Forwarding Armenian Statistics Through Twinning

AM09/ENP-PCA/TP/04

MISSION REPORT

on

BUSINESS STATISTICS

Activity B.6
Review of the implementation

Mission carried out by:

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Armenia, 26 - 30 November 2012

Final version

**National Statistical Service
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List of Abbreviations
NSSRA – National Statistical Service of Republic of Armenia
SRCRA – State Revenue Committee of Republic of Armenia
RA – Republic of Armenia
CAR – Common Administrative (Business) Register
SBR – Statistical Business Register
STS – Short Term Statistics

Executive Summary

Assessments

Response burden: The baseline measurement has been finalized, and the statistical reporting burden for 2011 was estimated at 742 Mill. DRAM

Restructuring reporting forms: A methodology and guidelines on redesigning questionnaires have been developed. 21 statistical reporting forms have been redesigned during the project period in accordance with the guidelines. The redesigned forms will reduce the statistical response burden with 19.6 percent from 2011 to 2012.

A plan for implementation of a sampling scheme has been prepared. Implementation of this plan can reduce the response burden with up to 48 percent.

Business Register: A strategic development plan for the period 2013 to 2017 has been prepared, with a view to be adopted by the State Statistical Council. Further work on the plan is needed with regard to the cooperation with the external stakeholders about the long term objective for establishing a Common Administrative (Business) Register (CAR).

Conclusions

During the mission, the meeting the mandatory results and deliverables on Component B were assessed. The mandatory results were "Statistical Business Register duly re-organized; Structural Business Survey reporting forms restructured; Reporting burden reduced". More precisely, this is specified as:
-   3-5 year development strategy for the Business Register.
-   Unnecessary questions on reporting forms deleted, and user-friendly reporting forms designed.
-   Baseline measurement of response burden implemented and methodology of burden reductions developed.

It was concluded from both sides that the mandatory results were successfully achieved.

Recommendations

Response burden: A yearly update of the response burden measurement should be undertaken taking into account structural changes to survey forms, survey population sizes and new/discontinued statistical requirements. A new baseline measurement should be established every 5-7 years.

Restructuring reporting forms: Redesign of reporting forms should continue in accordance with the design manual. Priority should be given to the costly surveys with high response burden, high frequency or low satisfaction.

Business Register: Although there seems to emerging common perception of the overall advantages of a CAR, there seems not to be sufficient commitment from the stakeholders to NSSRAs initiatives to launch a discussion about a CAR. This needs to be ensured via an 'anchoring' of the project at higher governmental level. In order to progress it is recommended:
1. To formulate a more concrete Vision document (to-be situation) for a CAR.
2. To formulate draft proposal of how a joint CAR initiative could be launched and organized. This could e.g. be in the form of an inter-departmental 'Steering Committee' with subsidiary working groups about the various aspects at technical level.
3. To initiate a pilot project for an address register.
4. To prepare a business case analysis, where the direct and – to the extent possible – indirect benefits of a CAR are identified and estimated/assessed.

1. General comments

This mission report was prepared within the Armenian-Danish 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 last within component B.

The concrete objectives / expected output of this mission, cf. Annex 1, were:
- To finalize the work on the measurement of the response burden.
- To estimate the reduction of the response burden since the beginning of the Twinning project.
- To establish a complete and systematic overview of the reporting forms which have been restructured during the Twinning project.
- To meet with high level project stakeholders to discuss development strategy for the statistical business register and the possible initiation of a joint administrative business register for RA.
- To finalize and make official the development strategy of the Statistical Business Register.
- To ensure that the results of the Twinning results are sustainable, i.e. well-documented and with the coming years' further development outlined and understood.

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

Introductory meeting regarding state of affairs and progress since last activity
An introductory meeting was held where Mr Gagik Ananyan informed about the current state of affairs. Ms Lilit Petrosyan, Mr Layert Harutyunyan and Mr Garik Khachatryan also attended. The main points were:

Statistical Business Register:
- There seems to be a growing support among the external stakeholders for the SBR for a CAR for RA. This is clearly the long term strategic objective for NSSRA.

- A process has started with the State Revenue Committee (SRCRA) with a view for the SRCRA to deliver NACE codes at the 'real' 5-digit level to NSSRA as part of the current data delivery, i.e. not only as the 'letter (NACE section) plus 4 digits'.

- The NSSRA has drafted a strategic development plan for the SBR for the period 2013-2017, which will be submitted for adoption by the State Statistical Council. A final draft will be prepared during this mission (see Annex 7).

Redesign of statistical reporting forms / questionnaires:
- Considerable efforts have been devoted to simplify the reporting forms for numerous business surveys – both in terms of reducing the number of questions and thereby directly reducing the response burden, but also with a view to redesigning the forms in order to making them more user friendly. Among the redesigned forms is also the SBR annual reporting form. Overall the number of questions was reduced from 807 to 413 on the forms in question.

- The redesigned forms will be submitted by NSSRA to the Ministry of Justice early December 2012 with a view to implementation in 2013.

Measurement and reduction of response burden:
- An internal working group has been established to draw up scenarios for implementing sample schemes for various surveys and – in some cases - also for altered frequency. Against that background a plan has been established for a gradual implementation. The magnitude and timeline for the associated burden reduction will depend on the decisions to implement the different scenarios.

- The data for the coherent response burden measurement has been gathered in accordance with recommendations from previous activities and estimates for the burden reduction – under different scenarios for implementation – can be calculated.

2.1 Measuring the response burden

Meeting on measuring response burden
During the mission, NSSRAs work on measuring the response burden related to NSSRA was discussed. The discussion was carried out on a meeting between Ms Lilit Petrosyan, Mr Gagik Ananyan, Mr Thomas Bie and Mr. Carsten Zornig.

