

TWINNING CONTRACT

Support to Statistics

Kosovo



MISSION REPORT

on

Short term statistics surveys IIIb - Construction

Component no 3.4.6b

Mission carried out by Roberto Iannaccone, Istat, and Erik Nielsen, Statistics Denmark

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List of Abbreviations

KAS	Kosovo Agency for Statistics
ToR	Terms of Reference
KAU	Kind of activity unit
SBS	Structural Business Statistics
STS	Short Term Statistics
VAT	Value-added tax
IPC	Index of Production in Construction
BP	Building Permits
CoCi	Construction Cost Index
NA	National Account

1. General comments

This mission report was prepared within the Twinning Project „Support to Statistics”. It was the second mission to be devoted to STS and Construction Statistic within Business Statistics Component of the project. The mission aimed at continuing the definition of a strategic plan as base for the further implementation of the project in this statistical area.

The concrete objectives of the mission were:

- to assess the current stage of the statistical production process for the Construction Statistics in KAS, with regard to national publication and to EU requirements and with special focus on the Questionnaire and the sample regarding these statistics
- to investigate first step to use data from the municipalities to produce statistics on building permits
- to assist KAS with recommendations and actions to take the necessary steps of getting the Construction Statistics ready for national publication

The consultant would like to express his/her thanks to all officials and individuals met for the kind support and valuable information which he/she received during the stay in Kosovo, and which highly facilitated the work of the consultant.

This views and observations stated in this report are those of the consultant and do not necessarily correspond to the views of EU, KAS or Statistics Denmark and Istat.

2. Assessment and results

On the first day of the mission was used to prepare the meetings with two municipalities, Pristina and Prizren. The experts prepared a proposal of presentation of the background for the statistics for building permits and the minimum set of data to be collected to fulfil the requirements from the STS-Regulation. The questionnaire draft during the first mission has been changed and the most important items had been highlighted.

Both the presentation and the questionnaire has been discussed with KAS staff and agreed on.

On the second day the assessment of the current stage of production of statistics in the construction sector has been carried out:

- For the building permits was the conclusion that the only way to get data was to ask the municipalities which data they have from their issuing building permits
- For Cost of Construction data are already published, using input data
- For Index of Production in Construction there were for the moment no data, but the experts recommended to use hours worked in construction, adjusted for productivity. The questionnaire for this was still not implemented. National Account was planning a project which should better describe the construction sector, including a calculation of the productivity in construction sector

In the afternoon there was a meeting with the municipality of Pristina. It has been implemented the new law on construction. According to the new law every person who wants to apply for a building permit need to fulfil a standardized application form. There are 3 categories of applications:

1. For buildings under 450 square meters
2. For buildings on 450 square meters and over
3. For special buildings where the Ministry of Environment is in charge

Data for Pristina are already published on the website for 2015 and the plan is to go back to 2010. Data are published on daily basis on square meters, dwellings, type of building, tax, cost, etc.

There was a discussion concerning a unique identification of the building permits. The municipality of Pristina had its own unique identification, but it is unsure what the other municipalities are doing. The experts recommend that the municipality number was used for identification.

On the third day there has been a meeting in the municipality of Prizren. In Prizren at the moment the standard application form for building permits according to the new law construction is not used. They planned to implement the new law, but wait on an agreement between different departments. They were also of the opinion that many of the people who applied for a building permit were not able to fill in the new standardized form and for this reason they use a more simplified form.

KAS presented a draft questionnaire which only consist of the necessary data to fulfil the STS-Regulation concerning building permits the represents from Prizren were positive to use the questionnaire together with the simple application form.

3. Conclusions and recommendations

On basis of the mission results should the experts recommended:

For IPC:

1. The draft questionnaire from the first mission should be finished
2. As method the hours worked, adjusted for productivity, should be used. National Account could help with calculation of a productivity coefficient for construction sector

For building permit:

1. KAS should contact all municipalities to understand which one of them have already implemented the new standardized form and which have not
2. KAS should have two strategies for collecting data: direct data import from the municipalities which have implemented the new standardized form and the use of a questionnaire for the rest of the municipalities
3. It is recommended that there in first instance is used a reduced questionnaire which only consist of the necessary data for fulfil the demands in STS-Regulation for construction concerning building permits – as discussed in the mission
4. Furthermore, the experts recommend that KAS in their communication with the municipalities stressed that it is not only a demand from Eurostat but can be used internal for planning and decisions for the municipalities

For the Cost of Construction the experts have no recommendations because KAS is able to fulfil the actual demands in the STS-Regulation.

The experts find a willingness to implement future actions so KAS could produce statistics in accordance with the STS-Regulations concerning construction, but KAS are faced different challenges to reach the goal.

