



This project is funded
by the European Union



IMPROVING THE PRODUCTION AND DISSEMINATION OF STATISTICS

PROJECT

(IPDS)

EUROPEAID/139628/DH/SER/MK

2019/404709



PROJECT NEWSLETTER No 3-4

April 2021

This publication was produced with the financial support of the European Union. Its contents are the sole responsibility of BIM Consulting and do not necessarily reflect the views of the European Union



This project is funded
by the European Union



INTRODUCTION

This Newsletter, as part of the IPDS Project Communication and Visibility Plan, aims to provide information about the project progress, as well as other relevant information for the Project Stakeholders and the General Public. This is a joint COVID-period issue, covering the period April 2020-March 2021.

PROJECT SUMMARY

Basic Project data:

<u>Beneficiary institution:</u>	State Statistical Office of Republic of North Macedonia
<u>Contracting Authority:</u>	Delegation of the European Union to the Republic of North Macedonia
<u>Implementing Consortium:</u>	BIM Consulting (BG), National Statistical Institute (BG)
<u>Contract value (€):</u>	1 648 500
<u>Start date:</u>	18.02.2019
<u>End date:</u>	17.02.2022
<u>Overall Duration:</u>	36 months/ 3 years
<u>Project website:</u>	http://www.stat.gov.mk/ZaNas.aspx?id=15

Overall objective of the project

The overall objective of the project is to improve the quality and availability of statistical data and enhance their use in development and coordination of public policies.

Specific objectives of the project

The specific purpose of this project is to further support the State Statistical Office of Republic of North Macedonia in harmonization with EU acquis and upgrading its statistical and ICT infrastructure for increased efficiency of the statistical production and improved data quality in order to respond better to emerging challenges from the changing EU acquis.

Components of the project

Component 1: Further alignment with the EU standards in the field of macro-economic statistics will improve the existing methodology according to the recommendations of ESA 2010 about quality of national accounts data, ESA 2010 methodology and data provided to Eurostat according to the transmission programme that defines the accounts and tables that are to be provided by all EU member states according to specific deadlines



This project is funded
by the European Union



Component 2: Further alignment with EU standards in the field of business statistics will aim to improve quality of the SBR and to introduce the satellite account for tourism. It consists of two subcomponents: 2A (Statistical Business Register) and 2B (Tourism Satellite Accounts)

Component 3: Further alignment with EU standards in the field of social statistics will aim provide quality assurance of all phases of the Census in alignment with the CES Recommendations for the 2020 Censuses of Population and Housing and EU Regulations, as well as to increase confidence of the census results

Component 4: Further improved ICT infrastructure will aim to reengineer the statistical IT system in line with EU and international standards, increasing the system efficiency and safety, speeding up and lowering the cost of the data production, improving the accuracy and timeliness of data and the processing of surveys. This component is divided into 3 subcomponents (A Revising and drafting functional specification for re-engineered IT system for statistical production, IT system development and evaluation of deliverables; B Developing the IT system for Statistical Business Register; C Preparation of technical specification for supply contract for replacement of the computer network, the data centre and equipment for the Disaster Recovery Centre)

Expected results (Project Deliverables):

Component 1: National Accounts

Gross Domestic Product (GDP) and Excessive Deficit Procedure (EDP) tables prepared and transmitted to EUROSTAT in accordance to the European System of National and Regional Accounts (ESA 2010) rules

Component 2A: Statistical Business Register

New Statistical Business Register designed and later tested after operationalization under component 4B

Component 2B: Tourism Satellite Accounts

Tourism Satellite Accounts compilation process established in the State Statistical Office

Component 3: Social Statistics

Reports on Preparation, Conducting and Processing of the Population Census in the Republic of North Macedonia

Preparatory activities for availability of Census Data to EUROSTAT via Census Hub Tool

Component 4A: Re-engineered IT system for statistical production

Re-engineered IT system for statistical production developed as a software

Component 4B: IT System for Statistical Business Register

New Statistical Business Register developed as a software

Component 4C: Technical Specifications for hardware

Needs Analysis performed and Technical Specifications prepared for Supply of Hardware under another EU Contract



This project is funded
by the European Union



THIRD AND FOURTH INTERIM PERIOD APRIL 2020 – MARCH 2021

Two major factors influenced the second year of project implementation that comprised the third and the fourth interim period – namely the COVID-19 world epidemic and the situation in North Macedonia in relation to the Population Census.

