STRENGTHENING THE NATIONAL STATISTICAL SYSTEM OF THE REPUBLIC OF KAZAKHSTAN PROJECT

# KZSTAT/QCBS-TA-01

Twinning Partnership financed by the World Bank

PROGRESS REPORT No. 5

Date: 28 October 2015
**Project Identification**

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- **Contract No.:** # KZSTAT/QCBS-TA-01
- **Financed by:** The World Bank
- **Client:** Agency on Statistics of the Republic of Kazakhstan (CS)
- **Consultant:** Consortium led by Destatis
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Destatis – Statistics Finland – CZSO – SOSR – KOSTAT – ROSTAT

Committee of Statistics of the Republic of Kazakhstan
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Project activities of the reporting period

Overview

This report covers the period from May 2015 to 30.09.2015.

The following activities were implemented (in chronological order):

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<td>Regional workshop on National accounts and balance of payments in Istanbul</td>
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<td>D7-SV-4</td>
<td>R workshop, study visit to Wiesbaden</td>
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<td>Jiri Vopavril, Destatis</td>
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<td>F1-KAZ-39</td>
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<td>F2-KAZ-2</td>
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<td>F4b-KAZ-2</td>
<td>Export and import price indices based on actual transactions</td>
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<td>Non-financial corporations sector and households sector</td>
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<td>F8-SV-3</td>
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<td>13.07.2015 - 17.07.2015</td>
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<td>Formation of health statistics and development of indicators</td>
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<td>Compilation of the entire sequence of accounts for General government sector</td>
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<td>02.09.2015 - 08.09.2015</td>
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<td>07.09.2015 - 11.09.2015</td>
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<td>14.09.2015 - 18.09.2015</td>
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<td>24rd Meeting of the Wiesbaden Group on Business Registers in Brussels</td>
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Relevant input from other projects

Please refer to Annex 1
Project management topics

From May to 30.09.2015, 74 project activities were implemented. This figure includes 44 expert missions to Astana, 14 study visits of Kazakh delegations, participation in 9 international working groups and 4 project management meetings.

The current version of the project work plan contains 132 project activities to be implemented in 2015, of which 104 activities were already carried out.

Figure 1: Activities carried out per month

Figure 2: Types of activities and participants (no of mission/no of consortium experts; no of study visits/no of CS experts; no of conferences or workshops/no of CS experts)
The state of implementation of the project components stands as follows:

![Figure 3: State of implementation of project components](image)

The degree to which experts of the Consortium partners contributed to this project reads as follows:

![Figure 4: Share of Consortium partners](image)

Management missions were carried out from 10 to 15 June and from 8 to 11 September 2015 back to back with the 4th High-Level Planning Meeting on 16 June in Astana and the 5th High-Level Planning Meeting on 3 September 2015 in Berlin. Apart from discussions with the Component leaders at CS the following general issues were covered:

- Change of management on the Consortium side

  From October 2015 Dieter Sarreither took over as new President of Destatis from Roderich Egeler, who has been strongly involved in the KAZSTAT project. Mr. Sarreither will continue to monitor the project on the Consortium side.
- **Contract revision**

  A supplement to the Twinning Contract has been signed in February 2015 for the reduction of the project budget by 1,500,000 US$ on the basis of savings from implemented project activities. In the meantime, projections of total project expenses indicate that due to several factors the budget is likely to exceed the now reduced contract value. These factors include a higher number of study visit participants and a significant number of additional activities/conference participations financed from the contract budget. For this reason it has been decided that the Consortium will provide updated figures on expected project expenses and the contract will be revised accordingly as soon as the necessary changes are clear. It is not planned to remove activities from the work plan. The higher number of participants in study visits and the implementation of additional activities have been agreed because of their benefits to the project, particularly for enabling a closer coordination between divisions in areas where more than one division is affected.

- **Work Plan**

  The project partners agree that the procedure of revising the Work Plan before the half-yearly project management meetings should be upheld. The respective other partner should be informed of any ongoing revision.

- **Terms of Reference**

  CS has submitted terms of reference for 19 activities to be implemented in 2016 out of a total of 69 planned activities. Outstanding documents should be sent by the end of November 2015 in order to facilitate planning.

- **Future events**

  A seminar for honoring 95 years of Kazakh statistics will be organized by CS on 4 November 2015 and will be used to showcase the progress of the project work to a wider audience in Kazakhstan. HLPM6 is planned to take place in April 2016 in Germany. The final conference will be organized in Astana in November 2016.
Components

Component A
Improvement of the Institutional framework and operations of the statistical system

Overview - State of implementation of component A
A1 Interaction between the state bodies

Implemented activities

There were no missions or study visits in this sub-component during the reporting period.

Notes on further planning

In 2013, as part of sub-component A1 "Improvement of interactions between the state bodies" CS received a consultation mission aimed at revision of existing agreements (joint orders).

Prior to the completion of the KAZSTAT project, CS will make amendments and additions to the existing legal acts regulating the issues of interaction with the state bodies, which will allow maximal use of administrative data.

In 2014, under the sub-component A1 "Improved communication between the public authorities" realized a study visit on the theme “Inter-agency cooperation in the use of administrative data for statistical purposes”

Together with Division of classification and informational technologies, Department of statistical activities planning estimated the proportion of administrative data use (number of records from administrative sources) in the production of statistical information for 2013 (in the framework of the method of estimations of Statistics Finland). As a result of the calculation, the proportion of data used amounted to 90.3%.

In 2015, as part of component A1 "Improved communication between the public authorities")., CS plans to hold consultations with the involvement of local consultants (Companies). The Committee, together with the Institute of Legislation under the Ministry of Justice of the Republic of Kazakhstan, decided to establish a working group comprising representatives of governmental agencies.

To review existing legislation and to develop a common position, the Committee facilitated meetings with representatives of state bodies on improvement of legislation in the field of the state statistics. Based on the results of the workshops a joint decision was made that the Committee has to submit proposals for amendments and additions to the Law on State Statistics of the Republic of Kazakhstan, as well as to the current legislation of Kazakhstan dealing with matters of state statistics in the framework of codes and laws that govern the public authority and its agencies (Protocol were signed, comparative table of the proposals of state bodies was drawn up).

Currently, CS is in the process of local consultants’ selection, these consultants shall provide expert assistance to improve legislation in the field of state statistics. CS decided to attract legal consulting company and not a separate consultant to ensure coverage of all relevant issues.
A2/6 Revision of the organizational and legal structure of statistical bodies and improvement of the state of the territorial bodies of CS

Implemented activities

There were no missions or study visits in this sub-component during the reporting period.

Status of implementation of recommendations from project activities and notes on further planning

1) Following the recommendation provided by Ms. Moore (consultation mission in May 2013) for combining all data dissemination services (electronic and printed) in one structural subdivision, order No.55 dated March 20, 2014 was issued to establish a new Publications and Statistical Information Dissemination Department.

2) Following the recommendation provided by Ms. Moore during the study visit held in November 2013, in March 2014 Ms. Moore held a questionnaire survey through personal interviews with the directors of the ARKS departments using the SWOT questionnaire.

3) Based on the results of the second consultation mission, the strengths and weaknesses of structural subdivisions of the Agency for Statistics (SWOT) were analyzed.

4) Following the recommendation provided by Ms. Moore for transferring the Statistical Process Development Division in the Strategic Development Department, the units of this Division have been transferred to the Statistical Activities Planning Division.

Following the recommendations provided by other international experts, the following changes were made: Energy Statistics was transferred from the Production and Environment Statistics Division to the Services and Energy Statistics Division; the National Accounts Department was divided in the National Accounts Division and the Structural Statistics Division.
A3  Strategic planning and the methodology of preparation of the plans

Implemented activities

There were no missions or study visits in this sub-component during the reporting period.

The issue of termination of works under Subcomponent A3 was discussed during the Project Management meeting with the Consortium and the World Bank coordinators on September 29, 2014. In general, the coordinators supported the Committee’s position. However, it was suggested to prepare the Statistical Master Plan under Subcomponent A3. Moreover, the Committee management has made the decision to carry out works on establishing a Research and Training Institute under this subcomponent as well.

Status of implementation of recommendations from project activities

Strategic Plan

The authorized body for state planning in the Republic of Kazakhstan is currently improving the State Planning System which includes changes in the approaches to preparing a strategic plan and the improvement of its format. The CS specialists are the members of a specially established working group.

The Committee has begun to design a Planning and Monitoring Module under the e-Statistics IIS to automate planning and monitoring of its activities.

Statistical Master Plan for 2017-2025 (SMP)

The Terms of Reference for the international expert to prepare Statistical Master Plan for 2017-2025 was reviewed by and agreed with the World Bank.

The international consultants have been selected; the contract conditions are being negotiated.

The draft SMP was prepared based on the proposals provided by the structural divisions of the Committee.

