

TWINNING CONTRACT

Support to the Statistics

Kosovo



MISSION REPORT

on

**Support to improvement of Statistical Business Register:
Review and testing of Windows application
Component no 3.5.5**

Mission carried out by
Søren Netterstrøm, Statistics Denmark and
26-30 October 2015

IPA 2012

Author's name, address, e-mail (keep the relevant information)

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List of Abbreviations

GSBPM	Generic Statistical Business Process Model
KAS	Kosovo Agency for Statistics
KBRA	Kosovo Business Registration Agency
NACE	Statistical Classification of Economic Activities, latest version revision 2
SBR	Statistical Business Register
SBS	Structural Business Statistics
SIDA	Swedish International Development Cooperation Agency
SQL	Structured Query Language
STS	Short Term Statistics
TAX	Kosovo Tax Authorities
ToR	Terms of Reference
VAT	Value Added Tax

1. General comments

This mission report was prepared within the Twinning Project „Support to Statistics”. It was the eight mission to be devoted to the Statistical Business Register (SBR) within Component 3 of the project.

During this mission a number of issues related to the quality of SBR and the use of SBR were discussed. Regarding the windows application, a first sketch was discussed.

The consultant would like to express their thanks to all officials and individuals met for the kind support and valuable information which they received during the stay in Kosovo, and which highly facilitated the work of the consultants.

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.

2. Status

The update of SBR from administrative sources is now running, both regarding data from KBRA and data from the Tax authority. Some minor changes were made regarding data from TAX in order to handle a situation where only data from 1 year is received. Also a new calculated variable was introduced in order to make it easier to access the turnover for a single year (based on a list of priorities).

3. Potential change of the registration numbers

The government of Kosovo has initiated a project with the purpose of having a unified number for each business unit in Kosovo to be used by all official bodies.

So far a project has been launched to analyse the current situation and make suggestions for a unified registration system. The project is running for 8 weeks and will deliver a report ultimo November.

SBR is in its current form based primarily on the legal units in KBRA and the Fiscal Units from tax. For the purpose of SBR it is important that these basic units can still be identified in a new system that is that the distinction between legal unit and financial unit and the links between them is maintained in the new system.

Together with Muhamet Kastrati the consultant has a meeting with the consultant company responsible for the project where this issue was raised.

The opportunity was also taken to inform the project group of the problems regarding local units as recorded in KBRA. First of all there seems not to be a very clear definition of a local unit. In some cases a local unit is created on the same address as the legal unit. It is also a problem that each local unit can have only one activity, leading to many local units on the same address.

The purpose of the registration of local units (and the use of these units) should be examined in order to make a proper definition of local units.

A draft report should be submitted to all stakeholders including KAS for comments. KAS is recommended to read this report carefully to ensure that it will not contain suggestions that is harmful for the use of administrative data as the basis of SBR.

4. Creating KAUs and Enterprise Groups

Regarding KAUs there has not been any progress and the issue is still awaiting internal discussions in KAS.

The issue of Enterprise Groups has been raised. The issue will be further discussed on the next mission. The major problem is that creating and maintaining Enterprise Groups will use valuable resources. KAS must consider the balance between the use of resources on this specific task with the need and benefits from creating these units.

5. Excel application

The consultant introduced in the previous mission a small Excel application with the purpose of having a simple way to produce the most common extracts from SBR.

The application has been used by the SBR staff and based on the experience of this the application was expanded to be able to produce more figures on employment and turnover and other data from TAX.

During this expansion Mr. Kastrati was given an introduction to how the application works and how it can be further expanded.

There might in the future be two versions of the application, where a version to be used by National Account (and other SBR-users) may not reveal detailed data from TAX as these are considered very confidential.

6. Online application

A new draft has been produced and was discussed.

The main problem is to find resources for this task. Day to day operation and serving users of SBR are competing for the same resources.

As this application however will have a very limited use (and number of users), it is recommended to keep the ambition level low and only produce what is necessary in order to maintain SBR in a proper way. One important issue is to be able to examine the cause of and handle unfinished transactions.

The issue will be further addressed during next mission.

7. Local units.

Local units are produced based on the Enterprise (Financial unit), any other legal unit within the enterprise and local legal units.

When trying to use local units it is clear, that this way too many local units are produced and there is an urgent need to clean up.

Ideally, local units may in the future be based more on information from the business register survey and potentially other surveys. This cannot be implemented at this point.

As a temporary solution a list (excel sheet) has been produced of local units for active large and medium sized enterprises, where there are more than one local unit in the same settlement.

The list will be annually examined in order to determine local units that will be marked as being of no statistical interest.

The issue will be further discussed in a coming mission.

8. Activity status.

The coding for activity status of enterprises has been improved by utilizing information of activity reported to the Tax-authority.

