

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

Progress report for the inception period

1 May – 31 October, 2011

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Project:	Cooperation project between National Statistical Office of Georgia (Geostat) and Statistics Sweden
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1 Introduction

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, implementing commissioned statistics and management and human resources development issues.

This progress report will describe activities of the project for the inception period from 1 May to 31 October 2011.

2 Project review: May – October 2011

2.1 Start of the project

The project started 1 May 2011 according to the contract that was signed 23 May between Sida and Statistics Sweden.

The first activity within the project was a short term mission by the coming long term advisor Kaisa Ben Daher together with the ICO project manager Leif Norman to Geostat in the end of May. The objective of the mission was the introduction of the LTA and the start of the inception phase of the project.

During the mission following issues were discussed with the management of Geostat, Zaza Chelidze Executive Director and Tengiz Tsekvava Deputy Executive Director:

- The mission program for 2011
- The RBM-matrix and reporting to Sida after the inception period
- The process for hiring local project consultant and local project assistant

- The introduction of the LTA at Geostat
- Donor support and coordination assistance
- Semi annual meetings (Geostat, Sida and SCB)

The mission also included a meeting with local Sida counsellor Alf Eliasson and program officer Khatuna Zaldastanisvili. Cooperation, reporting and practicalities like accommodation, security and visa rules for the LTA were discussed.

A draft planning document regarding short term missions and study visits for 2011 was prepared by the management of Geostat together with ICO project manager and the long term advisor. The planning document was based on the tentative time schedule on technical assistance in the report from the project identification mission in November 2010. The plan consisted of 10 short term missions and 2 study visits to Statistics Sweden. See details in Appendix 1.

2.2 LTA (Long term advisor)

Since 19 July 2011 the Long Term Advisor (LTA), Kaisa Ben Daher, has been stationed at Geostat in Georgia. The principal tasks of the LTA are to manage the project, coordinate it with the activities of other donors and to give advice and on-the-job training in her areas of expertise.

The activities carried out by the LTA during the inception period have included following:

- Introduction to Geostat – a program consisting of meetings with all heads of divisions was made by the LTA and distributed to all concerned. The length of the meetings varied from 1 hour to 1 day depending on the subject matter area. The introduction program was realised during three weeks in August.
- Recruitment of local consultant and local assistant – an open process was used for the job advertisement, a website in Georgia. About one hundred applications were received in total and about 10-15 of them were short-listed. Totally six persons were interviewed by the LTA and Geostat's management in the end of July. As a result a local consultant was hired and began her duties in September.
Unfortunately, no suitable local assistant has been found..
- A simplified tender procedure according to Sida rules to buy a project vehicle was carried out in August and a car was purchased and delivered in the end of the month.
- Planning and preparations before short term missions by consultants from Statistics Sweden are conducted continuously including writing of Terms of Reference, bookings and discussions with involved staff at Geostat.

- Participation during short term missions and follow ups after the missions with the involved staff in Geostat.
- Administrative tasks e.g. project bookkeeping.
- A lot of practicalities like finding an accommodation, opening a bank account etc.

2.3 Local project consultant and assistant

A local (i.e. Georgian) project consultant Ia Kakichashvili is assigned to the project from 1 September 2011. The consultant is responsible for interpretations and translations before, during and after short term missions and study visits. She also assists the LTA on project management and different types of administrative tasks. The local project consultant is financed by the project and reports to the LTA.

No project assistant has so far been assigned to the project. From interviewed candidacies no one was selected for this position. Geostat's solution is to give this assignment to the Executive Director's Advisor, who will be assisting coming missions.

2.4 Study visits

A study visit by the management team of Geostat (Mr. Zaza Chelidze, Executive Director, Mr. Tengiz Tsekvava, Deputy Executive Director and Mr. Boris Ezugbaia, Head of Administrative division) to Statistics Sweden was conducted 29 August – 2 September 2001. The study visit contained meetings with responsible persons (heads and experts) within the subject matter areas of the project.

According to the participants from Geostat, the study visit was very interesting and informative. The content of the study visit was excellent, which made Geostat management fully aware of all SCB operations – not only specific surveys, but also management tasks. First of all, the meeting with the Director General of SCB gave Geostat management a clear picture of overall activities of Statistics Sweden, particularly its communication policy, annual planning and reporting. All presentations by different experts were professionally done. Geostat management had very productive discussions on statistical methodology, price statistics, national accounts, IT, communication and dissemination policy, media relations, SCB organization and management, commissioned services, statistics production process, PC-Axis etc. SCB consultants were very cooperative in sharing their experience. It should be highlighted SCB's successful communication and dissemination policy, as well as relations with different data users. SCB has a very competent management, useful operational and working rules, well coordinated survey management and IT. The one week study visit to SCB was fruitful for Geostat and the

cooperation project, and for Geostat to be self-confident in reforming Georgian statistics.

