possibly be a strategy for development of SBR in the coming period. NSSRA has various initiatives and projects with implications for the SBR which are well documented and plans already exist. A draft of the strategy is expected to be ready for discussion in mid-October 2012. Some possible activities were discussed during the mission, cf. below.

# 3. Conclusions and recommendations

## 3.1 Reporting forms

### *11-HM – Fixed assets*

The MS experts recommend an analysis of the content of the 11-HM form together with National Accounts experts from Statistics Denmark in order to determine whether further reductions can be made in the number of fields.

The following recommendations were made in relation to the layout of the form:

- Front page could be in portrait page setup with a short help text at the bottom of the page
- The existing fields are different sizes and many of them are too small, which makes it difficult for the reporter to enter figures. All fields should be made the same size and large enough to easily enter data.
- Section I could be distributed over two pages, possible in an A3 page setup – the row numbers could be repeated at the end of the row to make it easier for the reporter to enter data in the correct row.
- Sections II-V have been placed on one page and as a result, the fields are too small to enter data. These sections should be spread over 2 pages.

### *Business Register Survey:*

The following suggestions were made in relation to the layout of the reporting form:

- The standard cover page form could be used at the top of the Business Register Survey, as this would save space and contains the same information as questions 1-4 + 8.
- Taxpayer's registration number should be placed before the Legal person and State register codes as this is the number which all new enterprises will receive. This change could be implemented for all cover pages.
- Improvements to the layout of questions 6+7 could be considered as there will be more space available.
- The table on page 2 (questions 10-12) could be changed to portrait page setup. The headers at the top of the columns could be shortened and extra information could be placed in a text at the top of the section (see layout suggestions in Annex 4).
- The question on transport should not be included in the Business Register Survey.
- The final draft could be tested with 10-20 enterprises before approval and implementation.

### *General recommendations regarding questionnaire design*

The MS Experts recommend that test procedures should be implemented for all redesigned forms before they are sent to the Ministry of Justice for approval. Forms which already have been approved should be pilot tested with a small group of enterprises before they are implemented on the total population/sample.

1) Suggestions for improvements to form design:
- Standardization of field sizes, question formats
- Integration of help texts and shorter headers

2) Test of forms which have had major design changes:
- Expert review (Methodology and relevant Subject Matter Divisions)
- Internal and external user tests (min. 5 persons)
- Pilot test (10-20 enterprises)

3) Review and redesign of instructions
- Rewrite texts in plain language:
  - Use familiar words (for target user)
  - Short affirmative, active sentences
  - Use bullets, tables, space
  - Use helpful headings - break text at appropriate points
- Cut instructions which are not needed

More details of methods for test and redesign can be found in Annex B4.1.8 of the previous mission report.

## 3.2 Response burden
The reduction in the response burden should be calculated and entered into the template for:
- the redesigned questionnaires
- surveys where the sample size/frequency has been reduced

An analysis of the burden costs, based on the baseline measurement, should be made. The surveys should be ranked according to the costs from most costly to least costly.

On the basis of this information, at plan should be made for further reductions to the response burden – starting with the most costly surveys.

It is not necessary to make any further baseline measurement. The response burden can be monitored using the results of the exisiting baseline measurement.

It was suggested that the redesigned forms could be tested with a small number of enterprises from the baseline measurement in order to obtain respondents' feedback to the changes. During the study visit in August 2012, a formula for calculating a satisfaction index was introduced. This formula could be used to calculate a satisfaction index based on answers from the voluntary questionnaire (see Annex 5).

## 3.3 Business Register
The MS Experts see the delivery of correct and comprehensive data from the administrative registers as the greatest challenge for NSSRA. The MS Experts therefore strongly recommend that NSSRA works on establishing a forum (eventually in the form of a working group) with the purpose of improving the quality of the basic information on the Legal Units. The working group could utilize the Danish experience with public access to this information to make a connection between a web site presenting this information and the planned electronic reporting of these data. SD offers to work out a draft to an invitation letter for the first meeting to the possible stakeholders in such a working group where the idea of a general administrative business register could be discussed.