Administrative burden
In an earlier mission under this component, a simple model for measuring the response burden according to the Standard Cost Model was introduced. Based on this, NSSRA has collected information on the time used to fill in 7 representative questionnaires to businesses, from approximately 100 representative enterprises.

The time to fill in these questionnaires, together with the average time used to fill in one field (one question) in the questionnaire, has been used to estimate a baseline measurement for NSSRA relating to the administrative burden in 2011. As no data has been collected on quarterly surveys, these surveys are estimated on basis of the time used to fill in the monthly surveys. According to this measurement, the administrative burden relating to NSSRA is estimated at 742 million DRAM. An overview of the measure divided on all business surveys related to NSSRA is given in Annex 6.

Perceived burden
In addition to the response burden related to administrative cost it is possible to measure the perceived burden related to a particular survey, as well as to the full list of surveys. This measure could be defined as a 'satisfaction index'.

The respondents' satisfaction index is a qualitative measurement of the respondent's perception of the reporting situation. It is calculated based on the questionnaires filled in by the respondents. The questionnaire contains questions regarding the complexity of understanding the reporting form, difficulties with regard to finding or compiling the necessary information, difficulties to understand the questions, etc.

The satisfaction index should be based on objective criteria, which are evaluated on a voluntary basis by the respondents, e.g. whether it was difficult to understand questions and help texts and to gather the necessary information, as NSSRA can use this feedback to improve the reporting forms.

The respondents should not be asked whether they were frustrated while filling in the questionnaire, as it is not possible for NSSRA to affect such answers in either a positive or negative direction. An example of the calculation of a satisfaction index for a survey with 40 respondents is given in Annex 4.

2.2 Reduction of the response burden

Meeting on reduction of the response burden
During the mission, possible ways of reducing the response burden was discuss on a meeting between Ms Lilit Petrosyan, Mr Layert Harutyunyan, Mr Garik Khachatryan, Mr Thomas Bie and Mr Carsten Zornig.

Work carried out so far
The focus area under this component has been to implement and measure reductions in the response burden in two areas:
- redesign of reporting forms – the response burden for a survey should be revised according to the number of questions in the form
- implementation of sampling schemes – the response burden for a surveys should be reduced, according to the reduction in the number of respondents due to the implementation of a sample,

In addition to this, reductions due to changes in the frequency have been discussed, e.g. due to a monthly survey shifting to a quarterly survey, which means that the frequency decreases from 12 to 4. More ways of reducing the response burden can be considered. This is discussed below.

Work to be considered for the coming years
After the calculation of the baseline measurement, the work related to reducing and measuring the response burden should be maintained, .e.g. by measuring changes to burden on a yearly basis. However, measuring the yearly changes should only be carried out, if there have been major changes, i.e. changes due to new legislation which affects the reporting burden etc.

Thus, the yearly revisions should only comprise:
- Structural changes should be measured
- Fluctuations in the economy should not be measured, i.e. fluctuations causing minor changes in the sample sizes should not be measured.

According to this, the yearly revision should focus on:
- New surveys – the response burden should be measured according to the model used in the baseline measurement.
- Terminated surveys – the response burden should be set to zero.
- Revised sample schemes – the change in the response burden should be revised in accordance with the change in the sample size and/or frequency, and
- New reporting solutions, e.g. system-to-system solutions
- Improved data collection – improvements in the reporting solutions, e.g. due to online error checks etc. should be measured, as this causes less errors in the reports and thus less contact to the respondents relating to the errors.

A new baseline measurement should preferably be calculated in between a 5-7 year period, according to the model used in the baseline measurement for 2011. An example of the situation in Denmark is given in Annex 5.

2.3 Restructuring of reporting forms

Meeting on restructuring reporting forms
During this mission the work related to restructuring of reporting forms was discussed. The meeting related to this topic was held between Ms Lilit Petrosyan, Mr Layert Harutyunyan, Mr Garik Khachatryan, Mr Thomas Bie and Mr Carsten Zornig.

Restructuring of the SBR reporting form
The SBR form has been subject to a redesign procedure and many changes have been implemented. The current version of the SBR form complies with the recommendations made during the previous mission under this component. The redesigned SBR reporting form will be sent for approval by State Council of Statistics and subsequently by the Ministry of Justice. It is expected, that the redesigned SBR form will be used for data collection as from May 2013.

Restructuring of other forms
Several missions have focused on these issues, and several results have been reached:
- 21 surveys have been redesigned
- The design is now more user friendly for all of the redesigned surveys
- The reporting form is easier to understand and to fill in

Before a revised questionnaire is approved by the State Statistical Council and the Ministry of Justice, it should be tested, preferable both by internal and external users. A list of restructured forms is given together with the calculation of the response burden in Annex 6.

Testing
Test should be seen as an important element in quality assurance of the reporting forms, and NSSRA has decided to test all restructured forms before they are sent for approval by State Council of Statistics and subsequently by the Ministry of Justice. Two overall test categories should be considered:
- Pre-tests – primarily internal tests using expert users.
- Pilot tests – test with external users.

2.4 The strategy for the Common Administrative Register

Based on discussions and recommendations from activity B4.2, the NSSRA had drafted a strategic development plan for the SBR for the period 2013-2017. The plan states the objectives to aim for and whether the related initiatives are foreseen in the short run (2013), the medium term (2014-2015) or the longer term (2016-2017). The plan includes actions regarding sources ('input'), quality assurance processes ('throughput') and usage ('output').

Due to the fact that the main challenges for the SBR relates to the coverage and quality (i.e. accuracy) of the external data sources, the draft puts special emphasis on the cooperation with key external stakeholders with a view to establishing a unified administrative business register as *the* source for the SBR.

The draft was discussed with Mr Layert Harutyunyan and Mr Garik Khachatryan, Ms Lilit Petrosyan and Mr Gagik Ananyan. Some amendments and clarifications were agreed and incorporated. The amended draft text is included in Annex 7.