A letter was sent to the state bodies engaged in sector-specific monitoring with the request to provide information on the current status and prospects of the development of statistical activities.

Inter-Agency Working Group for preparing Statistical Master Plan is being established.

Research and Training Institute (RTI)

A draft composition of the Working Group within the Committee has been prepared to take the agreed measures and establish a Research and Training Institute.

Draft proposals for creating a Research and Training Institute based on the example of the existing institutes in developed countries, including justification of the need for such institute, have been prepared for the higher authority. The draft proposals were sent to Ms. Rockman,
DESTATIS consultant, in August of the current year. The respond from the consultant is expected in late October of the current year.
A4 Introduction of the personnel work load recording system

Implemented activities

There were no missions or study visits in this sub-component during the reporting period.

Status of implementation of recommendations from project activities

Under Subcomponent A4, one mission was held on November 3-7, 2014 and one study visit to Bratislava (Slovakia) took place on February 23-27, 2015.

A Working Group for designing the personnel work load recording system was established by Order of the Chairperson of the Committee for Statistics No.135 dated September 01, 2015.

Notes on further planning

Working group has to make the decision regarding introduction of a new system in the CS.
### Implemented activities

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Activity/Topic</th>
<th>Date</th>
<th>Expert</th>
</tr>
</thead>
<tbody>
<tr>
<td>A5-KAZ-5</td>
<td>Development of tools of quality maintenance (GSBPM)</td>
<td>07.09.15 - 11.09.15</td>
<td>Reynir Kristjansson, Statistics Iceland</td>
</tr>
<tr>
<td>A5-SV-6</td>
<td>Quality assessment by means of audit and self-assessment, study visit to Rome</td>
<td>22.06.2015 - 26.06.2015</td>
<td>Marina Signore, ISTAT</td>
</tr>
</tbody>
</table>

### Findings and results

A **Study Visit (A5-SV-6)** of CS experts on “Quality Assessment through Audits and Self-Evaluations. Using the Example of ISTAT” has been carried out in June 2015 to the Italian statistical office ISTAT.

The training fully complied with the Terms of Reference and contained the following theoretical and practical aspects:

**Theoretical section:**

- regulatory documents on the quality at the international and national levels (QAF - Quality Assurance Framework, NQAF – National Quality Assurance Framework, CoP - Code of Practice, DATQAM - Data Quality Assessment Methods);
- CoP conformity assessment „peer-review“;
- self-assessment questionnaire;
- ISTAT organizational structure;
- ISTAT quality policy;
- procedures and tools for internal audits and self-assessments;
- assessment of quality standard indicators;
- guidelines to ensure quality of statistical processes at the ISTAT;
- ECC reporting structure: ESMS, ESQRS, SIMS;
- universal model for describing statistical production;
- quality management information system SIDI-SIQual.

**Practical section:**

- ISTAT external portal and internal web-site;
- SIDI-SIQual Quality Management Information System: functional characteristics, navigation system presentation, quality reporting for top-management.

### Recommendations
After becoming familiar with the system of maintaining the reference metadata and quality indicators at the ISTAT, we consider it useful if the practices studied are applied for creating the module „Quality“ in the Metadata Information System of the Committee for Statistics, Ministry of National Economy of the Republic of Kazakhstan.

1. The Division for Planning Statistical Activities together with sectoral divisions should develop quality indicators.

2. The Classification and Information Technologies Division should set the objectives for module development in the Integrated Information System „e-Statistics“ to assess the quality of statistical surveys and products based on the requirements established by the Division for Planning Statistical Activities.

3. The Division for Planning Statistical Activities should develop the quality reports structure for setting objectives in the Integrated Information System „e-Statistics“.

4. The Classification and Information Technologies Division together with the Law Division and the Division for Planning Statistical Activities should consider including „glossary“ and „vocabulary“ into the regulatory documents of the Committee for Statistics, Ministry of National Economy of the Republic of Kazakhstan.

5. The Classification and Information Technologies Division together with the Law Division and the Division for Planning Statistical Activities should study the issue of compiling a common vocabulary for statistical terminology, metadata and quality of statistical processes at the Committee for Statistics.

6. The Division for Planning Statistical Activities should design an annex to the Guidelines for the Documentation Quality within the Quality Management System „Recommendations for Quality Reporting“.

7. The Division for Planning Statistical Activities should design an annex to the Guidelines for the Documentation Quality within the Quality Management System „Instructions for Statistical Product Quality Assessment“.

8. The Division for Planning Statistical Activities should consider arranging methodological audits using the ISTAT practices.

A Consulting mission (A5-KAZ-5) on the topic “Development of tools of quality maintenance (GSBPM)” has been carried out in September 2015 by an expert from Statistics Iceland.

The expected outcome of this mission was the following:

1. The first version of CS organization specific adaption of the Generic Statistics Business Process Model (GSBPM) has been developed. This version is in the local language and is closely analogous to the GSBPM.
2. The Committee’s quality management documentation by developing a structure for process mapping and documentation using the CS GSBPM and basic approaches according to ISO 9001 and ISO 10013 has been updated.

3. At least one employee with basic knowledge and skills will be able to use standard procedures for describing the process of statistical information production by public authorities, and will be able to continue process mapping and documentation after the consultant has left.

4. Some understanding of the connections between GSBPM, Generic Statistical Information Model (GSIM), and the Single Integrated Metadata Structure (SIMS) has been gained.

5. At least three different processes for three different statistical products have been mapped, including references to the GSBPM and quality indicators from the SIMS.

Conclusions

On the strategic level it was felt that it would strengthen CS’s quality system if the responsibility of its implementation would be moved to a separate department. It would be ideal if the head of this new department would be part of the top management team. The role of a quality management department would be to facilitate the implementation of the QM system together with the management team at CS.

Also on a strategic level, it was felt that a better vision for the quality management system is needed. The vision should be communicated by training and on occasions when top management and middle management are communicating to employees. The vision should be written as text and be shown on a schematic drawing showing the components of the quality management system and how they are interrelated.

In the coming months (and even years) lots of time and effort will be devoted in to process mapping. It is important for everyone involved never to forget why this is being done and how this is a part of a bigger system, that is to say the QM system.

On a more tactic level it was felt that the people in the working group for quality need more support to be fully self-sufficient in supporting their colleagues at CS in the process mapping that lies ahead. In the coming years, CS needs to have quality professionals that are able to help with the process mapping and quality implementation in general. This includes educating and training of other employees, including employees in the regional offices. It is important to understand that the quality professionals should not be made responsible for process mapping in the production process; their role is rather to plan the work, structure it, help and facilitate. It needs to be clear where the responsibility of documentation lies, but it could be the role of a quality professional to come up with suggestions on how this responsibility can be organized. At the same time as process mapping is structured around the GSBPM, responsibilities need to be organized around the organizational chart.

Recommendations and next steps

Recommendation 1:
The future vision for CS and its quality system should be revisited to make it more clear how it is supposed to look like in few years. What are the components of the quality system and how are they interrelated? It is recommended that the quality system is based on the PDCA.

**Recommendation 2:**

It should be considered if creating a separate department, dealing with quality management, should be established and if this would strengthen the implementation effort of the quality system. The role of the quality department needs to be very clear. Doing recommendation 1 first would help in defining a clear role description for this new department.

**Recommendation 3:**

The process mapping needs to continue. It is recommended that the structuring and the organization of the process maps are done according to CS’s high level process map and the GSBPM. However, the responsibilities of creating the process maps need to be organized according to the organizational chart. The overall structuring and planning of the process mapping is an activity that needs to take place soon.

**Recommendation 4:**

Since it is the responsibility of the production units to map up their own processes, they will need help and support. This could be one of the responsibilities of a quality department. The support can be in the form of education, motivation, training, and facilitation. The people giving this support need to have knowledge and experience in process mapping.

**Recommendation 5:**

To make process mapping quicker and easier, some kind of a process mapping tool, like Microsoft Visio, should be considered.

**Recommendation 6:**

It is recommended that in future study visits, CS considers to go to the statistical offices in Turkey and Estonia to study their use of the GSBPM.

**Status of implementation of recommendations from project activities**

Currently CS is working on the issue of facilitating methodological audits base on the ISTAT experience shared during the SV.

CS has also prepared a plan of GSBPM implementation. It was already approved by the Protocol.
Notes on further planning

CS is planning to design guidelines for the development of modules in the integrated information system "e-Statistics" to assess the quality of statistical observations and products.

Continue development of the common vocabulary of statistics terminology in CS.
Component B

Improvement of information and communication systems and physical infrastructure

Overview - State of implementation of component B

- B1: 9 implemented, 2 remaining
- B2: 5 implemented
- B3: 1 implemented, 1 remaining
- B4: 3 implemented

Legend:
- green: implemented
- blue: remaining
B1 Development of integrated data processing system

Implemented activities

There were no missions or study visits in this sub-component during the reporting period.

