

**Cooperation project between National Statistics Office of Georgia
(Geostat) and Statistics Sweden**

Progress report

1 May – 31 October, 2012

Progress report 1 May – 31 October, 2012

Project:	Cooperation project between National Statistical Office of Georgia (Geostat) and Statistics Sweden
Project funding:	Swedish International Development Cooperation Agency (Sida)
Project component:	Progress report
Reporting period:	1 May – 31 October, 2012
Authors:	Kaisa Ben Daher with contributions and approval from Geostat

Table of Contents

1	BACKGROUND	1
2	INTRODUCTION.....	2
3	PROJECT REVIEW – WORK PERFORMED AND RESULTS ACHIEVED.....	3
3.1	PRICE STATISTICS.....	3
3.1.1	<i>Producer Price index</i>	3
3.1.2	<i>Consumer Price Index</i>	3
3.2	NATIONAL ACCOUNTS	4
3.3	STATISTICAL METHODOLOGY	5
3.4	BUSINESS STATISTICS.....	5
3.5	IT.....	6
3.6	MANAGEMENT	7
3.7	OTHER ACTIVITIES	8
4	REMAINING SHORT TERM MISSIONS SECOND HALF YEAR OF 2012.....	8
5	CHANGES IN CONTENTS	8
6	RISK ASSESSMENT	8
7	CONCLUSIONS	9
8	COST SUMMARY	9

Appendix 1 RBM matrix

Appendix 2 Planning document

Appendix 3 Minutes of the three part meeting 28 November 2012

1 Background

The cooperation project between National Statistics Office of Georgia (Geostat) and Statistics Sweden (SCB) covers a period of three years and started in May 2011. The project is managed by Geostat's management and the long term advisor from Statistics Sweden in cooperation and financed by Swedish International Development Cooperation Agency (Sida).

The objectives of the project are:

- Improve the competence of the staff at Geostat, to ensure production of reliable statistics
- Develop overall functioning of Geostat, including management and planning issues
- Improve the institutional competence, including policies, documentation and standardization, reputation and image of Geostat in the Georgian society

The project will focus on three main areas; support to the development of statistical methods, price statistics and national accounts. Furthermore, the project also comprises collaboration in improving business statistics, IT strategy and policy and management and human resources development issues.

This progress report will describe activities of the project for the period from 1 May to 31 October, 2012.

2 Introduction

The project is organised in six components. Two of the components, Price statistics and Business statistics, are divided into sub-components. The components and sub-components as well as missions and study visits conducted during the follow-up period are presented in table below.

Component Number	Component	Sub-number	Sub-component	Missions in period	Study visits
1.	Price statistics	1.1	Consumers Price Index	1	
		1.2	Producer price index	1	
2.	National Accounts			1	
3.	Statistical methodology			1	1
4.	Business statistics	4.1	Business Register		1
		4.2	Business statistics survey	1	1
5.	IT – PC Axis			1	
6.	Management			1	
Total				7	2 ¹

One long term consultant (LTA), resident in Tbilisi, is assigned to the project. A local project consultant supports the project in administrative tasks, translations and interpretations. The local project consultant is financed by the project and reports to the LTA. A part time local project assistant is assigned mainly for administrative tasks and interpretations when needed.

¹ The study tour on Business statistics included both Business register and Business statistics survey
The study tour on Statistical methodology was conducted as a Summer School training course

3 Project review – work performed and results achieved

3.1 Price statistics

3.1.1 Producer Price index

One short term mission on the Producer Price Index (PPI) was conducted in September 2012 by Marcus Friden together with a trainee Jonas Ingman. It was the fourth mission on PPI and the main focus was the development of export price indices. A frame was provided by the External Trade division. Companies with significant export values, as well as companies already in the PPI survey with export were identified. Changes in the monthly questionnaire and the annual questionnaires were discussed and introduced. During 2013 export price indices will be in a trial period. Indices for certain industries will be provided to National accounts. The plan is to start publishing of export price indices from January 2014.

Web based questionnaires are planned to be introduced in the near future.

Other issues discussed during the mission were functionalities of the on-going development of new software for PPI and layout for the coming PPI press release. The new software has been tested and is used together with Excel calculation in parallel to the old software. The plan is to switch completely to the new software once it is in the new format (HTML) and index calculations are confirmed to be correct. The introduction of export price indices will affect the software. The overall PPI will now be comprised of a domestic market and an external market.

Different layout for the coming PPI press release (introduction will be done for September PPI index in October) was discussed. A comprehensive text about current month's price changes should start off the press release. Contributions could either be presented in table form or in a bar chart. Any similarity to the CPI press release is an advantage, since a lot of users probably are the same.

Next mission within this area takes place in the end of January 2013.