The plan is to submit the strategy for adoption by the State Statistical Council as an 'individual decision'. Thereby it will form a basis for, firstly, the future initiatives vis-à-vis the external data provid-

ers. Secondly, it will form a basis for defining SBR related actions and deliverables for NSSRAs own annual work programme. However, following the meeting on Wednesday, 28 November 2012, cf. section 2.5 below, it appears that the draft strategy document will benefit from further thought as regards the process towards a 'Common Administrative (Business) Register (CAR) before it is adopted.

Priority rules in the SBR
During this activity a meeting was held with Mr Layert Harutyunyan and Mr Garik Khachatryan about the use of priority rules in the SBR regarding turnover figures and activity codes, respectively, for which there currently are multiple (but not exhaustive) sources.

With regard to *turnover* NSSRA currently has three different (but not exhaustive) sets of figures: From the SRCRA, from the STS survey and from the annual SBR update survey. It was the SBR team's impression/expectation that figures from SRCRA would be the most reliable.

An analysis has previously been undertaken where the sources were matched and where patterns and no-match cases were analysed by the regional offices. However, it was the SBR team's impression that a new analysis is necessary in order to define priority rules because there are many business units in the SBR of which there is no up-to-date knowledge at all – among others because they are not covered in the annual SBR update survey. This could also be useful for identifying inactive units. A long term objective would be to have only one exhaustive administrative source for turnover to NSSRA and use that both for STS and SBR.

With regard to *activity codes* the SBR team would like to carry out a survey in order to determine the quality of activity codes attributed by NSSRA and by SRCRA, respectively. The expertise is with NSSRA, but SRCRA has often more recent information. Against that background, priority rules should be defined and implemented in the SBR functionality. Also, the rules could be used in order to decide if/when 'self-registrations' delivered to the SBR should be accepted by the SBR and thus updated.

A special case relates to the attribution/selection of the most appropriate code at five-digit level of codes delivered from SRCRA at four digit level. A distribution rule defined on the basis of the distribution of existing units in the SBR could be attributed for smaller units. (However, the appropriate solution is of course to have the SRCRA delivering at five-digit level for all units.)

The discussion also touched upon Danish practice with regard to quality checks of (larger) units where the activity code is changed by an external source. Such checks are also to some extent performed by the SBR team ('top-lists' from the SRCRA), and it could be considered to further prioritize these checks in accordance with the changes' effect/importance for the statistical figures, i.e. the publication levels.

If in the future there will be international assistance programmes in the NSSRA, and such programmes would cover business statistics, attention should be devoted to improving the quality of the stratification variables in the SBR, e.g. via conduction of the above-mentioned match-analyses and subsequent implementation of priority rules.

2.5 Meeting on the strategy for the Common Administrative Register

Prior to the activity a meeting had been arranged with the purpose of starting a discussion with the main external stakeholders re SBR - mainly SRCRA and State Register on those parts of the SBR strategy which relate to the long term vision and objective of establishing a CAR. Consequently, those authorities were invited to attend the meeting together with internal participants from NSSRA.

Mr Stepan Mnatsakanyan and Mr Gagik Ananyan introduced the purpose and results of the twinning project's work with regard to response burden and use of administrative registers. The aspirations for a CAR were placed in the context of the significant improvements in RA in the last 1-2 years with regard to use of unique identifiers, sharing and re-use of data and electronic reporting. However, it was also stated that much work is yet to be done – work that can only be done in cooperation between the major stakeholders and by involving quite a number of other stakeholders too.

Unfortunately, the participation from external stakeholders to the meeting was quite limited, and against that background it was decided to have only a short presentation/discussion focusing on NSSRAs ambition to invite the key partners regarding business registration to seize current opportunities and launch a joint process towards establishing a CAR.

Nevertheless, the discussion revealed that SRCRA, State Register and NSSRA to a large degree have the same overall views regarding the need for better administrative registers, a main role for SRCRA, attribution and use of unique identifiers, compulsory electronic reporting / self-registration, avoidance of duplicate reporting ("one time/one place" or "one stop shop"), data sharing (including for statistical purposes) and the importance of creating positive incentives for the businesses to register updates to their data, including public access. Also, there was a common understanding of the need and advantages of a common organisational framework, and that the 'Interdepartmental Committee' as suggested in the SBR development strategy, cf. section 2.4 and annex 8 could be a suitable form.

However, the discussion also revealed a number of significant challenges for the process that will require further thoughts before NSSRA can initiate the process of establishing the Interdepartmental Committee, cf. also section 3.2 below.

3. Conclusions and recommendations

3.1 Summary conclusions

Measuring the response burden
During the different missions under this component NSSRA has managed to collect data in order to establish a baseline measurement of the administrative response burden relating to the reporting of statistical information to NSSRA in 2011. The baseline measure of the response burden in 2011 has been estimated to 742 million DRAM.

Reduction of the response burden
During the project period, NSSRA has investigated different approaches in order to reduce the response burden related to the reporting of statistical information to NSSRA. During the project period, the administrative burden relating to NSSRA has been reduced from 742 million DRAM to 596 million DRAM from 2011 to 2012, i.e. 19.6 percent.

Restructuring of reporting forms
The main reason for the reduction of the response burden is the restructured reporting forms. The work on improving the reporting forms should continue on a current basis as it will always be possible to improve the reporting forms or to modify the reporting forms. Similarly, the design of the reporting forms should be considered whenever forms are revised due to new statistical requirements or due changes in the legislation etc.

Statistical Business Register

The aspirations of NSSRA to launch a process for establishing a CAR face a number of significant challenges. A more elaborate and robust plan for this initiative seems necessary, see also recommendations below.

However, with the improvements to the data deliveries to the SBR agreed and implemented in cooperation between NSSRA and SRCRA; the improved coverage and data quality achieved via the cooperation with the Central Bank of RA and, finally, the expected adoption by the State Statistical Council of a long-term development strategy for the SBR, the MS experts conclude that the agreed objectives have been achieved.