The COVID-19 epidemic impacted the project in the middle of March 2020, with border closure in North Macedonia announced on 17 March 2020, which necessitated the cancellation of the planned activities for the second half of March and the rethinking of the project implementation efforts in view of the epidemic impact.

The project team, in collaboration with the State Statistical Office and the EU Delegation in Skopje, responded by creating a COVID action plan in order to continue the project implementation and minimize delays. With continuous monitoring and updates this plan has been followed for the past one year. Its essence and results can be seen on page 8 of this newsletter.

Nevertheless, despite the implementation of this plan and the efforts of the stakeholders, the project implementation did incur delays and some of the project deliverables have been delivered later than planned. The planned Project Events have been all cancelled with the exception of the Project Steering Committees, as Study Visits and Project Seminars are almost impossible to plan and execute under COVID restrictions. The Project missions of the international experts to Skopje have been ongoing intermittently during the period with periods of distance work in between. The statistics of these missions could also be seen on page 9 of this newsletter.

Last, but not least, the continuous efforts of the State Statistical Office of the Republic of North Macedonia to organize the Population, Households and Dwellings census in the Republic of North Macedonia 2021 also had impact on our project. The Project Component 3 Social Statistics was finally started in the end of 2020 with a selection of a Slovenian Census expert to provide assistance to the SSO. He started work in February 2021 and will continue to assist after the end of the Census fieldwork (in September 2021 as per the latest status).

The Software Development of the two IT systems under Component 4 – one metadata-driven for statistical surveys and the other for a new Statistical Business Register is ongoing with two teams composed almost exclusively of local IT experts in order to minimize COVID disruptions.

The project is also facing some personnel changes at the end of the period (including the replacement of a resigned Key expert 1), so an Addendum proposal for the Project Contract is currently under consideration by the Contracting Authority (includes also a proposal for non-cost extension of the project until mid-2022 and internal reallocation of working days between the experts).

Overview table of the Status of the IPDS Project Components

Component/Sub-Component	Status
Component 1 National Accounts	Ongoing
Component 2A Statistical Business Register	Ongoing
Component 2B Tourism Satellite Accounts	Ongoing
Component 3 Social Statistics	Ongoing
Component 4A Reengineered IT system	Ongoing
Component 4B IT System for SBR	Ongoing
Component 4C Technical specifications	Completed



This project is funded
by the European Union



ACTIVITIES CARRIED OUT DURING THE PERIOD APRIL 2020 – MARCH 2021

Component 1 - Macro-economic Statistics

National Accounts includes five parallel activities 1.1.-1.5. that are being implemented during the first two years of the project. The activities have been designed to provide a comprehensive overview of the ESA 2010 requirements and improvement of provided data. During the last period, Key expert 1 and two Senior Non-Key expert had a two weeks on-site mission in October 2020. As a result the following activities have been performed:

- Employment and Hours worked data:

During the period a calculation model for employment and hours worked has been developed and discussed. The model covers estimation procedure for calculation and reconciliation of annual national accounts data using LFS structure – annual and quarterly data. In the proposed model, validation checks are applied for annual and quarterly data.

- GDP by income approach:

The relevant indicators from Public Revenue Office have been examined together with experts from Department for Labour market. As a result of the discussions, a technical specification for provision of data from Public Revenue Office for elaboration of GDP by income approach, quarterly data, has been developed and provided to IT experts.