3.1.2 Consumer Price Index

The third short term mission on the Consumer Price Index (CPI) was conducted in October 2012 by Oxana Tarassiouk.

The CPI mission in October made a follow up from previous mission that showed some clear improvements in the content of the press release and the outlet sampling method. A new version of the instructions for the price enumerators is created. A detailed review of the instructions was made by the consultant showing that the most important parts of the price collection are covered and the instruction just needs some minor adjustments before the introduction in January 2013. Some parts of the instructions can be advantageously used in the Metadata document.

The increase of the sample size in accordance with the international guidelines for mobile phones and personal computers was recommended in order to improve the quality of the mobile phone and PC indices. The increase of the sample size is planned to start from the year 2013. Instead of or in addition to the local price collection, centralised price collection was brought up as an option. Price collection using internet is a good opportunity to significantly increase the number of observations at relatively low costs.

At the time of the mission a significant part of the sampling work was finished. Outlet sampling methods were discussed specifically. The consultant recommended Geostat to consider using random rotation group methods or other established sample rotation techniques in the next year sample. Another issue for consideration is whether the stratification could be done by the industry instead of the COICOP group.

Next step in promotion of CPI would be a study visit of the head of Price division and one or two experts from the division to Statistics Sweden in order to in depth investigate CPI sampling methods and methods and calculations for housing (that is not currently included in Georgian CPI) especially Own Occupied Housing.

3.2 National Accounts

One short term mission in June on National Accounts was conducted during the period by Birgitta Magnusson Wärmark. Maria Falk participated as a trainee. The main objectives of the third mission for promotion of National Accounts were to continue with the capital account in current prices by the help of the new survey covering investment for 2010 and search for other data for areas not included in the survey. As a few items, like own produced software, patents and mineral exploration were not properly caught by the survey, other alternatives for searching information were looked at.

Regarding compilation of expenditure side in constant prices it was recommended by the consultant to start calculation of export price indices on the products for which Georgia has considerable exports e.g. NACE 24 and 28. Work in this area has started within Price statistics division. A recommended solution for import price indices is to use export price indices from the main trading partners.

During this mission also the work on sector accounts was started. An experimental account on the household sector was made for the first time and presented and discussed with the consultants. Comparisons with estimates of neighbouring countries were also made.

Next mission take place in the beginning of November. The work started will be continued regarding investments, capital stocks, sector accounts for government sector and rest of the world account as well as deflation methods for expenditure side and government expenditure issues.

3.3 *Statistical Methodology*

In June 2012 two staff member from Geostat – Manana Telia from Business Statistics division and Teimuraz Paksashvili from Social Statistics division – attended the Summer School organised by Orebro University and Statistics Sweden. The course dealt with construction of measurement instruments, asking and answering survey questions and cognitive and communicative processes. Topics discussed during the course were conversation processes in survey situations, semantic and pragmatic aspects of language understanding, contextual effects of question interpretation, importance of questionnaire design, asking about behaviour (reminder and evaluation strategies; differences connected to age and culture) and asking of questions about feelings an attitudes (sequence of questions and answers, differences connected to age and culture). Study visit was considered very fruitful by the participants, several methods discussed during the course would be appropriate to implement in social surveys.

In June a mission took place in order to promote sampling methods and documentation of the methods in business statistics survey. The work carried out during this mission will be described more in detail in next chapter on business statistics.

Next step in capacity building within statistical methods will be a creation of a methods working group consisting of 4-5 staff representing different divisions. This would have a task to go through Geostat surveys from the methods point of views (sampling, under- and over coverage, imputations etc), to make a documentation of methods used and to discuss them with experts from Statistics Sweden. We will create a group consisting of heads of divisions and personnel who have been trained during 5 week training course.

3.4 *Business statistics*

A Study visit to Statistics Sweden was organised in October 2012 to study the Swedish Business Register and Swedish survey on Structural Business statistics as well as short term indices. The head of business statistics division, Gogita Todradze, together with two staff members from business statistics division, Mamuka Benashvili and Ekaterine Durglishvili participated. The local project consultant, Ia Kakichashvili, accompanied them as an interpreter. The study visit consisted of four days totally. Two days were devoted to Business Register including updating process and sources used for updating as well as consultations and follow-ups with the short term consultant for business register. During one day short term (monthly) indices for industry, service and construction produced by Statistics Sweden were presented including sampling, data collection, validation, imputation, quality issues and publishing. On the last day of the study visit the annual survey on structural business statistics was presented and discussed. In total the study visit was conducted according to the schedule and there were enough time to discuss all the topics listed in the program. However there is a need to discuss Georgian business register more in detail which is planned for coming mission in November.