Status of implementation of recommendations from project activities

Based on the results of activities carried out since the beginning of implementation of the Project on the Design and Development of a Computer Assisted Personal Interviewing, the following tasks have been completed under the study visit B1-SV-0 (October 2012) and expert mission B1-KAZ-1 (December 2012):

1. In 2013, technical documentation for the CAPI system creation was prepared, the CAPI system was designed and a pilot project was implemented.

2. In view of modifications in the CAPI operation scheme, the improved Terms of Reference for the CAPI design and implementation (hereinafter - ToR) was reviewed and agreed with the authorized IT development body and approved by the Deputy Chairperson of the Committee for Statistics under the Ministry of National Economy of the Republic of Kazakhstan on October 30, 2014.

3. Based on the ToR, a Schedule of Activities on the CAPI Design and Implementation for 2014-2015 was prepared and approved by the Deputy Chairperson of the Committee for Statistics on November 26, 2014.

4. In this regard, contract agreement KZSTAT/NCB-04 “CAPI Design and Implementation” was extended on December 22, 2014 to prolong the cooperation with service providers.

CAPI is one of the data collection methods, so the system involves only data collection. Data is stored, processed and distributed using the e-Statistics IIS. In this regard, it is provided for the integration of CAPI with the e-Statistics IIS, i.e. the introduction of CAPI as part of the e-Statistics IIS. For telephone surveys, CAPI will use the e-Statistics classifications, meta descriptions and data from the previous reporting period.

The initialization of communication between CAPI and the related systems of e-Statistics will be carried out automatically upon the request from a related system.

Scheme of interaction between CAPI and e-Statistics

CAPI is being designed. In particular, forms for price statistics and household sample surveys have been designed as part of data collection sub-system design.
The Data Collection Preparation and Control Subsystem (Workstation) for household sample survey has been designed for launching a pilot. A CAPI (Workstation) portal has been deployed at the Internal Intranet Portal of e-Statistics. To date, data on household sample surveys for Quarter I of 2015 has been entered in the Data Collection Preparation and Control Subsystem (Workstation).

Following the data entry, data is verified, i.e. is verification of compliance with the data collected and processed during Quarter I by the current software. As soon as verification is completed, data for Quarter II and III of 2015 will be entered, as well as the system will be improved based on the feedback from users.

Data Collection Preparation and Control Subsystem (Workstation) for price statistics has been designed in accordance with the task assignment. The specialists of Price Statistics Division have pre-tested the software operability. Pilot is planned to be launched in early October.

CAPI has been integrated with the e-Statistics systems to:

– use statistical classifications used in the forms;
– provide access for the specialists of the Committee and its territorial offices to the Workstation by deploying the Workstation at the Internal Portal in the form of a portlet;
– transfer data from Tablet PC via the Workstation to the primary data base (have been tested) in the .xml format;
– obtain the description of forms in the .xml format;
– obtain the list of surveyed households for collecting data on household survey.

Based on the results of activities carried out since the beginning of the CATI Development Project, the following tasks have been completed under the study visit B1-SV-1 KR (May 2013) and expert mission B1-KAZ-2 (September 2013)

1. Technical Specification for Purchasing Services to Design Terms of Reference for CATI Creation was prepared, reviewed and agreed with the Committee for Communication, IT development and Information under the Ministry of Investments and Development of the Republic of Kazakhstan (in letter No. 03-06/3094 dated June 19, 2014) and the World Bank.

2. The service provider was selected and the contract “Preparing Project Documents for th CATI System” No. KZSTAT/CQ-05 dated November 26, 2014 was signed. Since it is necessary to clarify the scheme of operation, the contract was extended until June 1, 2015 by Supplementary Agreement No. 1 to Contract KZSTAT/CQ-05 dated March 30, 2015

3. The service provider undertook pre-project study and produced Study Report dated February 05, 2015.

4. After the pre-project study, the Service Provider proposed the variants of the CATI architecture and the concerned divisions of the Committees jointly defined the most appropriate variant of the CATI architecture. Moreover, positions of interviewers’ and supervisors’ workplaces were defined up to the oblast level. The CATI operation scheme also includes integration with e-Statistics which is similar to the integration of CAPI in e-Statistics (Fig. 1).
5. Based on the above decisions, the Terms of Reference “Computer Assisted Telephone Interviewing of the Committee for Statistics under the Ministry of National Economy of the Republic of Kazakhstan” were prepared.

6. The ToR was reviewed and agreed with the authorized IT development body (Committee for Communication, IT development and Information under the Ministry of Investments and Development of the Republic of Kazakhstan, hereinafter- CCITDI) and approved on August 04, 2015.

7. Technical Specification for Purchasing Services for CATI has been prepared and sent to the CCITDI for reviewing and agreeing (letters by the Committee for Statistics No. 41-10-27/1574-N dated August 12, 2015 and No. 41-10-27/4210 dated September 17, 2015 after receiving a number of comments).

Due to the delay in reviewing the ToR by the authorized IT development body and ToR approval in August of the current year, time frames for the implementation of the Action Plan for the CAPI Design and Implementation in the Committee for Statistics under the Ministry of National Economy of the Republic of Kazakhstan (hereinafter – the Plan) are being revised.

In this regard, the World Bank was requested to postpone the consultation mission and conduct it after the pilot survey (the preliminary date of consultation mission B1-KAZ-4 on CAPI is Quarter II of 2016).

**Notes on further planning**

The consultation mission B1-KAZ-3 on CAPI is scheduled for October 2015. The mission will be based on the results of the pilot price collection in Astana and Almaty cities and collection of household survey data in Astana city using CAPI.

For Quarter IV 2015, it is planned to select a service provider for creating CAPI and start the corresponding works after reviewing the technical specification for purchasing services for CAPI

For Quarter IV 2015, it is planned to select a service provider for creating CAPI and start the works after reviewing Technical Specification for Purchasing Services for CAPI by the authorized IT development body.
B2 Strengthening the institutional structure of information and communication technologies

Implemented activities

There were no missions or study visits in this sub-component during the reporting period.

Status of implementation of recommendations from project activities

Based on recommendations provided by the consultants, methodology and rules are being prepared for assessing the effectiveness of the IT solutions implementation.

Notes on further planning

It is planned to prepare and approve the methodology and rules for assessing the effectiveness of the IT solutions implementation.
B3 Updating hardware and software

Implemented activities

In 2014, the SPSS software have been purchased for statistical processing (10 licenses) and transferred to subject-matter divisions for practical use.

Following the Procurement Plan for 2014, the following peripheral equipment has been purchased and delivered to the central office and territorial units: 330 multifunction printers, 15 copiers, 500 laser printers, 18 color laser printers and 69 laptops.

A tender for purchasing personal computers and UPSs for the central office and territorial units took place in early 2015. The result is that 1,550 PCs and the same number of UPSs were purchased and delivered (the total number includes the equipment for the central office and oblast departments of statistics).

Notes on further planning

With regard to purchasing of statistical analysis software: In coordination with the National Accounts Division, it is planned to study the market for the given category of the software with a view to select the best possible product both in terms of its capabilities and capacity to meet the requirements of statistical analysis and in terms of purchasing cost.
Development of communications network and telecommunication channels

Implemented activities

In 2014, the CS network hardware was updated. Pre-commissioning works were completed.

Status of implementation of recommendations from project activities

Call prompter switches and server hardware have been purchased in the purpose of improvement of informatics infrastructure for e-Statistics IIS and modernization of local computing network and server hardware of the central office. Based on the experts' recommendations from South Korea, new network hardware has been installed according to approved architecture of the CS local computing network.

To the moment, networking equipment (high-performance core switches and safety equipment) is supplied and installed in the racks. Transition to the mentioned equipment has not yet done. This is due to incomplete network splitting (the network with the Internet traffic and confidential data networks). At the moment, works are carried out to move services requiring connection to the Internet on the site of the National Information Technologies JSC under the contract for the provision of Collocation services. Server for CAPI Information System has already been transferred. The DNS-server for the stat.gov.kz domain is currently being set up. Upon completion of the set up, test switching to new networking equipment can be performed. If switching is successful, it would then be considered that the modernization of networking infrastructure of the central office is completed.

Notes on further planning

It is planned to update the main network and server hardware of the CS territorial bodies in 2015.

In this regard, data sheets for the mentioned equipment were prepared and sent for review/reconciliation.
Component C
Improvement of human resources

Overview – State of implementation of component C

- C1: 3
- C2: 5, 2
- C3: 23, 5
- C4: 1

Legend:
- Green: implemented
- Blue: remaining
C1/4  Human resources management

Implemented activities

There were no missions or study visits in this sub-component during the reporting period.

Status of implementation of recommendations from project activities

1) Based on the recommendation provided by Mr. Petteri Baer during the mission held in September 2013, English language training courses started in the ARKS on June 16, 2014.