- EDP Notification tables and Questionnaire:

During the period the file Notes was elaborated and sent to EUROSTAT for the first time. The responses to the Closing remarks were prepared in line with received file on April 2020 notification. An online meeting was held with colleagues from the National Bank as regards with the preparation of the data for Tables 3 of the EDP notification and as well as an online meeting with colleagues from the Ministry of Finance regarding a discussion on the indicator B.9 - deficit of the sub-sector Local Government. Adjustments and corrections were made in order to accurately reporting of transactions. As regards the Questionnaire relating to the EDP notification tables 1.1, 1.2, 2.1, 2.2, 3, 4 and 5 were provided to Eurostat. In October 2020 EDP Transmission for the first time were sent tables 4 and 5. In the EDP notification tables in Table 2A, are recorded for the first time data on the indicator "Difference between interest paid (+) and accrued (D.41) (-)" in accordance with Table 3B. A complete set of tables has been prepared and transmitted - Notification Tables, Questionnaire relating to EDP Notification Tables, Explanatory Notes and Closing remarks.

- Memorandum of cooperation:



This project is funded
by the European Union



In the middle of November 2020, KE1 and SNKEs provided to SSO two proposals for Memorandum of cooperation.

There was also a planned two weeks mission under Activities 1.2. and 1.4. of the other two National Accounts team SNKEs, but it was cancelled due to COVID at the Beneficiary. In February 2021 a substitute online mission was offered, but was not approved. No Distance Work has been performed under this Component during the one year COVID period.

Component 2 - Business Statistics

Component 2 consist of two sub-components. The first one (2A) is focused on the improvement of the current Statistical Business Register (SBR) in Republic of North Macedonia (MK) and the second (2B) addresses the further improvement and alignment of Tourism Satellite Accounts (TSA).

Component 2A: Statistical Business Register (SBR)

Under Component 2A the Team Leader and the SBR Senior Non-Key Expert together with the SSO experts discussed the remaining issues for the SBR logical model and finalized the functional specifications of the new SBR and its annexes.

By the end of September 2020, the development of the functional specifications was finally completed, but with a delay. The development of the Technical specifications proceeded as priority with joint distance work of Component 2A KE 2, SNKE SBR and the Component 4B KE 3 in the period October - November 2020. The Technical Specifications were finally submitted and accepted in December 2020, allowing for the software development under Component 4B to start.

Component 2B: Tourism Satellite Accounts (TSA)

During the period there was an onsite two weeks mission to Skopje of the two SNKEs in October-November 2020. The following work on Component 2B has been done:

- The set of TSA Tables from 1 to 5 were examined. Full observation and assessment of the questionnaires developed and used in SSO of North Macedonia have been made.
- Assessment on the data from Tourism statistics and National accounts and determination of the required data and variables necessary for the compilation of TSA in the Republic of North Macedonia. Based on production accounts of tourism industries and other industries the preparation of draft version of TSA Table 5 has started.
- The Output and Import of tourism industries presented supply part of TSA. Being a "satellite" of National Accounts, the main idea of TSA is to estimate figures that can measure tourism within the economy and characterized it. TSA compilation and accounting rules must be those of National Accounts.
- Based on final SUT 2018 and additional information provided in the previous missions from the beneficiary's' experts, involved in the project subcomponent 2B was created the draft model of TSA Table 5. The model is based on SUT 2-digit level of NACE Rev.2 and CPA further disaggregated to 4-digit level. State of play regarding availability on national account's data in



This project is funded
by the European Union



North Macedonia for 2019 have been discussed with National Accounts experts. It seem that SUT 2019 will be compiled at 2-digit level.

- The results have been assessed for the plausibility and consistency with relevant National Accounts data. The compilation of TSA Table 5 has continued with discussion of specific problems.
- Bilingual tables for tourism characteristic industries – ISIC (ISIC Rev. 4) /NACE Rev.2 and products - CPA (European Classification of Products by Activity) and products - CPC (Central Product Classifications of the United Nations) have been prepared.
- The First draft version of Road Map for compilation of TSA in North Macedonia has been completed.