At the beginning of the Twinning project, the MS Experts were shown how the SBR was organized. It appears that from the register from where information on the individual Legal Units is received, it might also possible to build up priority rules. However, as long as it is not possible to rely on the information from the administrative registers, it is not possible to define these rules. It was clear that the construction of the SBR should meet the requirements of being a basis register containing the population from which samples could be taken. In mission report B.4.1, the MS Experts had reservations about the tools used because it is foreseen that the database will grow over time.

The MS Experts recommend that – as soon as the quality of the received information from administrative sources has become better – the existing priority rules related to the data quality should be revised. In deciding the rules, it is important to determine if one piece of information is better than another, even though there may be a delay in availability to NSSRA.

It is also recommended that NSSRA as part of the quality work investigate sources of changes in addresses, in cases where the Legal Units have actually informed the NSSRA that the activity is not carried out at the address registered for the Legal Unit but at another address. Of course, this information is collected in the annual SBR survey (if all Legal Units do not fill out the SBR survey form it can be obtained from other surveys). The NSSRA should be aware of the possible development towards a concentration of Legal Units which become larger and operate in still more areas (without a separate registration of each part of the Legal Unit).[1]

If NSSRA participates in the work with the new electronic reporting system, it is recommended to also look at the language used. It should be clear and concise.

The MS Experts recommend a preparation of a strategy paper giving an overview of possible goals and which initiatives could be taken to reach each goal (eventually more than one). As NSSRA is dependent on external partners when receiving data from administrative registers, it is in the interest of the NSSRA to make a strategy for obtaining data of good quality and proper coverage. Strategic elements with only internal interdependencies can also be reflected on. Some of the strategy elements are given in Annex 6, which is a development of the draft contained in the B4.1 mission report. If needed, this list naturally should be supplemented by NSSRA with additional strategy elements.

The MS Experts recommend that the dialog with external stakeholders continue in order to get the work towards a general administrative business register started, including a common unique identification number. It is recommended that NSSRA considers the following aspects:
- o Prepare the high level meeting which is going to be held during the next mission
- o Decide who the external partners are (e.g. SRCRA, CBRA, State Register, the police, regional offices and more)
- o Prepare material to be discussed at this meeting – it could for example include:
  - o how to implement the unique identification number in all public registers, including municipalities etc.
  - o how to solve the address quality problem (public access to ABR (a web site); no payment when registering and updating basis information; fine if information is not updated within (five) days)
  - o how to reduce the burden on enterprises when reporting to the different registers
  - o how to optimize the data-delivery to NSRRA
- o Consider how the work could be organized (and financed) – eventually as pilot projects with the goal to obtain agreement about further steps.
- The communication with SRCRA could still include
  - o Discussion on how to get from 4 to 5 digit NSSRA adjusted NACE Rev. 2
  - o How the quality issues and extension of data deliveries might be solved
- Central Bank of RA

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[1] The business structure in Armenia consists of very few Legal Units operating in different Marzs at the same time. In this situation, each part of the Legal Unit is registered as if each part was a Legal Unit of its own. All these Legal Units (including the parts of Legal Units) can give the needed account information and inform about the number of employees divided by Marzs and turnover divided by activity. At the moment, there are no statistical reasons to concentrate on registration of LKAU or Local Units. The SBR will be filled with useless units. The MS Experts understand this, as long as no more detailed statistical information is demanded.

o Discuss when the agreed quarterly deliveries can begin.

Furthermore, the MS Experts recommend that the work on the SBR strategy continues and that the process of restructuring the SBR reporting forms continues, including test.

In Annex 6 an example of what could be the actual content of the SBR strategy is provided.

# 4. Actions before next activity (B.6)

## 4.1 Reporting forms
The following actions should be taken before the next activity (B.6):

1)11-HM questionnaire:
- SD will review and make recommendations on possible content changes
- Improvements to layout should be implemented (see section 2.1)

2) Business Register Survey
- The revised draft should be translated into English and sent to Statistics Denmark for review.
- Statistics Denmark will review the form and send comments to NSSRA.
- The new form should be tested with enterprises to ensure user-friendliness and data quality before approval by Ministry of Justice.