2) Following Mr. Baer’s recommendation to take measures on training the trainers, the training “Presentation, facilitation and consultation skills for statistical trainers” was carried out in December 2013. Eighteen specialists from the ARKS took part in the training. To increase the momentum from the training course, Mr. Denis Greer and Mr. Duncan Miles recommended repeating the course for another group of specialists and holding advanced course for those who have already completed the recent course. Eighteen (18) specialists took part in the training that was carried out in September 2014.

3) In December 2014, 20 specialists of the Committee took training courses on the theme “Theory of Statistics”

   In June 2015, the training “Change Management and Strategic Leadership” was carried out for 15 heads of the Divisions.

   The training is continued on September 28-30.

   The Training program for newly hired employees was approved on June 29, 2015.

   Statistics Master’s Program was launched in the Academy of Public Administration under the President of the Republic of Kazakhstan in September 2015.

Notes on further planning

1) Based on the recommendation to develop the measures for training the trainers provided by Mr. Petteri Baer upon completion of the consultation mission held in December 2013, two training sessions were carried out in December 2013 and September 2014.

2) With regard to initiation of the statistical training programs for the third-party companies, the ARKS has sent a letter to the Regional training centers under the Academy of Public Administration concerning the delivery of training for the staff of the local authorities in the field of statistical legislation.


4) Pursuant to Order by the Agency of the Republic of Kazakhstan for Civil Service Affairs No. 06-7/148 dated October 18, 2013, mentoring activities were organized.
## Implemented activities

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Activity/Topic</th>
<th>Date</th>
<th>Expert</th>
</tr>
</thead>
<tbody>
<tr>
<td>C2-KAZ-6</td>
<td>Inspiring Leadership in a period of changes</td>
<td>29.06.2015 - 01.07.2015</td>
<td>Denis Greer, Duncan Miles</td>
</tr>
<tr>
<td>C2-KAZ-7</td>
<td>Change management and strategic leadership</td>
<td>28.09.15 - 30.09.2015</td>
<td>Denis Greer, Duncan Miles</td>
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<tr>
<td>C3-SV-18</td>
<td>Regional workshop on National accounts and balance of payments in Istanbul</td>
<td>06.05.2015 - 08.05.2015</td>
<td>Workshop</td>
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<td>C3-SV-19</td>
<td>UNECE Migration Statistics Workshop in Minsk</td>
<td>28.05.2015 - 29.05.2015</td>
<td>Workshop</td>
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<tr>
<td>C3-SV-20</td>
<td>5th session of the OIC-Statistical Commission in Ankara</td>
<td>12.05.2015 - 14.05.2015</td>
<td>Conference</td>
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<tr>
<td>C3-SV-21</td>
<td>63rd plenary session of the Conference of European Statisticians in Luxembourg</td>
<td>15.06.2015 - 17.06.2015</td>
<td>Conference</td>
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<tr>
<td>C3-SV-22</td>
<td>24rd Meeting of the Wiesbaden group on Business registers in Brussels</td>
<td>06.07.2015 - 10.07.2015</td>
<td>Conference</td>
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<tr>
<td>C3-SV-23</td>
<td>UNECE - Workshop on Water Statistics and Water Indicators/10th session of the Joint Task Force on Environmental Indicators in Geneva</td>
<td>11.05.2015 - 13.05.2015</td>
<td>Workshop</td>
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<tr>
<td>C3-SV-24</td>
<td>Workshop on Child Disability Measurement in Geneva</td>
<td>06.07.2015 - 10.07.2015</td>
<td>Workshop</td>
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<tr>
<td>C3-SV-25</td>
<td>Challenges of labor market indicators and labor migration during population censuses and labor force surveys in Bishkek</td>
<td>03.08.2015 - 07.08.2015</td>
<td>Workshop</td>
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<tr>
<td>C3-SV-27</td>
<td>Training course on the program &quot;Demographic prediction&quot; in St. Petersburg</td>
<td>14.09.2015 - 23.09.2015</td>
<td>Workshop</td>
</tr>
</tbody>
</table>

## Findings and results

A **Training Course (C2-KAZ-6)** on “Inspirational Leadership through Periods of Change” has been conducted in June/July 2015 in Astana by two experts.

This training course was the first of a series of three designed to address a number of specific Leadership and Managerial issues and challenges identified during the earlier project programs. The main course objectives were to provide participants with an opportunity to: develop strategies to help address current and future leadership and managerial challenges that they face; develop managerial and leadership skills with a greater focus on performance related implementation within Committee for Statistics; enhance internal and external communication, team working and relationships with all client groups; enhance their ability to anticipate and respond to the changing environment as it affects them and those around them;
increase self-awareness of their impact on statistician and non-statistician client groups and enhance confidence in exercising leadership behaviours in the above context; and to develop a network of support. Prior to the start of the training programme, the participants were asked to identify specific workplace managerial and leadership challenges that they are facing in the workplace. These were then used as a focus for discussion and during the various input sessions throughout the course.

**Recommendations and next steps**

This was the first time that many of the participants had been exposed to this type of course content and to the training processes used throughout the course. There was a considerable amount of learning that took place and participants considered and identified various actions that they could implement back in the workplace. For that to happen it is important that they have support from colleagues, peers group members, managers and HR. Internal or external support might also be considered in terms of a future facilitated recall of the group to look at implementation issues and on-going challenges. We will provide a process as part of the second course in September that will address implementation successes and blockages.

We would usually expect a post event questionnaire to be sent to participants 3-6 months after the course to evaluate the impact of the training at levels 2-4 of Kirkpartick’s evaluation model. We will undertake this review/evaluation process in September.

**Trainers’ Recommendations**

- It is important to ensure on-going support and challenge is provided to those who have undertaken the training. This can take many forms from HR and line management support through to peer support and recall groups to discuss learning implementation and on-going challenges (possible ‘fly on the wall’ style developmental activities).

- Whilst there is now a cadre of people within the Committee on Statistics who have been exposed to a range of common experiences and learning, focused on management and leadership, it is essential to create a critical mass to maintain momentum. Ideally participants will be able to cascade the ideas and learning from the course to others within their work teams. This process might need to be supported internally through HR or externally. If required we can offer processes to facilitate this cascade of learning during the course in September.

- During the training sessions a number of the participants said that they had found the inputs insightful and interesting. It might therefore be useful to introduce and support a range of informal information sharing seminars between business areas about good management and leadership practice. This would provide participants an opportunity to promote their business areas; and to practice and help to share examples of good practice and new ideas across business areas. It is important that any such initiative be informal and supported by HR. For example, a series of lunch time seminars could be provided by participants talking about how various managerial and leadership approaches have reduced staff turnover; increased sharing of ideas; improved performance through feedback etc.
• There has been and still is a considerable turnover of staff possibly brought about through uncertainty around the reorganisation; a lack of opportunities/training; and low motivation through some of the existing cultural and managerial / leadership styles and norms. As with all organisations, change of processes, skills and culture take time. It is important that any new approaches are role modeled throughout the office and that any changes are seen as non-optional. Further inputs on change management in September will help provide the knowledge and skills required to ensure change is communicated effectively, owned and understood by those involved.

• A number of opportunities for cross functional working and ideas sharing were identified during the course. Such an approach could be further enhanced by the creation of a clear and visible set of organisational and business area ‘vision and values’. These would need to be created, owned, understood and acted upon throughout the Committee on Statistics. We will explore these areas in more detail during the September course.

• At one stage we were invited to recommend one or two participants from the earlier ‘Presentational, facilitation and consultation skills for Statisticians’ course, who might be suitable to provide training for new members of staff. We suggested that a suitable approach might be to invite previous participants to apply for such work and to ask them to present their reasons, including their strengths, to a panel of HR members who can then choose the best applicant. Applicants need to be made aware of the benefits of undertaking such work. If it is perceived as something that they have to do in addition to their usual day jobs then there may be little incentive for them to apply. Highlighting what the personal benefits / incentives might be for undertaking such a function may ensure a healthier number of potential applicants.

A further Training Course (C2-KAZ-7) on the topic “Change management and strategic leadership” has been conducted in September 2015 in Astana by two experts.

This training course was the second in a series of three designed to address a number of specific Leadership and Managerial issues and challenges identified during the earlier project programmes undertaken by Petteri Baer, Duncan Miles and Denis Greer. The course was designed to allow participants the opportunity to:

- Create a mission, vision and values statement for their business
- Plan an effective implementation strategy for their mission, vision, values
- Identify key organizational barriers and challenges to success (achievement of Kazstat vision) and ways of over-coming them
- Design an effective communications strategy to cascade their mission, vision, values
- Identify their attitudes and current effectiveness in supporting and challenging their people
- Manage anxious and difficult situations more effectively
- The course appears to have achieved its main aims and objectives. In addition to the written objectives there was an unwritten one to review learning since the previous
course and to explore implementation of learning successes and blockages. Following earlier feedback the course was designed to allow plenty of opportunity for group discussion and exercises. It was also designed to explore a wide range of topics, tools and techniques to allow for efficient methods of HR management, which help to achieve good results in staff motivation, engagement and performance. The challenges and risks associated with the use of these tools and techniques and approaches were also explored.