Component 3 - Social Statistics

During the period of this newsletter, a procedure for direct selection of a Census expert was launched and completed in 2020. As a result, the selected expert started his assignment in SSO in the second half of February 2021. His first two weeks mission focused on the State of preparation for the census field operation. The expert studied the documentation that was available in English (Law on the Census, the Methodology for preparing, organising and conducting the Census of Population, Households and Dwellings in the Republic of North Macedonia). The main part of mission has been devoted to the content of the census questionnaires in connection with data from the pre-census database and evaluation of application for field data collection from technical and methodological point of view. His first observations and recommendations were provided in the mission report.

Also the expert participated in an online meeting between SSO, EU Delegation, Embassies, international organizations - a Technical briefing on the population census in the North Macedonia on 16.02.2021 – an Informative meeting with main aim to answer to questions sent forehand by participants. 30 questions have been prepared by 7 participants out of more than 30 that have joined the virtual meeting. Questions have been grouped into eight categories according to the main point of the question. The main stress was on questions on usual residence and on ethno-cultural characteristics of the population as these two topics are of the greatest interest of the general public and foreign representatives.

The report on the preparation of the Census in the Republic of North Macedonia was finalised by the end of March 2021 and provided to SSO and EUD.

Component 4 - ICT Infrastructure

During the period, the priority of the activities for **Subcomponent 4A** was the finalization of the description of the system interfaces. The KE3 together with SNKE SYS designed and prepared final version of all system interfaces. The process was completed in September 2020 and the description of the interfaces was sent to the SSO experts for comments and proposal. When the approved version was available, it was provided to the developers' team and it became the main work document together with the SRAD.



This project is funded
by the European Union



The next important activity was the creation of the development and test environment for Component 4A at the SSO premises. This environment is used also for initial creation and population of the SBR databases. The developers team also created its own development environment with Team Foundation Server to maintain the versions of the software components.

The priority for the activities of the subcomponent is the software development according to the development plan. The period of this newsletter covers the development of the System's core modules – "Security", "Classifications" and "Process Control". According to the development plan the development of the core modules had to be completed at the end of period, but due to delays the pilot implementation of **Process Control module** was postponed by six months.

At the beginning of April 2021 started the operational and functional testing of the **Security and Classifications** modules. The development team is fixing the discovered discrepancies and main functionalities could be used for maintenance of the classifications, code lists and users in the test environment.

The main focus of the activities related to the **Subcomponent 4B** was the development of Technical Specifications for SBR Redesign. Under Component 2A the Team Leader and the SBR SNKE together with the SSO experts discussed the remaining issues for the SBR logical model and finalized the functional specifications of the new SBR creating the document *Logical Design and Functional Requirements for Statistical Business Register of RNM*.

The **Technical Specification for the Statistical Business Register (SBR TS)** was prepared on the base on the approved SBR Logical design. In the document were included the drafted texts, related to the backup and restore requirements, user management and user access of SBR System which were developed in the previous period. The content of the Technical Specification was coordinated with SSO experts and the document consist of eight chapters and five annexes.



This project is funded
by the European Union



Project Implementation Statistics in COVID times

The following are excerpts of the COVID 2020 IPDS project action plans and the Project Steering Committee Presentations that illustrate the problems faced by the project due to COVID and the actions taken to tackle these:

The IPDS project consists of 4 components and is a fee-based EU-funded project for 3 years running from 18.02.2019 until 17.02.2022. The beneficiary is the State Statistical Office of Republic of North Macedonia. The Contracting Authority is the EU Delegation in Skopje. It is being implemented by a Consortium of BIM Consulting Ltd. (Bulgaria) and the National Statistics Institute of Bulgaria.