In June a sampling mission was carried out by Tiina Orusild. The main objectives of the mission were to discuss the sampling methods introduced by Geostat in Business Statistics survey and to propose changes and improvement in a short and in a long run and to discuss the draft documentation and Metadata on business statistics sampling methods produced by Geostat and to propose changes and improvements. A list of recommendations was provided by the consultant in the end of the mission to revise the sampling methods e.g. less detailed stratification by size and by kind of activity and minimum sample size in each stratum. The use of optimum or Neyman allocation instead of proportional allocation in determining the stratum sample sizes was recommended as well as the implementation of variance estimation at least for some important indicators. Finally the consultant recommended that the staff at Geostat that has studied survey methodology should more actively take part in the work on sampling and estimation in the business surveys.

NACE rev2 mission took place in October. It was conducted by Helen Tandemar and Evalena Andersson. The aim of this mission was to assist Geostat in the work on changing the industrial classification of enterprises from old NACE 1.1 into NACE rev2 according to international recommendations and standards. Geostat is currently using NACE rev 1.1 for the classification of activity codes for enterprises in the Business Register, in Business surveys and accordingly in National Accounts. It has been decided by Geostat management to change the industrial classification system used and implement NACE rev 2 starting from 2014. An action plan for this task has been set up and a working group has been created. The work of the group has so far been mainly focused on the translation of the new NACE classification into Georgian language.

The mission focused on discussions and revision of the action plan conducted by Geostat regarding NACE rev2 and resulted in a detailed time plan for different activities within NACE revision for 2012 and 2013. The planning document will be further discussed and completed by Geostat. A second mission on NACE rev2 is tentatively planned for April/May next year when the task on correspondence tables between old and new classification has been started.

3.5 IT

An IT mission was organised in October 2012. PC-Axis dissemination tool will be implemented in Geostat, a license agreement has been signed with Statistics Sweden and a training course in how to handle the tool was conducted for selected staff members of Geostat. Totally 9 Persons from all concerned divisions were represented and also 2 persons from the National Bank of Georgia. Two consultants from Statistics Sweden, Åsa Arrhen and Lena Gustafsson, had lectures and practical exercises during 4 days. The participants of the training took active part in the training modules and presented the solutions for the training examples. They also very quickly showed progress in their skills in the different tools trained. In the end of the mission the result of the mission as well as recommendations for the future were presented for the top management at Geostat and Head of IT Division. An action plan for the coming steps was also presented.

Geostat has according to the recommendations from the mission decided to start the introduction of PC-Axis for external use. PC Axis will disseminate all Geostats official statistics. The aim is to release the first version of PC-Axis data base for external use in Geostats website already in December 2012.

A user conference will be organised in the beginning of December to introduce PC-Axis tool in Geostat website and to demonstrate the functions of the tool in order to promote the use of the tool.

3.6 Management

The work with the management component was started with an assessment mission in the beginning of 2012 by performing an analysis of Geostat to find out what support is needed. A plan for the component was thereafter outlined by the consultants together with the top management of Geostat. Areas as planning, including steering and follow-up, and HRD were selected as suitable for the project support. The project should focus on the budget planning process and on starting to build a HRD system.

First mission on Human Resource Development (HRD) within the management component was carried out by management consultant Gudrun Westerberg in the beginning of July. The main objectives of the mission were to discuss and outline a tentative strategic plan for HRD within Geostat, HRD procedures, documents and guidelines and to present different tools for finding imbalances between tasks and skills of the staff e.g. SWOT analysis and GAP analysis. The analysis should be carried out in one of the divisions in Geostat.

According to the recommendations of the consultant the competence planning at Geostat should be systematic in both short and long term, with competence analysis on individual, division and organizational level. Following human resource document and policies should be developed and implemented:

- Functional analysis, Job Descriptions, Competence Inventories, Competence requirements, Performance appraisals, Internal behavioural code, Recruitment policy, Competence planning, Introduction of new staff and Leadership policy.

Building HRD capability of line managers through management training in HRD would support the development process at Geostat.

After the mission an action plan was drawn up by the LTA for the coming 6 months with several activities recommended by the consultant. Work on functional analysis for division and competence inventories on individual and division level is on-going and is lead by the LTA together with the head of Administrative division at Geostat.

Next mission within HRD will take place in the beginning of 2013 and will follow up the work conducted at Geostat since last mission and will also include a HRD training course for the middle management.

3.7 Other activities

In July a conference was organised by Geostat and the project in order to present results from the first year of the cooperation project between Geostat and Statistic Sweden. More than 50 persons from different organisations, government bodies, universities, media etc with interest of using official statistics were invited to the conference. The presentation of the project results was made by Geostat top management together with the Long Term Advisor. A report on achievements of the first year of the project is made available in the website of Geostat.