## 4.2 Response burden
The following actions should be taken before activity (B.6):

1. NSSRA should complete the calculations of burden reduction and send the completed template to Statistics Denmark before the next activity.
2. Statistics Denmark will analyse the data from the template and present the conclusions in the next mission.
3. NSSRA should make a prioritized list of surveys to determine which surveys are most costly and where reductions to the response burden should be made.
4. A strategy for the continued work on burden reduction should be made in connection with the next mission.

## 4.3 Business register
The following actions should be taken before the next activity (B.6.):

1. Complete draft SBR strategy one month before activity B.6.
2. Produce a draft of the reporting form for the annual SBR survey (Legal Unit/Individual Entrepreneurs).
3. Prepare the high-level meeting which is going to be held during the next mission, incl. the necessary material to be distributed on beforehand to the external partners.

# Annex 1. Terms of Reference

**Terms of Reference (B4.2); 3-7 September 2012**

Component A        Quality Management
***Component B        Business Register, Structural Business Survey, and Respondent Burden***
Component C        Improvement of the Exhaustiveness of GDP
Component D        Agricultural Census
Component E        Harmonized Consumer Price Index
Component F        ICT Society

*Activity B4.2        Workshop training*

**1. Purpose of activity**
As a follow-up to the B4.1 activity, the purpose of this activity is to continue the training of relevant staff members in issues related to restructuring of reporting forms and of the statistical business register of NSSRA.

**2. Expected output of the activity**
- To continue the process initiated during activity B4.1 of a developing strategy for the Statistical Business Register of NSSRA;
- To clarify the degree and the consequences of external dependencies related to the SBR strategy – and the possible alternatives;
- To continue the process from B4.1 on restructuring, redesigning and testing of reporting forms;
- To evaluate and further develop the method of measuring response burden;

**3. Project participants**
Mr Gagik Ananyan, Member of State Council of Statistics (*BC Component Leader*)
Ms Lilit Petrosyan, Head of Methodological Division
Mr Laert Harutyunyan, Business Register Division
Mr Garik Khachatzyan, Business Register Division

Ms Vibeke Skov-Møller, Chief Advisor, Statistics Denmark
Ms Ashu Conrad, Senior Advisor, Statistics Denmark

*Other NSSRA staff members taking part in the activity*
Mr Stepan Mnatsakanyan, President of NSSRA
Ms Anahit Safyan, Head of International Statistics Cooperation Division

*External stakeholders*
Central Bank of Armenia
State Revenue Committee of RA
Ministry of Territorial Administration of RA (or other bodies relevant for an address register)

# Annex 2. Programme for the mission 3-7 September 2012

**4. Meeting Programme for MS Experts: 3-7 September 2012**

| Time | Place | Event | Purpose / detail |
|---|---|---|---|
| Monday, Sept. 3rd Morning | Congress Hotel | Meeting with RTA | To discuss the programme of the week |
| Afternoon | NSSRA | Meeting with BC Component Leader | Current status. Progress and other developments since last activity:<br>1. Response burden measurement<br>2. Business Register (strategy)<br>3. Questionnaire design |
| Tuesday, Sept. 4th Morning | NSSRA | Meeting with Methodology and Business Register Divisions | The HM11 and Business Register Survey reporting forms – discussion of progress with the Question protocol (cf. Annex 6 of B4.1 report) |
| Afternoon | NSSRA | Workshop on business register | Exchange of data with tax authorities and related quality work with respect to the business register – the Danish experience |
|  | NSSRA | Workshop on response burden | Measurement of response burden and of burden reduction – presentation of the model |
| Wednesday, Sept. 5th Morning | NSSRA | Meeting with Methodology Division | Input to the on-going work on redesign of reporting forms – testing procedures and concrete reporting forms that are currently being redesigned. |
|  | NSSRA | Workshop on the Business Register with external stakeholders | Discussion of the draft SBR strategy and the possible implications for NSSRA's co-operation with external partners |
| Afternoon | NSSRA | Meeting with Methodology Division | Redesigning reporting forms and accompanying instructions in the remainder of the project period and after: plan and strategy |
|  | NSSRA | Meeting with Business Register Division | Testing and updating routines concerning the SRCRA data - in the light of Tuesday afternoon and Wednesday morning workshops |
| Thursday, Sept. 6th Morning | NSSRA | Ad-hoc meetings | Other input to report |
| Afternoon | NSSRA | Ad-hoc meetings | Other input to report |
| Friday, Sept. 7th Morning | NSSRA | Ad-hoc meetings | Preparation of presentation on conclusions and recommendations |
| Afternoon | NSSRA | Debriefing with BC Project Leader | Conclusions, decisions and recommendations. Consequences for the next mission and implied work programme for BC Experts |