There are 3 Key experts and many Senior and Junior Non-Key experts, which are all part-time involved in the project. All experts under Components 1-3 are international experts, while the majority of the IT experts in Component 4 are local experts from Skopje. None of the international experts are permanently based in the project base of operations – Skopje. International Experts, as suggested also in the project ToR, are coming on 1-2 week pre-agreed missions to SSO. All the Key experts and all, except 3 Senior Non-Key experts, are travelling from Sofia to Skopje. We have also Slovenian and Moldovan Senior Non-Key experts, who travel to Skopje by airplanes.

There are several types of implementation activities in our IPDS project:

- *Project missions – this is the main type. It involves Consortium experts coming to work in the SSO office in Skopje with the beneficiary for 1-2 weeks.*
- *Study visits – 5 are planned within our project. The first one was completed successfully in the beginning of March 2020.*
- *Workshops – activities in Skopje, but outside SSO premises. Several planned under the project - mostly under Component 4.*
- *Project Steering Committees – once every six months as a minimum as per Project ToR. Includes SSO, various MK institutions, the EUD and EUROSTAT. Other stakeholders are often invited. Usually held withing SSO premises in Skopje. During the COVID period – one online (March 2020), two on-site (September 2020, February 2021)*
- *Project management activities – ToRs development, reports writing, etc. Usually done via email exchanges, occasional meetings held with EUD and beneficiary.*

Various Governments and International Organizations are applying different measures in order to try to combat the spread and the effects of the COVID-19 outbreak. The following types of measures can have a direct effect on the implementation of our project:

- *Closure of public institutions*
- *Closure of borders*
- *Limitation of access of external visitors to public institutions*
- *Suspension of travel abroad*
- *Public Institutions staff teleworking*

Project Measures:

- ✓ *For now missions are possible with some new logistical measures to be taken into consideration (e.g. requirement of PCR tests for avoidance of quarantine, observing social distance during meetings, etc.)*
- ✓ *Study visits and seminars are almost impossible and risky for planning*
- ✓ *Mission planning is chaotic and subject to changes*
- ✓ *Situation is fluid and requires constant monitoring of various governments policies*

Project Statistics under COVID:

- ✓ *The international experts (BG, MD, SI) managed 122 on-site days during the period April 2020-March 2021 (out of 272 in total during the period, i.e. 45% on-site, 55% online)*
- ✓ *The local experts (IT developers only) added 225 other on-site (100%) days.*
- ✓ *Known cases of COVID so far with the International experts – 2 (home-based, not during missions)*



This project is funded
by the European Union



PLAN OF OPERATIONS FOR THE NEXT PERIOD

Component 1: Macro-economic Statistics

The next on-site missions under Component 1 are planned for May 2021. Further discussions and activities during the missions, which are planned to involve the whole National Accounts team (Key expert 1 and the SNKEs) will focus on continuation of harmonisation of the statistical methodologies in the area of macro-economic statistics providing timely and accurate data for compiling national accounts figures according to ESA 2010 requirements.

Component 2: Business Statistics

Component 2B: Tourism Satellite Accounts

For the next newsletter period (May 2021 - October 2021), the work under Component 2B will continue with the following activities:

- 2B.1 “Assessment of the available data sources for the compilation of the TSA and investigation of their quality”
- 2B.2 “Determination of the required data and variables, and their calculation for producing TSA”
- 2B.3 “Estimation of unreported accommodation capacities”
- 2B.4 “Create procedures for compiling TSA”

Indicatively two missions are planned for the next six months period – in May-June 2021.

Component 3: Social Statistics

The Census expert has been deployed to Skopje from 15.02.2021 and remained in SSO until the beginning of April 2021 covering the Census preparation missions. His further missions related to the EU Census Hub and the report on the data processing of the Census will be planned in accordance with the results of this mission and the Census progress. Most of the results under Component 3 will be accomplished within the next newsletter period.

Component 4: ICT Infrastructure

The activities in the framework of the **Subcomponent 4A** for the next 6 months will continue with the deployment of the **Classifications** and **Security** modules when the remarks of SSO experts are reflected and the modules are fully functional.

The **Guidelines for metadata maintenance** will be developed. The guidelines will contain description of all functionalities of *Classifications* module and other metadata handlers related to metadata creation and maintenance.