Trainers’ Recommendations

☐ It is important to ensure on-going support and challenge is provided to those who have undertaken the training. This can take many forms from HR and line management support through to peer support and recall groups to discuss learning implementation and on-going challenges. It would be good to ask participants to report back on the actions that they have taken since attending both of the courses and for them to comment upon the impact of those actions in terms of output and performance.

☐ Whilst there is now a cadre of people within the Committee on Statistics who have been exposed to a range of common experiences and learning, focused on change, management and leadership, it is essential to create a critical mass to maintain momentum. Ideally participants will already have cascaded the ideas and learning from the course to others within their work teams. We have one further course scheduled for 2016 and it might be an opportunity to cascade some of the inputs learning and frameworks to the participants’ deputies or to other ‘key players’ within the office.

☐ There has been and still is a considerable turnover of staff. Exit interviews, if not already used, could be undertaken to identify comprehensive reasons for that turnover. These could be used to identify key factors causing the turnover and help people develop strategies to reduce the turnover. As with all organizations, change of processes, skills and culture take time. It is important that any new approaches are role modeled throughout the office and that any changes are seen as non-optional.

☐ We need to agree dates and course content for the final course due to take place in 2016. If the next course is to target the existing group of participants then we will need to seek their input in terms of course content. There are a number of input sessions that could be included under the original planned course title ‘Leadership through periods of change and modernization within an Analytical Organization’, however, we want to minimize any overlaps and maximize the learning opportunities.

Study Visits

CS experts participated during the reporting period further in the “Regional Workshop on National Accounts and Balance of Payments” (C3-SV-18) in May 2015 in Istanbul, in the UNECE “Migration Statistics Workshop” (C3-SV-19) in May 2015 in Minsk, in the 5th session of the OIC-Statistical Commission (C3-SV-20) in May 2015, in the 63rd plenary session of the Conference of European Statisticians (C3-SV-21) in June 2015 in Luxemburg, in the 24th Meeting of the Wiesbaden Group on Business Registers (C3-SV-22) in July
2015 in Brussels, in the UNECE “Workshop on Water Statistics and Water Indicators” (C3-SV-23) in May 2015 in Geneva, in the “Workshop on Child Disability Measurement” (C3-SV-24) in July 2015, in a meeting on “Challenges of labour market indicators and labour migration during population censuses and labour force surveys” (C3-SV-25) in August 2015, and in a Training Course on the topic “Demographic prediction” (C3-SV-27) in September 2015 in St. Petersburg. Apart from C3-SV-24 the reports are not yet available.

C3-SV-18

Status of implementation of recommendations from project activities

The Division of Registers is updating the statistical business register in terms of assigning codes of the Classification of Economy Sectors.

Notes on further planning

In order to update the business register in terms of assigning codes of the Classification of Economy Sectors, the Division of National Accounts is planning to request a list of legal entities from the Ministry of Finance of the Republic of Kazakhstan (MoF) with a breakdown by level of the budget and administrator of budget programs financed by the state budget.

Together with the National Bank of Kazakhstan (NBK) it is planned to update the codes of the Classification of Economy Sectors on financial sector entities/organizations. In addition, it will be necessary to verify the Classification of Subsidiaries of the NBK.
C3-SV-19

Status of implementation of recommendations from project activities

Based on the results of the activity, recommendations were prepared for the participating countries on producing mirror migration statistics and conducting comparative analysis of population migration between countries. To date, the Committee has conducted a comparative analysis of statistical data on migration (external migration) between Kazakhstan and Russia, and revealed inconsistencies in the number of arrivals from Kazakhstan to Russia for permanent residence and vice versa. Moreover, it should be noted that issues of migration accounting fall within the authority of statistical body and some other concerned bodies, including the Ministry of Internal Affairs of the Republic of Kazakhstan, so in the future it is planned to strengthen the interaction with state bodies on this issue.

Notes on further planning

The knowledge acquired will be used to improve the methods of measuring migration in the country and prepare methodological guidelines for collecting migration statistics in 2016.

C3-SV-24

CS experts participated in the “Workshop on Child Disability Measurement” (C3-SV-24) in July 2015. The aim of the workshop was to strengthen countries' capacities for child disability data collection, data analysis, data use and data dissemination using methods that are different in comparability across countries and groups of disability. UNICEF and Washington Group on Disability Statistics have been developed a package of training activities in the field of measuring child disability.

The activity's program has been very informative, discussion of disability's definition, planning and selection of toolkit for data collection as well as improvement of coordination between different institutions at national level have been actively conducted. Much useful information from the developed countries' experience about work done and problems arisen in the fields reviewed has been acquired. Totally, the presentation material provided and information collected will be useful for further work on development of child disability statistics.

In perspective, it is necessary to study a new survey module on child functioning and disability developed by UNICEF and WG on Disability Statistics for use in surveys and censuses. The module reflects current thinking around disability and can produce internationally comparable data.
Status of implementation of recommendations from project activities

This activity made it possible to discuss the survey module on child functioning and disability that has been designed by UNICEF and the Washington Group on Disability Statistics. The survey covers children aged 2-17 years and assesses restriction of activities in speech and language, hearing, vision, learning, mobility and motor skills, emotions and behavior.

The other countries’ experience in conducting surveys on disability in general gives the opportunity to revise and implement new approaches to conducting disability surveys.

Methods of analyzing disability statistics are used by the Committee to prepare the draft Final Report on Sample Survey on Quality of Life of Persons with Disabilities by Gender which was carried out by the Committee in 2014. Based on the results of this activity, the specialists of the Committee consider output data by type of locality, gender, disability group, type of restriction, age, etc.

Notes on further planning

In the future, it is planned to consider the possibility of using a new survey module designed by UNICEF and the Washington Group on Disability Statistics in surveys and censuses. This module reflects the modern vision of disability problems in the light of the social model and will help to collect comparable data at the international level.

C3-SV-25

Status of implementation of recommendations from project activities

Based on the results of this activity, recommendations were prepared for improving statistical accounting of migration. The Division is currently analyzing the completeness and quality of the formulated indicators and preparing draft terms of reference for the improvement of the local software package “Migration” to ensure the quality in data entering and processing.

Notes on further planning

The knowledge acquired will be used to improve methods of measuring migration in the country, prepare methodological guidelines for collecting migration statistics in 2016 and design a toolkit for Census 2020.
Addition to report No 4 (report was not available before):

A Study Visit (C3-SV-1) of CS experts on “Best international techniques of improvement of professional skills” has been carried out in April 2015 to the German federal statistical office Destatis.

Activity aim was to design and develop a continuous training system: training, retraining and advanced training of the Committee’s staff in accordance with international methodologies and best practices.

Objectives:

1. Obtain recommendations regarding the elaboration of a training and skill improvement system for the staff of the Committee and territorial authorities.

2. Obtain recommendations to determine the estimated need for Committee’s staff skills improvement.

3. Provide assistance in designing and introducing a skill improvement strategy.

4. Elaborate recommendations to strengthen activities performed by HR Unit in the area of staff skills improvement.

As part of the Study visit staff of the Committee and territorial authorities was familiarized with the following aspects based on Federal Statistical Office’s (FSO) experience:

1. Internal organizational structure of FSO.

2. Organizational process for training and skills improvement in FSO (internal and external workshops).

3. Theoretical and practical basics on introduction of new methods for staff management, training and skills improvement.

4. Presentation of existing methods for staff development in FSO, staff development concept.

5. E-Learning system – a new system for skills improvement management.

6. Planning, organizing, and performing the skills improvement process via GemFo program.

7. Dual system of vocational education in Germany.

8. Training and skills improvement system for civil servants in the Federal Academy of Public Administration (FAPA) in Germany.
9. European Statistical Training Program (ESTP).

**Proposals on Study Visit Outcomes**

1. Continue work on mentorship within the Committee with application of FSO practices to attract mentors from other divisions.

2. Staff recruited has only basic knowledge, but not in-depth knowledge in the field of statistics. With this regard it is proposed to organize and carry out internal training according to the approved plan.