## Annex 3. Persons met

Mr Stepan Mnatsakanyan, President of NSSRA
Mr Gagik Ananyan, Member of State Council of Statistics (*BC Component Leader*)
Ms Lilit Petrosyan, Member of State Council of Statistics
Ms Anahit Safyan, Head of International Statistics Cooperation Division
Mr Laert Harutyunyan, Business Register Division
Mr Garik Khachatzyan, Business Register Division
Mr A. Ananyan, NSSRA Industry Statistics Division head
Mr Avagyan, NSSRA Agriculture Statistics Division head
Ms H. Titizyan, NSSRA Finance Statistics Division head
Mr G. Torosyan, NSSRA Transport and Communication Statistics Division head
Ms Grigoryan, NSSRA Agriculture Statistics division main specialist
Ms Vardanyan, NSSRA Trade and other services statistics division I class specialist
Ms Baroyan, NSSRA Trade and services statistics division main specialist
Ms Nersisyan, NSSRA Transport and Communication statistics division main specialist
Ms Grboyan, NSSRA, Statistical work methodology and classification division
Ms Shaboyan, NSSRA International Statistical Cooperation division
Ms Nalbandyan, NSSRA International Statistical Cooperation division
Ms Antonyan, NSSRA Trade and other services statistics division
Ms Paronyan, NSSRA Construction statistics division
Ms Ohanjanov, NSSRA Finance statistics division

*External stakeholders*
Central Bank of Armenia
State Revenue Committee of RA
State Registry

# Annex 4: Layout example of BRS Questions 10-12

*Layout example 1:*

Please fill out the activities implemented in the reference period together with the trade volume/profit received from sale of produced goods, works and services as well as the average monthly number of employees involved in each type of activity.

| Activities implemented in reference period | Trade volume/profit in 1000 Drams (Excl. value added and excise taxes) | Average number of employees | NACE code (to be filled out by NSSRA) |
|---|---|---|---|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |

*Layout example 2:*

Please fill out the activities implemented in the reference period together with the trade volume/profit received from sale of produced goods, works and services as well as the average monthly number of employees involved in each type of activity.

| Activities implemented in reference period | Trade volume/profit in 1000 Drams (Excl. value added and excise taxes) | Average number of employees | NACE code (to be filled out by NSSRA) |
|---|---|---|---|
| 1. | | | |
| 2. | | | |
| 3. | | | |
| 4. | | | |
| 5. | | | |

## Annex 5: Calculation of a Satisfaction Index

It is possible to calculate a "satisfaction index" based on the answers from the voluntary questions in supplementary form (see below). The voluntary questionnaire could be sent to enterprises together with one of the redesigned forms.

### *Example of questionnaire:*

*Voluntary questions regarding use of time and user-friendliness*

| | Hours | | Minutes |
|---|---|---|---|
| How many working hours did you use to fill in the questionnaire? | | + | |

The time used should include the time used to fill data into the questionnaire, together with the time used to find the relevant information in the enterprise.

| | Was it difficult or time consuming? | | | |
|---|---|---|---|---|
| Was it difficult to… | Very | Some | A little | Not at all |
| - understand the questions? | | | | |
| - understand the guidelines? | | | | |
| - gather the relevant information? | | | | |
| - fill in the questionnaire? | | | | |

| Please describe any problems: |
|---|
| |

The satisfaction index can be calculated for each of the above questions.

Answers are given values as follows:

"Very" = 0
"Somewhat" = 1
"A little" = 2
"Not at all" = 3

Satisfaction index = $100*(\sum \text{Answer}/3)/n$     n is the number of responses

The satisfaction index is:

= 100 if everyone answers "Not at all"
= 0 if everyone answers "Very much"
= 50 if respondents in average answer between "Somewhat" and "A little".