Workshop for at least 20 people for 2 days will be planned when the COVID-19 situation permits gathering of the more than 20 persons in closed space. On the workshop the user interface and the



This project is funded
by the European Union



guidelines will be presented to SSO key experts from IT and subject matters departments. The participants should become trainers and reference persons for the guidelines in order to assure sustainability of the project.

Deployment in the Test Environment of the developed solution and operational and functional testing of the Process Control module has to be carried out in April – June 2021.

After fixing the discovered discrepancies, the Core modules could be deployed in the production environment and in June 2021 the Piloting of the Core modules have to be completed with significant delay. The Piloting of the Core Modules will cover the preparation of the next FYSP data, the next APSS, the list of the output items and products and creation of preliminary Dissemination Program.

The delay of the development of the Core modules was driven partly by the COVID-19 situation, but also the preparation of the Population Census impedes the involvement of SSO experts in testing and preparation of the required data. This situation will fix the focus of the activities in March only to the development of the software modules.

Because of the obvious delay of the development of the core modules, in parallel has to be started the preparation and development phase for Data Collection Modules. The preparation phase will require an analysis of the e-Stat system and the requirements to the statistical questionnaires.

In the next six months period the activities related to the **Subcomponent 4B** will be focused on the development of software components according to SBR Development Plan.

The SBR software development in the next six months period includes:

- Development and testing of the ETL module for administrative data
- Development and test of functionality for identification and merging the foreign persons
- Development of module for annual processing of the administrative data
- Development of the module for delineation of enterprise groups
- Development of the module monthly processing of data from CR
- Development of the module for annual processing of LU data
- Development of the module "Reports"



This project is funded
by the European Union



PROJECT CONTACTS

Group	Name	Function	Contact
Delegation of the European Union to the Republic of North Macedonia Contracting Authority Sv. Kiril i Metodij, no. 52b, 1000 Skopje			Tel: +389 2 32 48 500 Fax: (+389) 2 3248 501 E: delegation-north-macedonia@eeas.europa.eu
State Statistical Office of the Republic of North Macedonia Beneficiary Dame Gruev 4, Skopje	Mr. Apostol Simovski	SSO Project Leader	Tel: +389 2 3295 666 E: apostol.simovski@stat.gov.mk
	Ms. Snezana Georgievska	Component 1 Leader	Tel: 075-402-325 E: snezana.georgievska@stat.gov.mk
	Ms. Mirjana Bosnjak	Component 2 Leader	Tel: 075-402-326 E: mirjana.bosnjak@stat.gov.mk
	Ms. Dijana Krstevska	Component 3 Leader	Tel: 070-364-125 E: dijana.krstevska@stat.gov.mk
	Ms Valentina Skandeva	Component 4 Leader	Tel: 075-402-333 E: valentina.skandeva@stat.gov.mk
	Ms. Tatjana Mitevaska	SSO Project Coordinator	Tel: 075-402-328 E: tatjana.mitevaska@stat.gov.mk
Project Team BIM Consulting & NSI Bulgaria Project Office: State Statistical Office of Republic of North Macedonia, Fl. 1, Room 34,	Mr. Ivan Davidov	Project Director	E: i.davidov@bim-bg.com
	Mr. Dimitar Boykov	Project Manager	Tel: + 359 889 419 401 E: d.boykov@bim-bg.com
	Ms. Elka Atanasova (resigned 03.2021)	Key Expert 1	E: e.atanasova@bim-bg.com
	Mr. Anastas Troyanski	Team Leader / Key Expert 2	Tel: + 359 885 704 274 E: a.troyanski@bim-bg.com
	Mr. Georgi Stanev	Key Expert 3	Tel: + 359 88 260 0024 E: g.stanev@bim-bg.com
	Ms. Elena Slavkoska	Local Office Assistant	Tel: +389 75 44 13 12 E: e.slavkoska@bim-bg.com