4 Remaining short term missions second half year of 2012

- National Accounts - November
- Business register - November
- Sampling - December

5 Changes in contents

A short term mission on Monitoring response burden tentatively planned for September 2012 has not been possible to carry out so far. Since Statistics Sweden is not responsible for the calculations of response burden according to the standard cost model in Sweden it has been very difficult to find suitable consultant(s) for this mission. After the parliamentary election in Georgia 1 October when the new government came into power it was decided by Geostat management to postpone (or delete) this mission in the project planning since the initiative for the work on monitoring response burden originally came from the former management of the Ministry of Justice.

6 Risk assessment

Activities listed in the Results Based Management matrix (RBM) in appendix 2 are planned to be carried out during the project period, but the outcome of the activities may come later. Some minor changes of the activities might be necessary to make due to changes in needs, external requests and priorities.

Prerequisites for achieving the results are:

- No or small turnover of key staff at Geostat
- Availability of short term consultants from Statistics Sweden
- Capacity at Geostat to receive short term consultants

To overcome these risks is an important task for the project and can be done using following actions. Human resource developments e.g. in –house training would make Geostat to an attractive workplace which should decrease the staff turnover. If and when shortage of short term consultants appears, Statistics

Sweden handles this by hiring former employees or independent consultants. The capacity at Geostat to receive short term consultants is managed by forward planning and coordination made by the LTA in cooperation with Geostat.

An external risk related to achievements of results is a severe diminishing of the Geostat budget.

7 Conclusions

The project runs smoothly and mainly in accordance with original planning.

For more conclusions - see Annex 3, Minutes of the three part meeting on 28th November 2012.

8 Cost summary

The project started in May 2011 and is scheduled to finish in April 2014. The cost summary below mirrors the utilisation of means from May 2011 to September 2012.

Cost Summary, SEK

Item	Budget	Accumulated costs	Balance	Utilisation as of 30 September 2012
Fees	10 157 000	3 628 520	6 528 480	36%
Reimbursable costs	3 052 000	829 126	2 222 874	27%
Assignment costs	2 132 000	606 766	1 525 234	28%
Contingencies	1 500 000	0	1 500 000	0%
Total	16 841 000	5 064 412	11 776 588	30%

Appendix 1

RBM (Result Based Management) matrix for the period 1 May 2011 – 31 October 2012

Input	Activity	Expected output	Expected outcome	Indicators and sources of information	Status 31 October 2012
LTA (Long Term Advisor)	Assist in the smooth running of the project. Coordinate project activities including short-term missions with Geostat needs and with other donor - financed activities. Follow-up of the short-term missions and study tours.	Geostat receives support according to the project plan. The objectives of the project are completed.	A more efficient Geostat. Successful implementation of the project.	Number of short term missions carried out. Reports of short term missions. Number of study visits. Number of visitors, press releases and reports on the website. Progress reports. Evaluation of the project in the end.	23 short term missions have been carried out by 31 October 2012. Reports from 22 missions are received and approved. 4 study visits to Statistics Sweden have been conducted. A user conference was arranged in July to present results achieved so far in the project for users and media representatives.
STC	Training in statistical Methods	-improved competence in --sampling theory and application --general survey methodology --time series analysis --register statistics --questionnaire design and testing	-statistics are produced according to established and recognised methods, i.e. reliable statistics are produced -increased competence of staff in statistical methods	-number of statistical products having implemented up-to-date methodology concerning the specified area	Training course in statistical methods is completed, totally five weeks of courses have been carried out. Geostat staff is satisfied and see the courses beneficial and efficient. Business statistics survey has introduced new sampling methods and a documentation of them. An expert from

					Sweden has given advises on the new methods and on the documentation. 2 persons from Geostat have attended Summer School in Statistics at Orebro University on questionnaire design.
LTA / STC	Support for development of methods strategy	-methods strategy	-common basis for statistical methods	-strategy exists	Work has not started yet.
STC	Improve national accounts	<ul style="list-style-type: none"> - exchange of experience of NA in day to day work -household final consumption reviewed and calculated in constant prices -construct full institutional sector accounts for government -new questionnaire for business survey -better methods for calculation of output, intermediate consumption, value added and taxes and subsidies -seminars on supply and use tables and on input/output-tables -seminars and training on fixed capital formation and calculation of consumption of fixed capital 	<ul style="list-style-type: none"> -improved methods where relevant -better possibilities to analyse household final consumption when changes in volume can be studied -government sector can be analysed in NA definitions -higher quality in collected data -more reliable data on the production side -increased competence in supply and use and in input/output -increased knowledge on capital formation and consumption of fixed capital 	<ul style="list-style-type: none"> -household final consumption is calculated in constant prices - institutional sector accounts for government are completed -staff has enough knowledge to start calculation of fixed capital formation 	<p>3 short term missions have been conducted so far. A plan for activities has been drawn up.</p> <p>New method has been implemented for calculation of Gross fixed capital formation.</p> <p>Preliminary version of capital accounts for 2010 was compiled and published in April 2012.</p> <p>Survey of Non-observed economy in education is completed.</p> <p>New method for investment calculation</p>