The new classification has 5 categories

1. Registered but without any reported activity
2. Registered with activity reported in previous or current year (active)
3. Registered with activity reported, but no activity in current or previous year (dormant)
4. Registered with activity, but no activity in current or two previous year (inactive)
5. Registered as inactive by KBRA (dead).

9. Next mission.

The next mission, to be carried out by Steen Eiberg-Jørgensen and Søren Netterstrøm is scheduled to take place from 14 December 2015.

Steen Eiberg-Jørgensen will participate for only 2 days to perform an assessment of the work done so far and a discussion of Enterprise group.

Other issues will include the online application and potential improvement of the Excel application.

Annex 1. Terms of Reference



EU Twinning Project KS12 IB ST 01 Support to Statistics

Terms of Reference:

Component 3: Business Statistics

Activity 3.5.5: Support to improvement of Statistical Business Register: Review and testing of Windows application

Scheduling:

ToR –ready date: 12 October 2015
Start / end of activity: 26-30 October 2015
Reporting time: 6 November 2015

Mandatory result of the component:

Mandatory Result	Intervention logic	Benchmarks	Sources of information	Assumptions
Mandatory Result 3.5.2	Support to improvement of Statistical Business Register (SBR)	<ul style="list-style-type: none"> Mission report stating the most prioritized action areas for improving the business register uploaded on project homepage Adjusted timetable and road map for improvements developed Recommendations for new procedures to ensure seamless updating of the SBR from available sources given Draft of correspondence table between NACE Rev 1.1 and NACE Rev 2. Updated Correspondence table between NACE Rev 1.1 and NACE Rev 2 finalized 	<ul style="list-style-type: none"> Twinning Quarterly reports Mission reports Roadmap Timetable 	<ul style="list-style-type: none"> Sufficient absorption capacity Low turn-over of staff involved in implementation Staff works on project related tasks in between missions A detailed Terms of Reference is developed in a timely manner detailing tasks (input), expected output, participants of the activity and agenda

Subject / purpose of activity: 3.5.5 activity

This mission is a continuation of the last mission on SBR in August 2015. Missions on SBR are planned to take place every second month until the end of the project.

Before the last mission KAS received information that KBRA and TAX have initiated a discussion on using a common identification number to replace the BR-number and the Fiscal Number. At that moment it was not clear whether this would lead to changes in the types of units being recorded by KBRA/TAX.

KAS should seek more information regarding this project and the most likely outcome in order to prepare for such changes. The most likely outcome seems to be that there will not be any radical changes to the way data from administrative sources are used, but more knowledge on the subject is needed. If possible this information should be available before this mission.

Furthermore KAS and the MS expert will continue the work which took place during the last mission. KAS had produced a first draft for an online application that was discussed during the last mission.

Follow-up actions to be finalised before this mission

Action	Responsible person
Initiate discussions for KAU	Muhamet Kastrati
Further work on the online transaction	Muhamet Kastrati
Study of unfinished transactions	Muhamet Kastrati
Pseudo code updated to reflect changes	Søren Netterstrøm

Expected output of activity 3.5.5:

Mission report – describing the progress made since last mission.

Updating time table

Suggestions for Terms of reference for other activities dealing with SBR.

KAS resources:

Mr. Muhamet Kastrati, Manager of database, muhamet.kastrati@rks-gov.net

KAS Twinning team:

Project Leader Mr. Ilir T. Berisha, Director of Economic Statistics and National Accounts,

Ilir.T.Berisha@rks-gov.net

RTA Counterpart Ms. Teuta Zyberi, International Relations Officer, teuta.zyberi@rks-gov.net

Member state resources:

Mr. Søren Netterstrøm, Business Statistics Expert, Statistics Denmark, sne@viv.dk

Twinning resources:

Mr Per Knudsen, RTA, pkn@dst.dk

Ms Nora Zogaj, RTA Assistent, nzogaj@yahoo.com

Description of the background for the activity

This mission is based on the plan made by the MS expert and the expert from KAS during the last mission.

Activities to be undertaken in preparation for the mission:

- All reports from Component 3 Business Statistics are available at dst.dk/kosovo

The expected activities are:

- Following up on activities since last mission
- Further development of the database and the interface

Expected output:

- Mission report – according to template
- Detailed plan for further activities to be completed regarding SBR in Kosovo by the twinning program

Annex 1. Program, - October 2015

Day	Place	Time	Event
1	KAS	09.00	KAS: Current status of the SBR
		10:30	Coffee break
		11:00	Planning the week. Hands on SBR
		12:00	Lunch break
		13:30- 15:30	Hands on SBR
2	KAS	09:00- 16:00	Hands on SBR
3	KAS	09:00- 16:00	Hands on SBR
4	KAS	09:00- 16:00	Workshop with users
5	KAS	09:00	Report writing
		10:00	Debriefing: Expert, Component Leader, BC Project Leader, RTA
		10:30	Coffee break
		10:00	Report writing
		12:00	Lunch break
		13:00	Report writing

Annex 2. Persons met

KAS resources:

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