3. The TOR regarding a potential expert mission C2-KAZ-4 (or another study visit) should be adjusted based on the results of the study visit and transmitted to Consortium.
Component D
Improvement of statistical infrastructure, standards and methodology

Overview – State of implementation of component D
### Implemented activities

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Activity/Topic</th>
<th>Date</th>
<th>Expert</th>
</tr>
</thead>
<tbody>
<tr>
<td>D1-KAZ-4/5</td>
<td>Developing procedures for updating business register</td>
<td>27.07.2015 - 31.07.2015</td>
<td>Mustafa Arda Yılmaz, Can Dogan, TurkStat</td>
</tr>
</tbody>
</table>

### Findings and results

A **Consulting mission (D1-KAZ-4/5)** on the topic “Developing procedures for more efficient updating of the business register” has been carried out in July 2015 by two experts from the Turkish statistical institute TurkStat.

The aim of the mission was to improve the quality of the information contained in the statistical business register (SBR) to produce high-quality statistical information and use it for statistical purposes besides generating the necessary statistical units as KAU, LKAU and Enterprise Groups in Kazakh Business Registers. Moreover, the methodological guidelines of Kazakh Business Registers were evaluated by Turkish experts. The mission’s objective is to provide methodological and practical assistance to update the current methodological provisions, improve the mechanism of interaction between the SBR and administrative sources, and improve the statistical infrastructure through the application of international methodologies and data quality standards.

The results of the mission are summarized in the following:

- Turkish SBR system was illustrated and SBR studies carried out in Turkey were clarified,
- Information regarding general overview of modules in SBR software was gained,
- The process of data flowing between the administrative bodies and national business registers was comprehended,
- How records are received from other sources and how they are integrated with SBR tables were comprehended,
- Updating methods of business surveys into Business Registers data were examined,
- Recommendations on the current interaction between the SBR of the Agency of Statistics of the Republic of Kazakhstan and the administrative sources were given,
- Practical recommendations on developing and improving the methodology for updating the information using administrative data were granted,
- Practical recommendations on developing new procedures for updating the statistical business register based on the information provided by the tax authorities were illuminated,
• Assistance in preparing effective proposals to improve the current rules that regulate the procedure of using administrative data, and use the administrative accounting data in accordance with the world practice, including proposals regarding the missing indicators, and use administrative accounting data for this purpose were provided,

• Recommendations on how to create appropriate conditions to ensure integration with other government bodies’ information systems for statistical purposes were supplied,

• The information on business demography methodology was explicated,

• Recommendations with regard to creating links between enterprises and local units, local units and local kind-of-activity units, respectively were provided and exercised,

• Regarding KAU and LKAU, the practical recommendations were given by exercises and illustrations,

• The methodological guidelines by Kazakh experts were examined and discussed with respect to its standards and performance for providing user needs,

• The methodological guidelines by Kazakh experts were recommended to get improved,

• How to decide nationality, group head, share/control links and relationships etc. of EGs were mentioned theoretically and illustrated with concrete examples and exercises.

It was good to observe that Kazakh BR has already started with international standards and norms in terms of statistical units’ definition and their variables. Moreover, for these guidelines, current recommendations were stated:

• As enterprise groups are started to be composed in BR, first methodological guideline which is maintaining of statistical business registers will be updated with the process of enterprise group methods.

• Since the second guideline which is about updating of BR System was not in English language, it was recommended to have an English version in future.

• For the second guideline, the process of how to apply demographic continuity rules to statistical units could be illuminated in it.

• International guidelines written by Eurostat or other statistical authorities were recommended to be followed at least in their Russian versions.

• In order to enhance the know-how potential of BR team, it was recommended to send BR staff to the trainings, internships etc. to the Eurostat or other MS where possible.

• Independently from the determined objective of mission, it was also agreed that Kazakh BR team can develop a quality report for its product.
Status of implementation of recommendations from project activities

Upon the activity's results and based on the international experts' proposals:
by end of 2015, it is planned to complete improvement of the Methodological recommenda-
tions for maintaining of the SBR where a new chapter designed for statistical units "enter-
prise groups" will be composed in;
Procedure for information interaction with the Ministry of Finance of the Republic of Kazakh-
stan to obtain additional data by subjects of individual entrepreneurship and legal entities is
being updated.

Notes on further planning

The international experts' experience in maintaining of the SBR will be taken into account in
future when improving the SBR both methodologically and technically.
D2 Statistical population register

Implemented activities

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Activity/Topic</th>
<th>Date</th>
<th>Expert</th>
</tr>
</thead>
<tbody>
<tr>
<td>D2-SV-5/ F16c-SV-4</td>
<td>Statistical population register, study visit to Oslo and Kongsvinger</td>
<td>24.08.15 - 28.08.15</td>
<td>Kare Vassenden, Statistics Norway</td>
</tr>
<tr>
<td>D2-SV-6/ F16c-SV-5</td>
<td>Population census, study visit to Sofia and Varna</td>
<td>01.06.2015 - 05.06.2015</td>
<td>Magdalena Kostova, NSI Bulgaria</td>
</tr>
</tbody>
</table>

For the results of the study visits see F16c.

Status of implementation of recommendations from project activities

The following results have been obtained during the activities held under the Strengthening the National Statistical System of the Republic of Kazakhstan Project (KAZSTAT):

Methodological Guidelines for Maintaining the SBR) have been developed (No. 98 dated April 25, 2012);

Rules for Interaction of SBR IS with Administrative Sources (the Ministry of Justice (MJ RK), the Ministry of Internal Affairs (MIA RK), the Ministry of Education and Science (MES RK), the Ministry of Healthcare and Social Development (MHSD RK), the National Security Committee (NSC RK) of the Republic of Kazakhstan) have been signed;

Structure of the SBR register base and types of units (person, family, household) have been identified, chapters of terms of reference for development of SBR IS have been prepared;

Links between units, units and events, between statistical registers have been identified;

"Methodological Recommendations for Maintaining the Statistical Population Register" have been developed and improved (No. 10 dated December 9, 2013);

Draft tables based on the SBR by number of births, deaths, marriages and divorces have been compiled;

Monthly, administrative sources data are analyzed on comparability of e-data number by all the events with the current soft statistical information, changes are identified and controls are entered;

To identify reference data the handbooks of administrative sources and statistics have been reviewed, the transition keys by handbook have been developed;

New Procedure for Information Interaction of Information Systems of the Ministry of Education and Science of the Republic of Kazakhstan with the CS Integrated Information System "e-Statistics" has been developed and approved in order to transfer additional attributes from
MES IS to SBR IS, namely by graduates from vocational and technical colleges, higher educational institutes, "Bolashak" program (Order No. 628 dated September 2, 2015);

Terms of Reference for uploading the information from MES RK to SBR IS have been prepared;

Rules for Interaction with MIA RK to acquire additional data on population migration namely on foreigners have been reviewed (Order No. 629 dated September 2, 2015);

Terms of Reference for uploading the information from MIA RK to SBR IS have been prepared;

Maintaining of the SBR in Statistics Norway and "Demography" IS of NSI Bulgaria has been studied; the reports with proposals for subject-matter divisions have been prepared.

Totally, under Subcomponent D 2 "Improvement of the Statistical Population Register" after studying international experience in maintaining of the SBR under the Strengthening the National Statistical System of the Republic of Kazakhstan Project (KAZSTAT), the training workshops have been held in accordance to the Plan of workshops for territorial statistical bodies and 16 CS MNE, 32 SM Divisions and 4 IIS RSE employees have been trained.

Notes on further planning

It is scheduled to get the Finnish experts' consultations in October 2015, and upon the activities studied, develop the "Methodological Recommendations for Updating Information in the SBR Using Administrative Data" in 2016.
D3 Statistical register of housing stock

Implemented activities

There were no missions or study visits in this sub-component during the reporting period.

Status of implementation of recommendations from project activities and notes on further planning

The following results were obtained during the activities held under the Strengthening the National Statistical System of the Republic of Kazakhstan Project (KAZSTAT):

1. A new procedure have been established for information exchange between the National Database ‘Real Estate Register’ maintained by the Ministry of Justice of the Republic of Kazakhstan and the Information System ‘Statistical Housing Stock Register’ which is the component of the integrated e-Statistics IIS.

2. Online interaction was implemented between the National Database ‘Real Estate Register’ maintained by the Ministry of Justice of the Republic of Kazakhstan and the Information System ‘Statistical Housing Stock Register’, which is the component of the e-Statistics IIS.

3. Additional output tables have been prepared for a new indicator ‘Wall Materials’ of the Annual Bulletin “On Housing Stock”.

4. Methodological Guidelines for Maintaining Statistical Housing Stock Register (SHSR) have been improved (No.11 dated December 31, 2014).

5. Based on recommendation provided by the international experts in 2015, new attributes “empty or under abeyance” have been added into bulletins of house/apartments situation.

6. Based on recommendation provided by the international experts in 2015, terms of reference have been approved for updating the SHSR data on the number of households and the number of persons living in them using the household sample surveys T-001 and Д-002.

7. Guidelines for Downloading Data from the Employment Sample Survey T-001 into the SHSR IS have been approved and sent to the territorial agencies (June 2015).