					<p>has been implemented</p> <p>Work on calculation of sector accounts has started with household sector</p> <p>Compilation of volume indicators for government expenditure is on-going</p>
STC	Improve the Consumer Price Index (CPI)	<p>-To introduce a new set of weights based on NA for the 2012 index (first publication would be for the January 2012 index)</p> <p>-To introduce a new set of products in the basket with specifications based on the NA weighting system for the 2012 index (first publication would be for the January 2012 index).</p> <p>-To analyse and determine the best form of elementary aggregation for use in the CPI from 2012.</p> <p>-To analyse the adequacy of the present methodology for seasonal products. Finished during 2011 for implementation (if needed) in January 2012.</p> <p>-To reach a decision on the re-allocation of the sample of price observations for the 2012 index based on an analysis of</p>	<p>- raising the quality of the CPI towards internationally recognised standards without increasing the resources needed for current production to gain higher satisfaction from customers</p>	<p>- customer satisfaction from National Bank</p>	<p>3 short term missions conducted so far. New weights based on National Accounts and new set of basket based on the NA weighting system - were implemented as planned for the January 2012 index.</p> <p>On elementary aggregation level (the lowest group index) ratio of geometric mean is used from 2012.</p> <p>Hand-held computers for CPI field work were implemented in 2011.</p> <p>Written instructions for the price enumerators</p>

		<p>price change variation within elementary aggregates. Finished during 2011.</p> <ul style="list-style-type: none"> -To elaborate working rules for the field work and written instructions to price collectors. The work should start and a draft be produced in 2011. Final instructions to be produced during 2012. -To decide on the implementation of hand-held computers for CPI field work and make the necessary modifications of existing software, as needed. To be done in 2012. (NB: It is possible that a further analysis of this issue will conclude that hand-held computers are not an efficient solution for the Georgian CPI.) -To develop improved methods for certain products with more complex pricing patterns. Work should proceed product by product and start in the second half of 2011. Improved methodology should be implemented for at least mobile telephony in January 2012 and for all products, where needed, in January 2013. -To produce a methodological handbook on the CPI. To be 			<p>are completed and will be implemented in January 2013.</p> <p>The increase of the sample size up to the acceptable will be implemented as a first step of improving the treatment of personal computers and mobile phones.</p> <p>New, more flexible for different kinds of adjustments, software is developed for CPI and will be implemented in the nearest future.</p>
--	--	---	--	--	--

		<p>finished in 2013.</p> <ul style="list-style-type: none"> - To investigate the need for measures of core inflation and their definition. To be finished in 2013. 			
STC	Improve the Producer Price Index (PPI)	<ul style="list-style-type: none"> -To change the weighting system in the PPI to one based on total national production. To be implemented for January 2012. -To introduce a modernised PPI system. The consultant will assist in checking the correct working of the system. To be implemented in 2012. -To introduce written instructions to price collectors. To be finished in 2012. To reach a conclusion on this matter in 2011. -To produce a methodological handbook on the PPI. To be finished in 2013. 	<ul style="list-style-type: none"> - raising the quality of the PPI towards internationally recognised standards without increasing the resources needed for current production to gain higher satisfaction from external (e.g. National Bank) and internal customers (NA) 	<ul style="list-style-type: none"> - customer satisfaction from NA Division at Geostat 	<p>4 short term mission conducted so far. Change of weighting system in the PPI one based on total National Accounts was implemented in March 2012 from January 2012.</p> <p>Development of new software for PPI is on - going.</p> <p>The work on written instructions to price collectors is also on-going.</p> <p>Format of the Press release for PPI prepared and will be introduced in January 2013.</p> <p>Development for export price indices started, implementation in</p>

					January 2013
STC	Implementation of commissioned statistics	5% of Geostat turnover comes from commissioned work	The income from commissioned work makes it possible for Geostat to continue the improvement of its services	-Geostat financial turnover	The proposal from Geostats management on postponing or removing these activities from the project was discussed at the semi -annual meeting in November 2011 and approved by Sida.
STC and LTA	Support for elaborating and implementing IT policy and IT strategy, incl. IT security rules	<ul style="list-style-type: none"> - IT policy document, incl. IT security policy - IT strategy document, incl. IT security strategy - continuously monitoring and support (LTA) 	<ul style="list-style-type: none"> - only approved software is used for data processing -data security is guaranteed through backup routines and other policies -policy is followed by all computer users -long term IT planning is supported by the strategy 	<ul style="list-style-type: none"> - brands of software used - policy and strategy documents produced - virus attacks on a minimized level - no data disasters 	<p>A proposal for new IT policy and strategy was prepared by Geostat and discussed with an expert during a short term mission in November 2012. A study visit on IT in March 2013 also dealt with this issue.</p> <p>After the study visit Geostat decided to introduce PC-Axis dissemination tool developed by Statistics Sweden. A training course was organised in October and the work has started to prepare the release in December 2012 on Geostat website.</p>