Overall conclusions on Component B

On Friday 30th November 2012 debriefing meeting was held with the attendance of Mr Stepan Mnatsakanyan, Mr Gagik Ananyan, Ms Lilit Petrosyan, Ms Anahit Safyan, Mr Laert Harutyunyan, Mr Thomas Bie, Mr Carsten Zornig and Mr Søren Schiønning Andersen.

At the meeting the mandatory results and deliverables on Component B were assessed, see Annex 8. The mandatory results were "Statistical Business Register duly re-organized; Structural Business Survey reporting forms restructured; Reporting burden reduced". More precisely, this is specified as:
- 3-5 year development strategy for the Business Register.
- Unnecessary questions on reporting forms deleted, and user-friendly reporting forms designed.
- Baseline measurement of response burden implemented and methodology of burden reductions developed.

It was concluded from both sides that the mandatory results were successfully achieved.

3.2 Recommendations

Measuring the response burden
The work on measuring and reducing the response burden should be continued, and it is recommended that the following activities should be carried out:
- A yearly revision due to structural changes, e.g. new surveys, implementation (or change) of sample schemes, survey frequency etc.
- A new baseline measuring should be calculated every 5-7 years
- the work on restructuring reporting forms should be a continual part of NSSRAs work
- The plan for samples developed by NSSRA should be implemented.

The measuring of the response burden should be documented, in order to ensure that it can be calculated on a continuously yearly basis.

Reduction of the response burden
When reporting forms are restructured, it is recommended to take the following issues into account, in order to decide which reporting form to revise first:
- Response burden – surveys with a highest response burden should be revised first
- Frequency – monthly surveys should be revised first
- Satisfaction index – surveys with a low satisfaction index should be revised first

Besides the reduction in the administrative burden, the restructuring of reporting forms leads to a reduction of the perceived burden. Thus, the satisfactory index should be seen as an important measure as an additional input to the revision of the reporting forms.

The reduction of the response burden will from 2013 include the implementation of samples in the surveys. The introduction of samples should be integrated stepwise, as it is simpler to reduce a sample than to increase it. Thus, the implementation should be taken in two steps:
- first, the frequency of the survey should be adjusted
- secondly, the sample should be adjusted and optimized

Restructuring of reporting forms
Before a reporting form is sent for approval by State Council of Statistics and subsequently by the Ministry of Justice, it is recommended that the reporting form is tested:
- As a minimum an internal test should be carried out by expert users
- Preferably, a test involving external respondents should be carried out

If respondents are sending in an old reporting form instead of the revised form, NSSRA should be flexible in order to allow this for a transition period, e.g. for one year.

Statistical Business Register
Firstly, **it is recommended to further discuss the draft SBR strategic development plan**, cf. Annex 7, in NSSRA before adoption by the State Statistical Council. Primarily, there is a need to further develop the sections about the process for establishing a CAR, cf. section 2.5 above. The challenges for this process could be divided into three groups:

A. Organisational aspects:
- A stronger commitment and active involvement from top-management level in mainly SRCRA and State Register is needed. Also, the directly involved managers/staff in the institutions need a clear mandate.

- The process needs to be "anchored" at a sufficiently high level in the governmental structure to ensure the active involvement of SRCRA and State Register – as well as to ensure the involvement of the relevant local government institutions.
- A more concrete approach (or plan) is needed as to how the process for establishing the Committee should be launched and managed.

It is recommended:
- To formulate – due to the absence of a "burning platform" – a short, but concrete vision (a "TO-BE" situation) re CAR with emphasis on the concrete gains for the main partners (SRCRA, State Register and NSSRA), the businesses and RA in general.
- To draft a concrete proposal for a project organisation and – if possible – initiate a discussion at a governmental level

B. Analysis of user needs and technical aspects:
- Realisation of the CAR vision will be complex and require detailed work on several levels: User needs-/"business" analysis, delineation of competence, legislation, data base construction, data exchange processes, data harmonisation etc.
- Some data needs – especially the need for a common digital solution regarding addresses – will require involvement of additional stakeholders.

It is recommended:
- To identify the main areas of work at operational/technical level in the proposed project organisation.
- To identify the remaining stakeholders and map their interests and possible contributions.

C. Financial implications:
- Establishing a CAR is a big investment. Although it will have high returns it also involves considerable risk. This raises the questions "which solution is needed – and which solutions is most cost-efficient", "where shall the money come from" and "how will the bill be split"?
- It is difficult to assess the business case: On the costs side there will be considerable uncertainties to estimates since several of the activities involved may not have been done before. The benefits side will also have considerable uncertainties, and it will be difficult to identify (and quantify) many of the derived/indirect benefits of a CAR.

It is recommended:
- To prepare a business case analysis, including estimates/assessments of the direct and indirect benefits that should form part of a political decision to establish a CAR.

Annex 1. Terms of Reference

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 B.6   Review of the implementation

0. Mandatory result of the component
The mandatory results of component B are defined as "Statistical Business Register duly reorganized",
SBS Questionnaires restructured", and "Reporting burden reduced".

1. Purpose of the activity
The purpose of the activity is to evaluate the processes, the activities, and the results of the project.
Furthermore, proposals and recommendations for further development of the business register and
business statistics are to be provided.

2. Expected output of the activity
- To finalize the work on the measurement of the response burden
- To estimate the reduction of the response burden since the beginning of the Twinning project
- To establish a complete and systematic overview of the reporting forms that have been restructured during the Twinning project
- To meet with high level project stakeholders to discuss development strategy for the statistical business register and the possible initiation of a joint administrative business register for RA
- To finalize and make official the development strategy of the Statistical Business Register
- To ensure that the results of the Twinning results are sustainable, i.e. well-documented and with the coming years' further development outlined and understood.