8. The data from the 2014 household sample surveys T-001 and Д-002 on the number of households and the number of persons living in them has been loaded into the SHSR IS.

9. Based on the guidelines prepared, data on the number of households and the number of persons living in them (T-001) has being loaded into the SHSR IS since July 2015 at the territorial level.

10. Additional attributes for individual houses and residential premises (apartments) have been designed for the output tables of the Annual Bulletin “On Housing Stock”.

After studying the international experience under the KAZSTAT Project, the training workshops have been conducted according to the Plan of workshops for the regional sta-
stitial offices on maintaining and updating the Housing Stock Register. The total number of persons trained: 16 specialists of the Committee for Statistics, 32 specialists of the Oblast Departments of Statistics, 3 specialists of the Information and Computing Center.
Implement activities

There were no missions or study visits in this sub-component during the reporting period.

Status of implementation of recommendations from project activities

Activities held under the Strengthening the National Statistical System of the Republic of Kazakhstan Project (KZSTAT) made it possible to improve methodological documents and Rules of information exchange with administrative sources:

Methodical Guidelines for Maintaining Statistical Agricultural Register No.9 dated December 30, 2014 have been improved. A new section was included to describe the SAR statistical units; the transition to a single identification code of the entities (Individual Identification Number and Business Identification Number) took place; editorial changes have been made in accordance with the current legislation of the Republic of Kazakhstan;

A new procedure have been established to regulate information exchange between the Committee for Statistics under the Ministry of National Economy of the Republic of Kazakhstan and the Committee for Construction, Housing, Utilities and Land Resources Management the Ministry of National Economy of the Republic of Kazakhstan in terms of obtaining information about the agricultural lands (December 2014);

Electronic Household Accounting Books have been introduced in rural akimats instead of the hard copies of Household Accounting Books. This was made to improve the quality of agricultural statistics and reduce burden on rural akims when completing Household Accounting Books and producing output data.

Notes on further planning

A new Statistical Agricultural Register Information System is being implemented under the e-Statistics IIS.

The Procedure for Information Exchange with the Ministry of Agriculture of the Republic of Kazakhstan is being revised to obtain data on livestock population by entity.

All the above activities are very useful for further development of the Statistical Agricultural Register maintained by the Committee for Statistics.

The foreign countries’ experience in SAR maintaining will be considered in further improvement of the SAR.
D5  Development of the system of classifications and standards

Implemented activities

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<tr>
<th>Action Code</th>
<th>Activity/Topic</th>
<th>Date</th>
<th>Expert</th>
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</thead>
<tbody>
<tr>
<td>D5-KAZ-4</td>
<td>Improving the methodology for maintaining classifications and standards</td>
<td>01.06.2015 - 05.06.2015</td>
<td>Madeleine Fuger, INSEE</td>
</tr>
</tbody>
</table>

Findings and results

A Consulting mission (D5-KAZ-4) on the topic “Development of Classifications and Standards” has been carried out in June 2015 by an expert from the French statistical office INSEE.

The project e-stat was launched in 2011 by the government of Kazakhstan in order to renew the statistical system of Kazakhstan. According to these requirements of building an up to date statistical system, the Information and Computing Centre developed an IT system known as CLASS for the management of all statistical classifications in force in the Committee for Statistics. All staff members from the Committee for Statistics in Astana have access to the CLASS system so that it ensures harmonised dissemination and use of the valid version of each classification.

The purpose of the visit was double:
- study the classifications and their methodology as they are in France, in order to improve the knowledge of each participants in the field of classification management (from drafting a new classification up to its implementation in the statistical system),
- provide recommendations on improving the “Classification and Standards” information system.

Conclusions

The classification system which has been set up presents very sound aspects in respect to the classifications themselves and also in respect to the IT system. The will to stick to international standards regarding classifications is clearly visible and results either in the classifications themselves (description, structure and content) or in the methodology which is applied (consultation and approval process, implementation plans and dissemination).

This can also be seen in the CLASS system for the management of the various classifications and their different versions. Its use among the Committee for Statistics shows the strong commitment to harmonised and shared use of common tools for statisticians. The CLASS system is a rather recent tool and has not yet experienced more sophisticated changes. Amending the CLASS system with new features allowing new tasks such as introduction of multiple splits, combination of items or automation of development of transition keys is a very challenging goal. To meet success, it is absolutely necessary that IT special-
ists and classification experts work together: amending the CLASS system is not only a computing specialist matter as concepts and principles underlying classifications are part of the issue. The stated goal to amend the CLASS system can be seen as part of a broader outlook and reminds of initiatives promoting dissemination and sharing of statistical data and metadata and leads to links with SDMX experiments.

**Recommendations and next steps**

I would like to stress on two main issues: keeping up with international standards and improving the current management system.

Keeping up with international standards. In order not to lessen the strength of the achieved system and to maintain relevance of the classifications, it is necessary to be aware of all the recent development in classifications, to monitor international and European progress. Kazakhstan having reached sound understanding in the field of classifications could be the driving force in the region. Building an effective network on classifications would both allow improvement on classification knowledge and also bring more efficient answers to translation issues as all Russian speaking countries face the same language issue. A way to work toward this goal could be done through workshops gathering countries of the region or from the Eurasian Economic Union or even other participants. These meeting could be done with the support of an EU member state and/or a representative of the classification team of Eurostat.

Improving the “Classifications and Standards” information system needs further studies to be carried out. Switzerland has a very sound knowledge on linking classifications, metadata and data dissemination, it is also a leading country in the SDMX domain. It would be very useful if a study visit involving both classification and IT experts could be organised within the Swiss Federal Office. Enhancing standards being part of the twinning project, it would probably be advantageous to associate to this project metadata and SDMX experts. To make the study visit more profitable, it could focus only on the maintenance of one classification: in my view the activity classification would be the best candidate. The study visit should allow to know how the Swiss colleagues manage their national version of NACE (it is the NOGA), how they elaborate correspondence tables and transition keys and how far this process is automated. In case the process is not automated, it could help to know the reasons preventing automation. From a broader point of view, it would also be worth to get familiar with the contribution of SDMX to classification management so that it may be an opportunity for the automation of building transition keys.

**Status of implementation of recommendations from project activities**

Destatis is currently negotiating with Statistics Sweden on holding the study visit in November - December 2015.
Notes for further planning

To make decisions based on the results of the planned SV.
D6 Development of statistical toolkit system

Implemented activities

There were no missions or study visits in this sub-component during the reporting period.

Status of implementation of recommendations from project activities

Currently, the Division is making amendments and supplements into the Rules for Approving Statistical Forms to carry out nation-wide and agency-level statistical surveys, prepare completion guidelines in terms of designing a form and describing it in the metadata system. Guidelines to assign indices to statistical forms are being designed as well based on the Czech Statistical Office. In addition, the Division of Classifications and Information Technologies is updating the Rules to produce metadata of the Committee for Statistics and designing a matrix of interaction between IIS “E-Statistics” information systems.

Notes on further planning

The consultation mission “Preparing Guidelines on the Statistical Toolkit Design” by Ms. Brchanova (Czech Republic) has been scheduled for October this year.
D7  Improving the quality and methods of conducting sample surveys

Implemented activities

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Activity/Topic</th>
<th>Date</th>
<th>Expert</th>
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</thead>
<tbody>
<tr>
<td>D7-SV-2/</td>
<td>Theory and practice forming a sample of households, study</td>
<td>14.09.15 - 18.09.15</td>
<td>Kai Lorentz, Destatis</td>
</tr>
<tr>
<td>F18-SV-5</td>
<td>visit to Wiesbaden and Bremen</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D7-SV-4</td>
<td>R workshop, study visit to</td>
<td>18.05.2015 - 22.05.2015</td>
<td>Sven Schmiedel, Destatis</td>
</tr>
</tbody>
</table>

Findings and results

A **Study Visit (D7-SV-4)** of CS experts on the topic "Studying and Introducing Multivariate Sample Method in R-Studio" has been carried out in May 2015 to the German federal statistical office Destatis.

The aims set have been achieved during the study visit. The multivariate sample method in R-Studio to carry out a sample survey in agriculture in the following areas has been implemented and automated:

- The process of selecting sampled surveyed units by using the multivariate sample method in R-studio software for the agriculture has been implemented and automated;
- The process of estimating basic characteristics of the general and sampled population for agriculture using R-studio (expanded sum, ratio adjustment, weighted mean, mean of positives, minimum of positives, maximum of positives) has been implemented and automated;
- The process of determining the required representative size of the sample in R-software based on descriptive statistics has been implemented and automated;
- The process of comparing the equivalence of estimations of basic characteristics of the general and sampled population in the R-software with the results in STATISTICA program for agriculture has been implemented according to work outcomes;
- Training and studying program codes for individual programming of the sample design in R-software has been carried out;
- And other additional functions of the R-software in accordance with the methodologies for agriculture sample design have been studied.