STC	Improve business statistics	<ul style="list-style-type: none"> - better methods for updating and maintaining of the business register - appropriate sampling and estimation methods for the business surveys 	- improved statistics for use as input in the National Accounts, leading to better quality.	Customer satisfaction from National Accounts division at Geostat	<p>2 short term mission on business register conducted so far. Several actions are on going to improve the quality and the updating routines of the BR. New software will be implemented in the nearest future. Metadata for BR and for sampling methods are produced.</p> <p>1 short term mission in NACE rev2 was carried out in October 2012. The mission focused on the planning of activities for the revision work at Geostat that recently has been started. A detailed plan for the revision was presented regarding the steps and the timing for the coming year.</p> <p>A four day study visit to Statistics Sweden was conducted in October. It dealt with business register issues and</p>
-----	-----------------------------	--	---	--	--

					annual structural business statistics as well as short term indices.
STC	Management: HRD	- further developed HRD planning process - a management training program - a program for appropriate training of different staff categories	-more efficient management of Geostat -staff trained for their duties -establish efficient human resource's practice - better motivated staff	-documented routines for the HRD planning process -number of staff participating in training programs	First HRD mission took place in July 2012. An action plan for HRD activities prepared for 2012. Activities on functional analysis, competence inventories and job descriptions have started.
STC and LTA	Management: -development and implementation of dissemination and communication policy and strategy documents	-policy and strategy documents for dissemination and communication	-systems for dissemination to users standardized and applied -communication procedures with users developed and applied -improved awareness of Geostat statistics and its contribution to the development of the country	-policy and strategy documents drafted and disseminated -annual communication plan on press conferences, lectures and seminars	Work has not started yet.
ST and LTC	Management -organizational development	-further developed budget planning and reporting procedures in place - internal and external communication patterns improved -internal and external cooperation improved -more involved middle	-Increased effectiveness in Geostat -planning and HRD duties devoted on middle management -NSS issues more to the forefront -increased internal coordination	-documentation on budget planning procedures exists -regular planning meetings with middle managements take place	Geostat management will improve the working process including planning, communication and coordination, internally and externally Not started yet. It was

		management - more effective decision making processes			agreed to start the management component by developing HR.
ST and LTC	Management -capacity monitoring	-procedures for planning, steering and assessment documented - improvements in various statistics documented and systemically used for further improvements Tools and methods for measurement of the effect of training courses in place	-better tools to monitor and assess the capacity development in Geostat in place	-documents on planning, steering and assessment procedures available -results from monitoring exercises available	Work is on-going on different HRD documents.

Appendix 2

Tentative planning of short term missions and study visits January-June 2013

Short term missions	When	Comments
Statistical methods- sampling	February	Business statistics survey
Statistical methods	March/April	Quality indicators
National Accounts	March	
National Accounts	June	
Price statistics PPI	January	
Management - HRD	February	
Management - Budget planning process	March	
Management - Budget planning process	June	
Business register	May	
Monitoring Business survey response burden (RIA?)	?	Postponed
Dissemination and communication policy and strategy	January/February	
NACE rev2 - 2nd mission	April/May	If needed
Study visits		
National Accounts	April/May	
Price statistics (CPI) - sampling and housing	May	
Semi-annual meeting	May 2013	

Appendix 3 – Minutes of the three part meeting

Cooperation project between National Statistics Office of Georgia (Geostat) and Statistics Sweden

3rd Semi-annual Meeting

November 28, 2012, Tbilisi

Present: Mr. Zaza Chelidze – Executive director, Geostat
Ms. Pernilla Trägårdh – Director, International Consulting Office, Statistics Sweden
Mr. Leif Norman – International Consulting Office, Statistics Sweden
Ms. Kaisa Ben Daher – Long-term Advisor
Ms. Eva Gibson Smedberg – Embassy of Sweden in Georgia, Counsellor, Head of Development Cooperation
Ms. Khatuna Zaldastanishvili – Embassy of Sweden in Georgia, Programme officer
Ms. Ia Kakichashvili – Local Project Consultant
Mr. Teimuraz Gogishvili – Chief Adviser to Executive Director of Geostat, Meeting Secretary

Agenda:

1. Progress report: 1 May–31 October 2012;
2. Result Based Management (RBM) Matrix;
3. Preliminary planning of missions and study visits for first half year of 2013;
4. Proposals for new components and activities in the project;
5. Other issues.