3. Project participants
Mr Stepan Mnatsakanyan, President, 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 Khachatryan, Business Register Division

Mr Søren Schiønning Andersen, Head of External Economy Division, Statistics Denmark (*MS Component Leader*)
Mr Carsten Zornig, Head of Business Data Collection Division, Statistics Denmark

Annex 2. Programme for the mission

Meeting Programme for MS Experts: 26-30 November 2012

Time	Place	Event	Purpose / detail
Monday, Nov. 26th Morning	Congress Hotel	Meeting with RTA Assistant	To discuss the programme of the week
Afternoon	NSSRA	Meeting with BC Component Leader and Experts	a. The actual status of the component work. b. Discussion of the Wednesday meeting – discussion of the Agenda and the presentations to be provided by NSSRA and MS Experts
Tuesday, Nov. 27th Morning	NSSRA	Meeting with BC Experts	Response burden measurement: a. BC Experts presentation of the developed methodology, the general spread sheet, and the analysis of the results b. Discussion of how to maintain the system, of the documentation needs, incl. the format
Afternoon	NSSRA	Meeting with BC Experts	The coverage and quality of the statistical business register. Decision rules with more than one data source. How to check and use future SRCRA information on NACE codes
Wednesday, Nov. 28th Morning	NSSRA	Meeting with BC Experts	Restructuring of questionnaires: Status of SBR reporting form. Implementation of testing procedures. Documentation of results – agreement of overview table.
	NSSRA	Meeting with BC Component Leader	Last preparations for meeting with external stakeholders.
Afternoon	NSSRA	Round table discussion	Meeting with external stakeholders: a. SBR development strategy b. An administrative business register for RA
Thursday, Nov. 29th Morning	NSSRA	Meeting with BC Component Leader	Discussion of possible adjustment of the development strategy of the SBR in the light of Wednesday's round-table discussion.
Afternoon	NSSRA	Ad-hoc meetings	Preparation of mission report and for the debriefing meeting.
Friday, Nov. 30th Morning	NSSRA	Ad-hoc meetings	Preparation of mission report and for the debriefing meeting.
Afternoon	NSSRA	Debriefing with BC Project Leader	Conclusions and decisions following the reviewing mission. Final recommendations. Evaluation of the work and the results during the project period.

Annex 3. Persons met

NSSRA

Mr Stepan Mnatsakanyan – Director of NSSRA
Mr Gagik Ananyan, Member of State Council of Statistics (*BC Component Leader*)
Ms Lilit Petrosyan, Member of State Council of Statistics
Mr Laert Harutyunyan, Business Register Division
Mr Garik Khachatzyan, Business Register Division

RTA team

Mr Thomas Bie – RTA Twinning Advisor
Ms Diana Gasoyan – RTA Assistant
Ms Liana Atoyan – RTA Translator

External stakeholders

State Register of Ministry of Justice of RA
State Revenue Committee of RA

Annex 4. Satisfaction index

The respondents' satisfaction index is a qualitative measurement of the respondent's perception of the reporting. It is calculated based on the questionnaires filled in by the respondents. The questionnaire contains questions on complexity of understanding the observation form, problems accompanying search of necessary information, availability of not understandable questions, etc.

Respondents' satisfaction index can be determined by breakdown of the answers into four complexity criteria. Each individual criterion is assigned a coefficient: 1 for not difficult, 0.5 for somewhat difficult, 0.5 for difficult and 0 for very difficult. Somewhat difficult and difficult is not distinguished, as this information is not very easy to interpret. Thus, <u>this information should only be used for NSSRA's own purpose, in order to improve the reporting forms</u>.

Respondents' satisfaction index on a specific question or on the whole on the observation form can be calculated as the total index for all the complexity categories. An example is given below.

Number of filled in questionnaires	Difficult /Time-consuming				
Was it difficult to…	Very	Somewhat	A little	Not at all	Total
	a	*b*	*C*	*d*	*e*
Access the online form?	0	0	0	40	40
Understand questions and help texts?	10	10	10	10	40
Gather the necessary information?	5	5	10	20	40
Enter data into the online form?	0	5	10	25	40
Total	15	20	30	95	160

Questionnaires in percentages	Difficult /Time-consuming				
Was it difficult to…	Very	Somewhat	A little	Not at all	Total
	f=a/e×100	*g=b/e×100*	*h=c/e×100*	*i=d/e×100*	*j=f+g+h+i*
Access the online form?	0,0	0,0	0,0	100,0	100,0
Understand questions and help texts?	25,0	25,0	25,0	25,0	100,0
Gather the necessary information?	12,5	12,5	25,0	50,0	100,0
Enter data into the online form?	0,0	12,5	25,0	62,5	100,0
Total	9,4	12,5	18,8	59,4	100,0

Satisfactory index	Difficult /Time-consuming				
Was it difficult to…	Very	Somewhat	A little	Not at all	Total
	k=f×0,0	*l=g×0,5*	*m=h×0,5*	*n=i×1,0*	*o=k+l+m+n*
Access the online form?	0,0	0,0	0,0	100,0	100,0
Understand questions and help texts?	0,0	12,5	12,5	25,0	50,0
Gather the necessary information?	0,0	6,3	12,5	50,0	68,8
Enter data into the online form?	0,0	6,3	12,5	62,5	81,3
Total	0,0	6,3	9,4	59,4	75,0

Respondents' satisfaction index should be calculated within the range from 0 to 100. The closer the calculated index to 100, the higher is the respondents' satisfaction assessment.
70-100:   Acceptable level;
50-70:   Need for improvement taking account respondents' proposals;
0-50:   Points to the need for urgent actions aiming at improving the observation form.