Some examples of how the index has been used by Statistics Denmark can be seen in the PowerPoint presentation "***Measuring Respondent feedback*** "which was presented during the study visit in August 2012.

# Annex 6: Strategy for Statistical Business Register of NSSRA

**Strategy for Statistical Business Register of NSSRA
– a 3-5 year development strategy (draft)**

## 1. Purpose of the strategy

The purpose of the strategy is to outline a coherent overview of the possible developing scenarios related to the Statistical Business Register of NSSRA for the coming 3-5 year period.

## 2. Overall objectives

Each of the scenarios, and the related initiatives, can be said to have three ultimate objectives:
- To improve the general quality of the information in the Business Register
- To improve the total coverage of the Armenian enterprises (including sole entrepreneurs)
- To contribute to reductions in the response burden put on Armenian enterprises by NSSRA

## 3. Main elements of the strategy

### 3.1. Elements with external interdependencies

3.1.1.    Goal: Better quality in data from administrative registers

Initiatives:

3.1.1.1.  Work with external partners towards a common Administrative Business Register (ABR) for Armenia
- o   Define who are the relevant external partners (including e.g. the police, Ministry of Interior or other relevant bodies)
- o   Bring the group together and agree on how to proceed
- o   Possible cooperation areas:
  - • Implementation of the unique identification number in all public registers within a very short time (conversion has to be done quickly – and in some cases it will be possible to convert correctly; this can't be helped; public sector also includes municipalities etc.)
  - • Establishing an official Address register
    A pilot project could be carried out and should include an investigation of how addresses are built up today in different municipalities (or other relevant areas). It should be detailed, in order to uncover all special situations (at least, all situations which might be handled in several ways), for instance houses placed at a long distance from roads. A big difference may exist between the cities and rural areas. The situation could be that – to get the full benefit of an address register – it will be necessary to make some changes in existing, normal conventions. For instance, it could be a renumbering of some building numbers, in order to ensure that it is possible to construct 'districts' on the basis of the address codes.
    It might be necessary to describe how different stakeholders already handle addresses. Do other bodies/institutions already have a system which could be used?
    Rules about how an address should be registered have to be described. The pilot project might be carried out in a smaller area of Yeravan.

Ultimately, a law would have to be adopted to ensure general agreement on one, common address register for RA.

- Public access to ABR (web site)
- No payment for registration and updating
- Fine if information is not updated within (five) days

3.1.1.2. Work with State Revenue Committee to increase the completeness and quality of the information from SRCRA

o Discussion on how to get from 4 to 5 digit NSSRA adjusted NACE Rev. 2 Analyse the distribution of NACE Rev. 2. in SBR with a view to assigning a five digit code to enterprises where the revised code from SRCRA has been four digits

o Discuss how the quality issues and extension of data deliveries might be solved (make a plan for delivery of (reliable) information on profit and number of employees (one for Legal persons and one for entrepreneurs – possibly with Legal persons as the primary interest.)

o Investigate and discuss new deliveries, if any of interest

3.1.1.3. Work with Ministry of Justice (State Register of Enterprises)

o Discuss how to increase the completeness and quality of the information from the State Register

o Discuss the possibilities of making it compulsory to register any change in founder, director, name, address and information about liquidation

o Include the Police in the discussion about this subject, as the Police play a big role when an Enterprise cannot be found by NSSRA – regional offices

3.1.1.4. Work with Central Bank of RA

o Discuss when the agreed quarterly deliveries could come into existence

3.1.2. Goal: Reduce the response burden
Initiatives:

3.1.2.1. Consider the possibility of participating in the work about electronic reporting, cf. the SRCRA's "Template of contact on submission reports to tax authority electronically" (website)

3.1.2.2. Possible use of prefilling.

3.1.2.3. Electronic reporting would also give a reduction in processing the received forms.

**3.2. Elements with only internal restrictions**

3.2.1. Goal: Best possible data in SBR
Initiatives:

3.2.1.1. Develop tool (IT) to help prioritize potential errors / quality problems to be handled manually or mechanically. Possible tools could be grouping by NACE and sorting by size, e.g. turnover and find out which decision rules should be - sort out units for mechanical handling (again after some rules) vs. direct (personal) contact.