1. Progress report: 1 May–31 October 2012

Mr. Zaza Chelidze made a brief overview of legal and organizational reforms in official statistics which have taken place over the last 2-3 years. He reminded that Geostat is an independent organisation (according to the Law “On Official Statistics” adopted in 2009). He briefly described the principles and procedures of formation of the Geostat’s Board and election of the Executive Director. In his words, before the parliamentary elections there was some criticism against the Geostat mainly about the issues of inflation and subsistence minimum calculation but now situation has slightly changed and he hopes that it is possible to reach an understanding with the current government.

Regarding the subsistence minimum, Mr. Chelidze said that he has explained repeatedly that it is calculated according to international methodologies and that the minimum consumer basket was calculated not by the Geostat but by the Ministry of Health.

Mr. Chelidze expressed a hope that assistance provided by the Statistics Sweden will help Geostat to solve the existing problems and increase trust towards official statistics.

Ms. Eva Smedberg noted that the day before this meeting she met the Minister of Finance who was positive about the cooperation with Sweden.

Ms. Khatuna Zaldastanishvili emphasised that in current situation Geostat must be pro-active, ready to restructure and change methodologies. Ms. Zaldastanishvili was also interested in how the Geostat plans to implement Eurostat’s [Adapted Global Assessment’s] recommendations and how to make the report public.

Mr. Chelidze said that the second visit of the AGA mission is beginning next week (December 4–6, 2012). After the first mission a draft report was prepared. Geostat discussed the report, prepared some answers and comments. The report contained some recommendations and advice that were rejected. The second visit plans to meet some other data producers. The final report will be uploaded on Geostat web site; some amendments to the law on official statistics will be prepared. The possibility of holding a seminar/conference to present the report will be discussed with the EU Delegation.

Ms. Zaldastanishvili noted that it is very important to implement recommendations presented in the report.

Mr. Chelidze stressed that the official statistics is an important chapter within the negotiation framework for a Deep and Comprehensive Free Trade Agreement with the EU. Geostat has always tried to meet EU standards. Implementation of PC-Axis, management component and other components help Geostat to get closer to EU requirements.

Ms. Kaisa Ben Daher submitted the Progress report (*Annex I*). She spoke about the project implementation so far including the timing and topic of short-term missions and study visits. Over the last 6 months (May-October 2012) there have been 7 short-term missions, 2 study visits and one mission to summer school. In the reporting period a significant progress has been achieved by Geostat, on-line questionnaires for business statistics have been developed and introduced, format of press release for Producer Price Index has been elaborated and it is to be implemented from January 2013. Substantial progress has been achieved in such areas as statistical methodologies, business statistics (including business register), classifications (revision of the NACE), IT (implementation of PC-Axis), management (human resource development).

Ms. Ben Daher presented the cost summary of the project.

Mr. Chelidze said that resulting from the updating of the Business Register at the beginning of 2012 the number of registered companies increased substantially.

Ms. Zaldastanishvili noted that SCB has a slow disbursement this year.

Ms. Smedberg raised the issue of annual forecasting and the importance of regular and realistic update.

Ms. Ben Daher said that two short-term missions have been postponed for 2013 and that also caused reduction incosts.

Ms. PernillaTrägårdh said that annual prognosis is based on actual expenditure of the previous year. We need to have more realistic forecast for the beginning of the next year.

Ms. Smedberg noted that actual expenditures tend to be smaller than forecasted. From the next year we must follow-up regularly.

Mr. Norman said that Ms. Ben Daher and Ms. Zaldastanishvili should discuss the cost estimates in their monthly meetings.

Ms. Ben Daher replied that she is not in position to monitor the monthly expenditure.

Mr. Norman promised to send these background data regularly.

Decision: *To adopt the presented Progress Report for 1 November 2011–30 April 2012. To provide regular monitoring of monthly expenditure.*

2. Results Based Management (RBM) Matrix

Ms. Ben Daher presented the RBM Matrix (*Annex 2*) and asked participants of the meeting to make comments if they had any.

Ms. Zaldastanishvili said that she has no comments but added that it is difficult to measure the results. Some kind of indicators are missing.

Ms. Smedberg asked how the data on progress achieved during the year will be presented.

Ms. Ben Daher explained that it has been agreed by all three parts that the annual report is a combination of two semi-annual reports.

Ms. Trägårdh added that this RBM matrix is prepared within the old framework and now the new framework exists. She asked Sida to arrange seminars on completing a matrix. It will be very helpful to schedule these activities/events together for all Sida projects active in Georgia.