Annex 5. Administrative burdens in Denmark (statistics)

Survey (Danish name)	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
					1.000 Danish Kroner					
Arbejdsstedsfortegnelsen	296	296	296	296	296	296	296	296	296	
Beskæftigede ved bygge- og anlægs-virksomhed	1.091	1.091	1.091	1.091	1.091	1.091	1.091	1.091	1.091	
Danske virksomhederns brug af it	0	402	402	402	402	402	402	402	402	
Danske virksomheders it-udgifter	0	446	446	446	446	431	431	431	431	
Danske virksomheders udenlandske datterselskaber	0	0	0	0	0	1.283	1.283	1.283	1.283	
Detailhandlens omsætning (detailomsætningsindeks)	1.121	1.325	1.325	1.325	1.325	1.325	1.325	1.325	1.325	
Eksport-, import- og tjenesteprisindeks	0	124	124	124	124	124	124	124	124	
Erhvervenes energiforbrug industri	784	784	784	784	784	784	784	784	784	
Extrastat Eksport	0	0	0	0	0	0	0	0	0	
Extrastat Import	1	1	1	1	1	1	1	0	0	
Feriehusudlejning	185	185	185	185	185	185	185	185	185	
…										
Industriens produktion og ordreindgang	4.183	4.232	4.232	3.086	3.086	3.086	3.086	3.086	3.086	
Int. transport DK lastbiler	392	392	392	392	392	392	392	392	392	
Intrastat Eksport	22.245	17.608	15.895	15.098	11.910	11.910	10.868	10.868	10.868	
Intrastat fejlhenvendelse	13.954	13.954	13.954	13.954	7.248	5.327	5.327	5.327	5.327	
Intrastat Import	89.566	79.461	73.603	70.825	51.825	42.462	38.747	38.747	38.747	
Kapiteltakster	12	12	12	12	12	12	12	12	12	
…										
Udenrigshandel med tjenester i alt	4.746	4.746	4.746	4.683	4.683	4.683	4.683	4.683	4.683	
Væksthustælling i alt	69	69	69	69	69	69	69	69	69	
Øvr. Arbejdsoms. i alt	148	148	148	148	148	148	69	69	69	
Others	2.746	3.419	2.808	2.845	2.845	2.842	2.842	2.842	2.842	
Total response burden	**167.802**	**153.341**	**144.826**	**141.069**	**118.028**	**104.784**	**101.785**	**101.523**	**101.221**	

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Reduction compared to 1996	207.100	26,0	30,1	31,9	43,0	49,4	50,9	51,0	51,1
Reduction compared to 2004	167.802	8,6	13,7	15,9	29,7	37,6	39,3	39,5	39,7

Example

Overnatninger på campingpladser	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
A. Frequency	12	12	12	12	12	12	12	12	12	
B. Monthly reports (respondents)	294	294	294	294	294	294	294	294	294	
C. Standard time	274	274	274	274	274	6	6	6	6	
D=(A*B*C)/60	16.09	16.09	16.09	16.09	16.09					
Annual burden in hours	**5**	**5**	**5**	**5**	**5**	**380**	**380**	**380**	**380**	
E. Average hourly salary	195	195	195	195	195	195	195	195	195	
F= (D*E)/1000										
Annual burden in 1000 DKK	**3.139**	**3.139**	**3.139**	**3.139**	**3.139**	**74**	**74**	**74**	**74**	

Description

- Baseline measurement
- Yearly revision
- New survey
- Ended survey
- Revised sample
- Digital reporting solution
- Improved data collection

Baseline measurement

Average salary is kept fixed between baseline measurements

Monthly reports is kept fixed between baseline measurements

Standard time is kept fixed between baseline measurements

Annex 6. The baseline measurement on statistics for 2011

Survey Name	Revised survey	Baseline measurement		Revisions	
		Number of	*Burden in*	*Number of*	*Burden in*
Complete list of surveys	*(Yes/No)*	*questions*	*AMD*	*questions*	*mio. AMD*
Annual surveys					
2-KS	*Yes*	1.200	18.536.204	*611*	9.438.017
12-Construction	*No*	336	1.302.572	*336*	1.302.572
18-KS	*No*	338	55.522	*338*	55.522
1-Production (annual)	*Yes*	120	4.844.126	*116*	4.682.655
6-Hydro	*No*	11	20.418	*11*	20.418
6-S	*No*	67	5.928	*67*	5.928
24-E	*No*	21	380.293	*21*	380.293
1-Transport	*No*	283	14.345.711	*283*	14.345.711
3-Auto	*No*	205	2.406.286	*205*	2.406.286
65-Iron	*No*	37	3.724	*37*	3.724
65-Avia	*Yes*	19	503	*21*	556
34-CA	*No*	124	3.284	*124*	3.284
1-Metro	*No*	36	953	*36*	953
1-Electric	*Yes*	36	4.787	*31*	4.122
1-Iron	*No*	20	45.551	*20*	45.551
1-Road	*No*	78	14.094	*78*	14.094
31-Communication	*No*	34	630	*34*	630
41-Communicaton	*No*	50	3.973	*50*	3.973
42-Communication	*Yes*	105	11.123	*99*	10.487
51-Communication	*No*	73	75.255	*73*	75.255
57-Communication	*No*	22	583	*22*	583
1-Post	*No*	21	5.040	*21*	5.040
35-Accident	*No*	51	1.351	*51*	1.351
12-Trade	*No*	13	7.225	*13*	7.225
3-Trade	*No*	191	47.935.375	*191*	47.935.375
1-TG	*Yes*	238	10.192.506	*234*	10.021.203
6-F	*Yes*	256	10.963.368	*232*	9.935.552

Survey Name	Revised survey	Baseline measurement		Revisions	
		Number of	*Burden in*	*Number of*	*Burden in*
Complete list of surveys	*(Yes/No)*	*questions*	*AMD*	*questions*	*mio. AMD*
Quarterly surveys					
12-CA	*No*	1.008	64.995	*1008*	64.995
1-Charter	*No*	1.008	64.995	*1008*	64.995
11-Communication	*Yes*	112	14.443	*26*	3.353
11-CA	*No*	360	23.212	*360*	23.212
35-Accident	*No*	78	5.029	*78*	5.029
1-Post	*Yes*	72	31.469	*18*	7.867
1-TG	*Yes*	110	6.443.763	*119*	6.970.980
6-F	*Yes*	256	14.996.394	*232*	13.590.482