Annex 1. Terms of Reference

Component 3: Business Statistics

Activity 3.4.6b: Short term statistics surveys IIIb – Construction – support to publishing

Scheduling:

ToR –ready date: 21 December 2015
 Start / end of activity: 11-14 January 2016
 Reporting time: 21 January 2016

Mandatory result of the component:

Mandatory Result	Intervention logic	Benchmarks	Sources of information	Assumptions
Mandatory Result	Short Terms Statistics Surveys IIIb - Construction	<ul style="list-style-type: none"> • Mission report uploaded on project homepage • Recommendations for survey • Discussing data from municipalities 	<ul style="list-style-type: none"> • Twinning quarterly reports • Mission Report • Roadmap 	<ul style="list-style-type: none"> • Sufficient absorption capacity • Access to administrative and survey data • Low turn-over of staff involved in implementation • Staff works on project related tasks in between missions

Subject / purpose of activity 3.4.6b:

This is a continuation of the first mission on construction. The first mission assessed the current stage of the statistical production process for the Construction Statistics at KAS. This mission will further investigate first steps to be taken if KAS should produce construction statistics. Most important this mission will investigate whether data from the municipalities could be used for the statistics.

Expected output of activity 3.4.6b:

Mission report – describing the status of the work with construction. Special attention should be on the data from the municipalities. Mission report should also propose further action to be taken at KAS to improve these statistics.

KAS resources:

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Description of the background for the activity

The AGA report states that the European Short-term Business Statistics comprise monthly and quarterly economic indicators such as the index of industrial production, output prices, construction production, retail trade turnover etc. Short-term data on all service activities are also to be provided.

KAS started with first quarterly pilot surveys only in 2010. The surveys cover variables for the sectors Industry and Construction according to NACE Rev.1.

The sampling frame is the Statistical Business Register, which needs to be improved.

Further it is stated that as KAS started with STS statistics only in 2010, it is clear that there are remaining challenges which have to be solved before any output with sufficient quality can be produced. KAS will need further support to complete the pilot and to develop a full scale survey.

In the first Twinning mission on Business Statistics, “Overall Assessment of Business Statistics and Prioritization of Actions (3.1.1)” the two Danish experts Peter Ottosen and Søren Netterstrøm states: If possible, a priority should be given to provide support to KAS to make a publication on The Industrial Production and Construction indices.

The first mission drafted a rough plan for developing the construction statistics at KAS. The present mission will further evaluate this. The priority will be on drafting a first version of a questionnaire for building permits and have 2-3 meetings with municipalities during the mission.

1. Contact to the municipalities

- Meeting next mission. Before the meeting, KAS will contact some municipalities and presenting them a draft version of a questionnaire for building permits

- Subjects: What do they have? What can/will they deliver?

2. A policy of revisions (also in general)

- What do KAS want to revise?

- How long back in time?

- Shall KAS make adjustments for delays, non-response, etc.?

3. Building and Housing Register

- KAS ought to create a building and housing register, including both stock and the building activity

- Contacting the relevant Ministry for possible changes of the law?

4. Identification

- Establishing a unique identification of building/unit

- Address not useful!

- X,Y-coordinates?

Index of Production in Construction

1. Holding a meeting with KAS's National Account to discuss the questionnaire

- Subjects: What does NA need? Does NA accept changes? Does NA calculate a productivity factor and does NA have a deflator (constant price)?

2. Analyses of the quality of the data for 2012 and 2013:

- Are the data good enough or can they be improved?
- Demands for fulfilments?

3. Issues:

- Foreign companies – How are they handled?
- Subcontracting – How to avoid double counting?
- Could be possible to delete "half production"?
- NACE: In the guideline to the questionnaire, it should be underlined that it is not compulsory to fill out the question concerning NACE, rev. 2

Activities to be undertaken in preparation for the mission:

List of attached documents

- All mission reports from earlier mission on Business Statistics can be found at dst.dk/kosovo

If any relevant background information is available KAS must supply this to the experts one week before the mission takes place at the latest

The expected activities are:

- Review of questionnaire
- Review of methodology
- Visiting the municipalities and discussing building permits
- Investigating data from municipalities

Expected output:

- Mission report – according to template
- Reviewed questionnaire and recommendations for KAS for time after the Twinning

Annex 1. Agenda - January 2016

Day	Place	Time	Event
1	KAS	10:00	KAS: Overview of what has been accomplished since the previous mission on construction Planning the week Discussing the questionnaire Planning the visits
2	KAS	09:00-12:00	Visit Municipalities (arrangements done by KAS before the mission)
		12:00	Lunch Break
		13:30	Program to be completed
3	KAS	09:00-13:00	Visit Municipalities (arrangements done by KAS before the mission) Discussing recommendations and the way ahead for KAS after the Twinning
4	KAS	09:00-12:00	Debriefing with BC Project Leader: Recommendations, time plan and implied work program for BC

Annex 2. Persons met

KAS:

1. Ilir.T.Berisha, Director of Economic Statistics and National Accounts, Ilir.t.berisha@rks-gov.net
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RTA Team:

Per Knudsen, RTA
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Interpreter (some missions)