The study visit for Price statistics (CPI and PPI) that was planned for October 2011 but due to lack of time at Geostat and other more prioritised tasks concerning improvements in price statistics (introduction of new weighting systems in both Consumer Price Index and CPI and Producer Price Index in the beginning of 2012) it was decided to postpone the study visit to Statistics Sweden to mid January 2012.

2.5 Short term missions

2.5.1 Producer Price index (PPI)

The first short term mission from the Price statistics unit of Statistics Sweden was conducted 5-9 September by Mr. Marcus Friden. The main objective of this mission regarding Producer Price Index (PPI) was to start working with the change towards a system where the total production in the country is the basis of the weights. The goal is to introduce the change for all sectors in January 2012. Support is needed to comment and to assist in change of methodology and in implementation of new methods.

The main parts of the mission were dedicated to discussions on issues addressed by staff at Geostat, like weight calculations and imputations. The sampling process and weight calculations in Statistics Sweden were presented to all staff at the Price Statistics division and translated into Georgian with the help of a translator.

The most urgent issue to address was weight calculations. In cooperation with the National Accounts, it was decided to use values for total output of all industries from National Accounts, instead of turnover from the Business Statistics survey to weight between industries. What time period this data will correspond to is still to be decided.

Inside industries data from the business register will still be used. However, data on turnover for more than main industry will be used from now on, when the data is available. This means that one company active in several industries can be sampled in more than one industry. This will also affect the weights between companies.

Next mission within this area takes place in the beginning of November and will continue the work on weight calculations that started in September. The mission will also deal with issues on questionnaires and written instructions for price collectors as well as sampling methodology.

2.5.2 Consumer Price Index

The first short term mission on Consumer Price Index (CPI) was carried out by two consultants, Christer Andersson and Oxana Tarassiouk, from Statistics Sweden 24-28 October.

The main objective of the mission was to start working with the change of the weighting system in the CPI that uses National Accounts as the primary weighting source. The goal of this work is the introduction of a new set of weights based on NA for the 2012 index that will be published for the first time in the beginning of February.

The second objective of the mission is to determine an appropriate market basket (representative products for Georgian households) based on the National Accounts weighting system. The goal here is also to be able to introduce a new set of products in the basket for the 2012 index to be published in the beginning of February.

2.5.3 Statistical Methods

Statistical methods are one of the focus areas within the project. The goal is to strengthen the capacity of the staff in general concerning statistical methods within survey methodology and in specific to train a number of staff members from different subject matter areas in more advanced statistical methodology in theory and practice.

It was agreed by Geostat and Statistics Sweden to start with a training course on general survey methodology that consists of five parts with a length of one week (five days) each. The first part on preparatory level was conducted 19-23 September by two consultants from Statistics Sweden, Michael Carlson and Joakim Malmelin and the second part on preparatory level was carried out 17-21 October also by two consultants from Statistics Sweden, Claes Andersson and Martin Axelsson. The third part of the training course will take place in November and the remaining two parts on advanced level are planned for the first quarter of 2012.

During the first week of the training course about 20 people representing different subject area divisions at Geostat participated, both heads of divisions and other staff members. The number of participants will be reduced successively when the level of the training course becomes more advanced. The second part of the course was attended by about 17 staff members.

After the third part of the course a test is planned to be conducted in order to assess the quality of the training and the skills of the staff to understand statistical terms and also to be able to adjust the future training into the competence level of the staff and to the requirements of the management.

2.5.4 Planned and confirmed short term missions 2011

- Third mission on Statistical Methods regarding training course on general survey methodology – part 3 will be conducted in November
- Price statistics – second mission for Producer Price Index (PPI) to support the change of weighting system to one that uses the National Accounts will be conducted in November
- National Accounts – first initiating mission for long term improvements in NA will take place in November
- IT strategy and policy will be carried out in November 2011
- Business statistics – first mission for the improvement of business register will be conducted in November 2011

Management – a mission on Human Resource management is postponed until beginning of year 2012.

2.6 Changes in contents

The study visit on price statistics to Statistics Sweden was originally planned to take place in October. Due to heavy work load at Geostat's Price Statistics division during the autumn it was decided to postpone the visit until January 2012.

The short term mission on commissioned services was planned for the beginning of December. This mission as well as the following missions within this area has been postponed. Geostat has proposed to delete this component from the project and to spend the time and financing to other more prioritised areas within the project. This will be discussed during the semi annual meeting.