Survey Name	Revised survey	Baseline measurement		Revisions	
		Number of questions	*Burden in AMD*	*Number of questions*	*Burden in mio. AMD*
Complete list of surveys	*(Yes/No)*				
Monthly surveys					
1-KS	*Yes*	456	44.189.657	*266*	25.777.300
2-KS	*Yes*	556	20.306.344	*268*	9.787.950
MS	*No*	21	130.480	*21*	130.480
ABS	*No*	10	62.133	*10*	62.133
1-Production (monthly)	*Yes*	114	33.965.398	*110*	32.773.629
1-Auto	*Yes*	270	21.002.925	*127*	9.879.153
2-Iron	*Yes*	148	91.943	*74*	45.971
1-Avia	*Yes*	60	24.440	*30*	12.220
65-Electric	*Yes*	28	26.481	*4*	3.783
35-Accident	*No*	55	10.639	*55*	10.639
13-Communication	*Yes*	106	4.447.744	*28*	1.174.876
1-Post	*Yes*	60	78.672	*15*	19.668
30-CA	*No*	80	15.475	*80*	15.475
1-Trade	*Yes*	101	177.461.758	*50*	87.852.355
1-Services	*No*	248	296.588.993	*248*	296.588.993
1-IT	*No*	37	633.236	*37*	633.236
1-Trade centers	*No*	29	184.525	*29*	184.525
Form A	*No*	2850	9.899.073	*2850*	9.899.073
Total	21	12.218	**741.930.599**	10.506	**596.288.735**
Reduction in percent from 2011-2012					**19,6**

Annex 7. Strategic development plan for the SBR

Development Strategy for Statistical Business Register of NSSRA

2013-2017

1. Purpose of the strategy

The purpose of the strategy is to outline the possible developments of NSSRA's Statistical Business Register for the coming 5 year period.

2. Overall objectives

All the related initiatives of development of Business register may have three main objectives:

- To improve the general quality of the information in Business Register database.
- To ensure the total coverage of legal persons and individual entrepreneurs in the business register.
- To contribute to the reduction of the statistical response burden.
- To contribute to the establishing of a unified administrative register for the RA.

3. Main areas of the strategy

3.1. Work with external stakeholder

3.1.1 The Objective: To collaborate with administrative (Business) registers in order to establish a complete and quality information system.

3.1.1.1. Establishment of a common administrative register (CAR) in the Republic of Armenia
- To define the relevant external partners (including Agency of the Public Register of Legal Entities under RA Ministry of Justice, RA State Revenue Committee, RA Ministry of Labor and Social Affairs, Central Bank of RA, Ministry of Economy of RA, and other authorities),
- To create an inter-departmental committee with the task of developing an action (activity) plan. The committee will create a working group which will ensure the cooperation of stakeholders in following areas:
  - Create a common identification code and make it mandatory applicable for *CAR by the state and local self-governmental bodies.*
    Establishment of an Address Register:
    - ✓ Implementation of a pilot project regarding the establishment of a common coded digital address register in RA, with the purpose to in-

vestigate addresses in municipalities. This should be carried out in a detailed way, in order to uncover the most common special situations which exist in address register development approaches in urban and rural areas. If necessary certain activities will be carried out regarding making some changes in existing procedures of address registrations.
  ✓ Study the procedures of development of address databases handled by different bodies/institutions.

- The establishment of a common administrative (business) register is necessary to:
  ❖ Ensure public access to a web site with basic data from the administrative register,
  ❖ Free of charge registration by legal persons and individual entrepreneurs and regular updating of data
  ❖ Should be based on rules which will be incentives for the legal persons and individual entrepreneurs to update their data themselves on a current basis.

3.1.1.2.   Cooperation with State Revenue Committee of RA:

- Develop action plan regarding how to pass from 4-digit NACE Rev. 2 codes to 5-digit NACE codes.
- Ongoing discussion of data quality and completeness issues.
- Study the possibility of availability and delivery of other variables such as financial indicators in tax reporting forms and databases.

3.1.1.3.   Cooperation with the Agency of the Public Register of Legal Entities under RA Ministry of Justice:

- Regular discussions regarding the system of registration of entrepreneurial rights, data quality and completeness issues (particularly, regarding the founder, director, name, address and information about liquidation).

3.1.1.4.   Cooperation with RA Central Bank:

- Discuss issues related to the finalization of establishment of administrative register of organizations providing financial services (banking, credit, insurance, etc.) and issues related the relevant data provision on quarterly basis.

All the mentioned activities will result to the **reduction** of **response burden**, due to:

- Implementation of electronic reporting format.
- Elimination of data repetitions provided to different authorities.
- Ensure that the information provided to one authority will be available for the other authorities.
- Extending the use of sample survey schemes.

3.2. Within NSSRA

3.2.1. Objective: Improve data quality of Statistical Business Register (SBR)

3.2.1.1. Check the quality of data by comparing the data available in SBR with the data received from administrative registers by NSSRA structural subdivisions for subject matter statistics, as well as data received from direct and indirect sources.

3.2.1.2. Analyze the errors revealed during the data checking process and carry out necessary activities to eliminate them, simplification of the reporting forms, etc.

3.2.1.3. Ongoing improvement of SBR reporting forms taking into consideration the respondent's feedback and results of testing.

3.2.1.4. Organizing trainings for respondents and the staff of NSSRA regional agencies, such as training on correct use of classifications.

3.2.1.5. On-going improvement of SBR data in line with classifications used in international practice.

3.2.1.6. Annual measurement of the quality of key SBR variables, e.g. addresses and activity codes. The results will be reported in the SBR quality declaration.