Ms. Smedberg agreed that it is a good idea to arrange a seminar and Sida will look into the possibility.

Mr. Chelidze said that the Director General of Statistics Sweden Mr. Stefan Lundgren is coming to Tbilisi in April 2013.

Ms. P. Trägårdh noted that this visit will last 2 days and the Director General usually visits only one country per year.

A program proposal for the visit should be made by Ms Ben Daher and Mr Chelidze.

Decision: *To adopt the presented Results Based Management Matrix for the period 1 May 2012–31 October 2012.*

3. Preliminary planning of missions and study visits for the first half of 2013

Ms. Ben Daher presented a tentative plan of short term missions and study visits for January-June 2013 (*Annex 3*).

Mr. Chelidze raised the issue of short-term expert mission on RIA (Regulatory Impact Assessment). He said that as we do not know the agenda of the new government we should for the time being put the RIA-mission on hold.

Mr. Norman asked how many extra missions, compared with the original planning of the project, are envisaged in the first half of 2013.

Ms. Ben Daher explained that there are 2 extra missions planned.

Decision: The Plan was adopted.

4. Proposals for new components and activities in the project

Ms. Zaldastanishvili suggested correcting planned expenditures at semi-annual meetings. She also said that it is interesting to know what the new government of Georgia thinks about possible new directions of cooperation.

Mr. Chelidze said that there are some possible topics for the prolongation of the project, namely — quality management, coordination of the system of national statistics. It seems that not all government authorities fully understand NSO's mission.

Mr. Leif Norman said that he, the previous week, met with representatives from the Swedish Environmental Protection Agency (SEPA). They have a Sida-funded co-operation project in Georgia with the Solid Waste Management Company. Now they wanted to collaborate with Statistics Sweden and Geostat to develop waste statistics. This could be an opportunity for Geostat and the Georgian environmental authorities as the National Environmental Agency and the Solid Waste Management Company (SWMC) to start the establishing of environmental statistics.

Ms. Zaldastanishvili added that this Agency has limited responsibilities; they mainly deal with weather forecast. The previous government of Georgia created the Solid Waste Management Company L.L.C. under the Ministry of Infrastructure and Regional Development. The objective of this company is waste management and it is the counterpart in Sida financed project with Swedish Environment Protection Agency.

Mr. Chelidze said that Geostat is ready to produce and disseminate the waste statistics data if there are any requirements from the government and if the resources to produce the statistics are given to Geostat.

Mr. Norman said that there will be a mission in the SEPA/SWMC-project in December 2012 and a meeting between the environment project and the statistics project will be arranged to discuss the issue of waste statistics.

Ms. Zaldastanishvili said that there is an EU twinning project on waste with the Ministry of Environment Protection but she is very sceptical about it. She also stressed that communication with the government has a crucial significance. The conduction of user survey will be very useful to know how reliable the statistics seems to the public.

Participants of the meeting (Mr. Chelidze, Ms. Zaldastanishvili, Ms. Trägårdh, Ms. Smedberg, Mr. Norman) discussed an issue of public trust in statistics in Sweden and in Georgia. The measures which are to be taken to increase the trust were discussed. It was agreed that usergroups are very important for the development of official statistics and increasing trust in it.

Mr. Chelidze spoke about the joint presentation of the Cooperation project between National Statistics Office of Georgia (Geostat) and Statistics Sweden which would be held on December 3. The objective of the presentation is to show to the public the new developments in statistics in Georgia. New features on Geostat website (charts, database, PC-Axis) will be presented to the audience.

Mr. Norman said that it is time to start thinking about a new phase of the cooperation between the two institutions (Statistics Sweden and Geostat) after April 30, 2014.

Ms. Trägårdh said that midterm evaluations of statistical projects will be available next year. Mr. Norman proposed some new important components for the future cooperation:

- Environmental statistics;
- Quality management;
- Coordination of system of national statistics;
- Human resources development issues.

She also said that besides new components, the majority of the current components in the project need to be further developed. Hopefully a first draft of a prolonged/new project could be discussed at the next semi-annual meeting.

Ms. Smedberg pointed out that Sida's new strategy of cooperation will be based on the Eastern Neighbourhood Programme (ENP) and on a regional approach. Next week the government of Sweden will hopefully announce its principles and possible areas of cooperation. The new strategy will focus on results areas and not sectors. There will be a lot of work to be done next year.

Ms. Trägårdh said that it will be possible to discuss the project's prolongation in detail at the next semi-annual meeting.

4. Other issues

The next half-year report will cover November 2012–April 2013 and the next semi-annual meeting should take place on May 22, 2013.

Decision: The next semi-annual meeting will be held on May 22, 2013.