2.7 Planning for 2012

The planning process regarding short term missions and study visits for 2012 has started. A proposal made by LTA was discussed with the management of Geostat in the middle of October, some changes were proposed and the revised planning was sent to ICO project manager 17 October for comments. The planning document, see Appendix 2, will be further discussed and decided during the semi-annual meeting in Tbilisi 1 November.

The draft planning document consists of 2 study visits to Statistics Sweden (Price statistics in January and Business statistics in August/September) and 17 short term missions (Price statistics 4, National Accounts 3, Statistical methods 4, Business statistics 3, IT 1, Management 1 and PC Axis 1).

8 Conclusions

The project runs mainly in accordance with plans.

Regarding the reporting from the project to Sida it has been agreed by all three participants that semi-annual progress reports (1 November – 30 April and 1 May – 31 October) will be delivered at least two weeks before the semi-annual three party meetings. The two semi-annual reports will then constitute an annual report.

Next semi-annual three party meeting will be held 23 May 2012.

At the three party meeting 1 November the parties approved an amendment to the agreements between the three parties to be introduced in:

1. Project agreement between the National Statistics Office of Georgia and Statistics Sweden §5 Reporting
2. Contribution agreement between Sida and National Statistics Office of Georgia (Geostat) regarding support to cooperation project between National Statistics Office of Georgia (Geostat) and Statistics Sweden (SCB) §6 Reporting , c)
3. Tjänsteköpsöverenskommelse (Sida and SCB) §3 Uppdraget, c) Rapportering, Verksamhetsrapport (second chapter)

The text to replace:

‘During inception period Statistics Sweden and Geostat are responsible to verify a Result Based Management Matrix with indicators, prepare a quality control plan with indicators set for organizational development and capacity monitoring to submit for Sida assessment and approval’.

New wording:

‘During the inception period, extended to 15 November, SCB and Geostat are responsible to see to it that the Result Based Management Matrix is supplemented with indicators for both organizational development and capacity monitoring to be sent to Sida for assessment and approval’.

9 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 2011.

The assignment costs include the purchase of a project vehicle.

Cost Summary, SEK

Item	Budget	Invoiced up to last quarter 2011 Q2	Invoice and credit notes 2011 Q3	Accumulated costs	Balance	Utilisation as of 30 September 2011
Fees	10 157 000	93 450	542 795	636 245	9 520 755	6%
Reimbursable costs	3 052 000	27 405	188 481	215 886	2 836 114	7%
Assignment costs	2 132 000		258 027	258 027	1 873 973	12%
Contingencies	1 500 000		0	0	1 500 000	0%
Total	16 841 000	120 855	989 303	1 110 158	15 730 842	7%

Appendix 1. Planning document for short term missions and study visits in 2011

Date	Mission	Study visit	Comments
Prices			
Sept 5-9	Prices		CPI and PPI
Oct 3-7		Prices	CPI and PPI
Nov 7-11	Prices		CPI and PPI
Management			
Aug 29 - Sept 2 or Sept 19-23		Management	
Nov 14-18	Management		
Statistical methods			
Sept 19-23	Statistical methods, general survey methodology, part 1		2 consultants
Oct 17-21	Statistical methods, general survey methodology, part 2		2 consultants, test after the course
Nov 7-11	Statistical methods, sampling theory, part 1		2 consultants
National accounts			
Nov 21-25	National accounts, part 1		WS, list of findings
Commissioned statistics			
Dec 5-9	Part 1		
IT			
Sept 12 -19	Part 1 - IT strategy and policy		
Business statistics			
Oct 10-14	Business register		
Semi-annual meeting			
Oct 31 - Nov 2	Meeting Tuesday 1 November		

Appendix 2. Planning document for short term missions and study visits in 2012

Preliminary Planning of January - June 2012

Short term missions	When	Comments
Statistical Methods 4	January	Week 2 or 4
Statistical Methods 5	March	
National Accounts	March June	
Price statistics CPI	February	
Price statistics PPI	May	
IT-strategy	March/April	
Business statistics	February May/June	Business register 2nd Business survey
Management	February	
Study visits		
Price statistics	16-18 January	CPI, PPI and construction index
Management		Not needed
Semi-annual meeting	April	

Preliminary planning July - December 2012

Short term missions	When	Comments
Statistical methods	Q 3	
Statistical methods	Q 4	
National Accounts	Q 3 or 4	
Price statistics CPI	Q 3	
Price statistics PPI	Q 4	
Business statistics	Q 4	
PC Axis	Q 4	
Study visits		
Business statistics	Q 3	
Semi-annual meeting	Q4	