3.2.2. Objective: Reduction of response burden related with data collection

3.2.2.1. Implementation of electronic reporting system to NSSRA.

3.2.2.2. More efficient use of business register data in the statistical production processes with a view to reducing duplicate data collections.

3.2.2.3. Extending the use of sample survey frames based on SBR data according to the implementation plan approved by the State Council on Statistics.

3.2.2.4. Optimization of sample for the annual SBR surveys taking into consideration the limited resources and response burden.

Time table of the activities for the implementation of business register development strategy

	Name of activity	Short term 2013	Mid term 2014-2015	Long term 2016-2017
1	Define the relevant external partners	v		
2	Create interdepartmental working group		v	
3	Create common identification code			v
4	Implementation of common coded (digital) address register in RA			v
5	Investigation of address database establishment procedures handled by different authorities (institutions)		v	
6	Ensure public access to the web site			v
7	Free of charge registration of commercial and non-commercial legal persons and regular updating of data			v
8	Study the possibility of availability and delivery of other variables in tax reporting forms and databases	v		
9	Develop plan of activities of how to pass from 4 digit level NACE Rev 2 classification to 5-digit level in SRCRA	v		
10	Ongoing discussion of quality and completeness issues of data from SRCRA	v	v	
11	Regular discussion of quality and completeness of data from State Register	v		
12	Discussions with RA Central Bank regarding the finalization of the establishment of administrative register of financial organizations and relevant data provision on quarterly basis	v		
13	Reduction of response burden	v	v	
14	To check the quality of data by comparing the data available in SBR with the data received from administrative registers by NSSRA structural subdivisions for subject matter statistics, as well data received from direct and indirect sources.	v	v	
15	Analyze the errors revealed during the data checking process and carry out necessary activities to eliminate them, such as training of the respondents, simplification of reporting forms, etc.	v	v	
16	Ongoing improvement of SBR reporting forms		v	
17	Implementation of Electronic reporting		v	

	system in NSSRA			
18	*More efficient use of SBR data in the statistical production process*	*v*		
19	*Extending the sample frame based on SBR data*	*v*	*v*	
20	*Optimization of sample for the annual SBR surveys taking into consideration the limited resources and response burden.*	*v*		

Timetable for the implementation of activities

	Name of activity	Short term 2013	Mid term 2014-2015	Long term 2016-2017
1	*Establishing common administrative business register (CABR) in RA*			
2	*Cooperation with the Agency of the Public Register of Legal Entities under RA Ministry of Justice:*			
3	*Cooperation with State Revenue Committee of RA*			
4	*Cooperation with Central Bank of RA*			
5	*Reduction of Response Burden*			
6	*Improving data quality of Statistical Business Register (SBR)*			
7	*Reduction of burden related with data collection*			

Annex 8. Debriefing presentation

Conclusions and recommendations:

Activity B.6 –
and Component B in general

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Yerevan, 30th November 2012

STATISTICS DENMARK

Objectives for Component B

Mandatory result:

- Statistical Business Register duly re-organized; Structural Business Survey reporting forms restructured; Reporting burden reduced

6 activities carried out as planned

Specification of mandatory result:

- ✓ 3-5 year development strategy for the Business Register
- ✓ Unnecessary questions on reporting forms deleted, and user-friendly reporting forms designed
- ✓ Baseline measurement of response burden implemented and methodology of burden reductions developed

Yerevan, 30th November 2012

STATISTICS DENMARK

Measurement/reduction of response burden

Conclusions:

- ✓ Data on burden are collected and a baseline measurement conducted of the response burden in 2011
- ✓ Baseline burden estimated to 742 mill. DRAM
- ✓ Different approaches to reducing the burden has been investigated and planned, especially sampling schemes

Recommendations:

- New baseline measure every 5-7 years
- Yearly revision with regard to restructured/redesigned forms, new surveys, implementation/change of sample schemes, change of survey frequency etc.
- Implement plan for samples schemes – starting in 2013

Redesign of reporting forms - results

Conclusions:

- ✓ Methods and guidelines have been developed
- ✓ 26 reporting forms have been restructured/redesigned
- ✓ The structured/redesigned forms will reduce the burden from 742 to 596 mill. DRAM from 2011 to 2012, i.e. 19,6 %
- ✓ 'Reporting form satisfaction index' developed and tested

Recommendations:

- Restructuring and redesign of forms should continue:
  - First: Highest burden, monthly surveys, lowest satisfaction
  - Surveys to be revised due to new requirements
- Always conduct tests by internal experts and (preferably) external respondents

Business Register

Conclusions:

- ✓ Progress hampered by external dependencies
- ✓ Some improvements to data deliveries from SRCRA agreed and under implementation
- ✓ Improved coverage and data quality via cooperation with Central Bank – could preferably continue?
- ✓ SBR reporting form improved (restructured/redesigned)
- ✓ Long term SBR development strategy drafted

Recommendations:

- Further discuss SBR development strategy before adoption:
- More work is needed re process for launching CAR initiative

...

Challenges and recommendations re CAR

Organisational aspects:

- Formulate a short, but concrete *vision ("TO-BE" situation)* with emphasis on concrete gains for SRCRA, State Register and NSSRA, the businesses and RA in general
- Draft a concrete proposal for a *project organisation* and – if possible – initiate a discussion at governmental level

Users' needs and technical aspects:

- Identify *main areas of work* at technical level in the proposed project organisation: User needs-/"business" analysis, delineation of competence, legislation, data base, data exchange, data harmonisation etc.
- Identify remaining stakeholders (especially re addresses), their interests and possible contributions

Challenges and recommendations re CAR

- Initiate and conduct *pilot study for an Address Register*

Financial implications:

- Prepare *business case analysis*, incl. estimate/ assessment of the direct and indirect benefits of a CAR
- Financing schemes?

7

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