Examples to identify problem types:

- Compare identification data received from State Register, SRCRA and from different statistical surveys, including SBR survey

- Compare turnover/profit and number of employees received from SRCRA, statistical surveys, including SBR survey

3.2.1.2. Analyze whether or not the information received from the enterprises (and entrepreneurs) is actually correct. This analysis should reveal the reasons for wrong information and how to get the correct data, e.g. by educating the reporters of statistical information. Pilot studies on quality of SBR reporting.

3.2.1.3. Go through the tax forms to see if any information could be of interest for SBR – or other subject matter divisions – with the purpose of preparing new needs/wishes for delivering data from SRCRA in the future.

3.2.1.4. Finish the redesign SBR forms (Legal persons and Entrepreneurs) and carry out the test etc.

3.2.2. Goal: Best possible NACE codes in SBR
Initiatives:

3.2.2.1. Check Legal Units with high turnover/profit or a great number of employees if NACE code has changed (get priorities right)

3.2.2.2. Analyze the distribution of NACE Rev. 2. in SBR with a view to assigning a five digit code to Legal persons (enterprises) and individual entrepreneurs where the revised code from SRCRA has been at four digits, with the aim to assign a five digit code to all active enterprises and entrepreneurs in the SBR.

3.2.3. Goal: Reduce burden on NSSRA staff working with NACE
Initiative:

3.2.3.1. Introduce web-portal (connected to an external goal/initiative)

3.2.3.2. Be sure that only special/unusual questions about activity codes have to be answered by highly qualified staff

3.2.3.3. A plan for a more detailed introduction of the NACE Rev.2 in the regional offices.

3.2.3.4. Go through the web site to make the tool more user-friendly, especially with regard to the search function.

3.2.3.5. Go through the detailed guidelines – is it possible to carry out any improvements?

3.2.4. Goal: Reduce burden related to data collection
Initiative:

3.2.4.1. Electronic self-reporting of figures to NSSRA

3.2.4.2. Improved usage of the SBR in the statistical production process

3.2.4.3. Analyse the possibilities for improved sampling and grossing-up using the improved SBR.

3.2.4.4. Optimize sample for the annual SBR surveys (Optimizing the statistical information given limited resources (covering a survey at 25,000 + 10,000 annual SBR questionnaires). For example, ask small legal units only every second year (dependent on other sources' availability, e.g. on NACE codes)
   o Make a plan for the samples participating in the SBR survey

- Analyze if it would be possible to cover the whole population (all enterprises and entrepreneurs) during a period of e.g. 10 years. Another option would be to include the small Legal Units only every second year. (Consider the risk if not all Legal Units are in the survey every year weighed against the greater coverage.)
- Analyze how information about net profit and number of employees could be collected by other subject matter divisions for some enterprises (and entrepreneurs) when groups of enterprises are left out of the SBR survey.
- Analyze when and how it will be optimal to ask enterprises and entrepreneurs who have earlier informed NSSRA that they are inactive whether they are still inactive (that is, if they are still registered as active in the State Register).
- New enterprises and entrepreneurs will automatically be part of the population – but what should be the criteria to include them in the survey?
- Make an Implementation plan.

3.2.4.5. Investigate the data collection procedures, both related to the SBR survey and to surveys in other subject matter divisions:
   o Common reuse of data
   o Standard check procedures for mistakes
   o Demands any updating procedures specially considerable resources
   o This should be done in co-operation between the SBR team, subject matter divisions, and Methodological Division.

3.2.5. Goal: Make sure that the SBR system meets the requirements from the users
Initiatives:

3.2.5.1. More and more data are going to be processed – the performance of the SBR system should be observed closely and it should be analyzed whether the existing software is still adequate, and if not, what would be the optimal time to switch to new software.

3.2.5.2. Would it be helpful for the staff in the subject matter divisions to have online access to SBR information? And what about staff in the regional agencies?

**Possible table to be filled out to make an overview**

| # | Objective | Initiative | Priority | Inter-dependencies | Start |
|---|-----------|------------|----------|--------------------|-------|
| 1 |           |            |          |                    |       |
| 2 |           |            |          |                    |       |
| 3 |           |            |          |                    |       |
|   |           |            |          |                    |       |
| n |           |            |          |                    |       |