For the results of the study visit D7-SV-2 see F16c.
Status of implementation of recommendations from project activities and notes on further planning

The following results were obtained during the D7-SV-4 activities held under the Strengthening the National Statistical System of the Republic of Kazakhstan Project (KAZSTAT): successful designing and testing of a sample to be used to survey peasant and farming enterprises engaged in crop production; software codes designed using the R program work automatically; successful automation of multidimensional sampling for agricultural surveys using the R software.
D8  Formation of time series and seasonal adjustment methods implementation

Implemented activities

<table>
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<th>Action Code</th>
<th>Activity/Topic</th>
<th>Date</th>
<th>Expert</th>
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<tbody>
<tr>
<td>D8-KAZ-3</td>
<td>Practical training in seasonal adjustment of a number of indicators</td>
<td>22.06.2015 - 26.06.2015</td>
<td>Necmettin Alpay Kocak, TurkStat</td>
</tr>
</tbody>
</table>

Findings and results

A Training Course (D8-KAZ-3) on “International practice of seasonal adjustment and formation of time series” has been conducted in June 2015 in Astana by an expert from the Turkish statistical office.

Statistics committee of Kazakhstan aims to produce seasonal adjusted figures of main economic indicators. This consultancy visit was the first to introduce related staff with basic concept of seasonal adjustment. In the visit, the basic definitions of seasonal adjustment were explained and tools to perform it were introduced. At the end of the mission, the staff became the possibility to practice seasonal adjustment with recommended software.

Conclusions

In this consultancy visit, TRAMO&SEATS method and TRAMO&SEATS for Windows software are recommended for seasonal adjustment of official statistics and the expert started to explain their details. In the next visit the following topics will be discussed.

Recommendations and next steps

- Preparing Kazakhstan calendar effect regressor, re-adjustment for Kazakshtan specific calendar effect
- Preparing the final raw dataset for the production of official seasonal adjusted indicators
- Defining update strategies and revision period
- Quality Assessment of Seasonal Adjustment: Advanced diagnostics
- Direct vs. Indirect Seasonal Adjustment of aggregates
- Relationship among price, volume, and value, temporal consistency with the annual accounts
- Organizing Seasonal Adjustment in the Committee.
**Status of implementation of recommendations from project activities**

An employee of the Division of National Accounts has prepared a file with calendar effects in the format required, and sent it to experts of the Turkish Statistical Office on June 30, 2015.

Staff of the Division of National Accounts is trying to make seasonal adjustment on their own (not considering a calendar effect) in TRAMO&SEATS program in order to reinforce the materials learned and to get practice.

Prior to the upcoming mission, the Division staff will prepare dynamic time series based on the data available to conduct seasonal adjustment procedures.

Besides, works to design the Methodology for Seasonal Adjustment have been started; it is planned to approve it in 2016.

**Notes on further planning**

It is planned to continue the examination of TRAMO&SEATS program, as not all indicators and functions have been considered.

It is planned to draft the Methodology for Seasonal Adjustment and forward it to the expert of the Turkish Statistical Office for approval prior to mission in 2016.

It is planned to carry out seasonal adjustment of SNA indicators independently, and agree upon with the expert. Data will be prepared for publication with consideration of experts’ recommendations.
Findings and results

A Consulting Mission (D9-KAZ-7) on “Estimation of simple and composite indicators of business activities of enterprises” has been conducted in August 2015 in Astana by an expert from the German statistical office Destatis.

The aim of the mission was to give an overview of the international experience of developing leading composite indicators (CLIs). Moreover the expert should give recommendations for the methodology of building a system of leading indicators of business activity. The expert was told at the beginning of the mission that the reference series shall be given by Gross Domestic Product (GDP). The expert explained the situation with respect to CLIs in Germany. Up to date material from the Ifo Institute, Munich, the Centre of European Economic Research (ZEW Mannheim), the Company of Consumption Research (GFK Institute) and the economic business indicators from the Federal Statistical Office (Destatis) were shown and discussed. Also the OECD - CLI for Germany was presented and, following the international literature from the OECD (handbook on constructing composite indicators), several steps (10 steps) to calculate CLIs were discussed. A focus was drawn on the data preparation and the selection process of variables to be included in a CLI. Also an intensive discussion of the several methods that could be used was performed. The relevant working staff at CS showed strong interests in all fields of the discussions. The expert also worked on practical examples with survey data for Kazakhstan. The expert showed examples in a graphical presentation where the Ifo index was sometimes wrong in detecting turning points of the German GDP.

After that the expert collected several data for Kazakhstan from the working staff at CS. A practical example how to manage time series efficiently was performed. All 10 steps from the OECD recommendations in order to achieve new results were shown. All work progress of these practical examples was presented to the working staff. It was shown that with the help of multivariate analysis and the toolkit of several methodological approaches (Correlation- and Regression Analysis) that form international standards for calculating CLIs, especially for the calculation of the weights of the components, the derivation of a first projection of a CLI with the reference series trend adjusted GDP could be managed. The resulting preliminary and narrow CLI showed significant properties to the economic business cycle measured by GDP. It has a statistical lead of one quarter but is by no means suitable as an end product. It can only serve as the outcome of a practical example meant to demonstrate the production process. Further work has to be carried out.
On the last day a step-to-step presentation was given on how to improve the practical example and to make use of the detailed methods. Also basic discussion about seasonal adjustment procedures and theoretical guidelines on this topic were also presented.

**Recommendations and next steps**

1) The published results for the survey variables should be based on an index. This has the advantage that the figure 100 is the balancing line which is due to international standards.

2) It is a precondition for the construction of CLIs to work with econometric software. Therefore it is in the short run recommended that the relevant staff at CS come in touch with it.

3) The questionnaire of the survey statistic is widely organized with respect to the fields of interest. It could be possible to dispense with question No. 6 (concerning the questions what the firms are doing in order to improve their competitiveness). Taken together the questionnaire is completely structured to generate leading information on business activities.

**Status of implementation of recommendations from project activities**

10. The published results on survey variables shall be based on an index. The advantage is that the figure “100” is an equalizing line stipulated by the international standards;

11. A mandatory requirement to build a separate business unit is to work with econometric software. Therefore, it is recommended that CS staff addresses this issue in the short term;

12. A statistical survey questionnaire is widely held with respect to areas of interest. It is possible to exclude the question No. 6 (concerning the questions related to what companies do to improve their competitiveness). In general, the questionnaire is fully structured for the production of basic information on economic activities;

13. Experience in applying econometric software has been acquired;

14. New primary data/test to be included (except the survey results).

15. Competency of the Division of Structural Statistics;

16. The Committee for Statistics has forwarded Technical Specifications to purchase software to the authorized body for approval. Upon completion of all necessary procedures, it is planned to hold a tender for the purchase of software;

17. After the acquisition of the software, it is planned that experts from the Statistics Korea will conduct training. In addition, the staff of the Division of National Accounts will practice working with functions/options that have been studied during the mission;

18. Staff of the Division of National Accounts has started working with the selection of primary data.

**Notes on further planning**
It is planned to select data, prepare dynamic time series, make a regression-correlation analysis; perform works on the construction of a smoothing indicator according to OECD guidelines (10 stages of building a leading indicator).

It is planned to demonstrate the results of the work done to the expert during the next mission as well as continue to study software operation.
Component E
Improvement of users and respondents relations

Overview – State of implementation of component E

[Bar chart showing the state of implementation for components E1, E2, E3, and E4, with the number of implemented and remaining tasks for each component.]
E1  Improving the user relations policy

Implemented activities

<table>
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<tr>
<th>Action Code</th>
<th>Activity/Topic</th>
<th>Date</th>
<th>Expert</th>
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<tr>
<td>E1-KAZ-2/4</td>
<td>Corporate design</td>
<td>02.09.2015 - 08.09.2015</td>
<td>Kerstin Hänsel, Gabriele Bentele, Destatis</td>
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<tr>
<td>E1-KAZ-10</td>
<td>Developing Regional Statistics</td>
<td>01.06.2015 - 05.06.2015</td>
<td>Ulrike Rockmann</td>
</tr>
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</table>

E1-KAZ-2/4

Report is coming to be submitted next month.

Status of implementation of recommendations from project activities

1. It has been adopted and previously agreed with the management to optimize the existing logo of the Committee, reduce the number of fractions/elements in the circle diagram to four, and half the number of rays. The proposed optimization will allow maintaining the current logo, recognizing the government authority, and alongside with that it will reflect the spirit of the times. In particular, it will increase the resolution of the logo in any size and image quality, including the “online” browsing via smart-phones and tablets. It has been offered to leave the right part of the logo more volume, thereby maintaining the focus on the statistical content of the logo.

2. The color palette of the logo elements has been defined in the standards PANTONE, R-G-B, C-M-Y-K, HTML (blue PANTONE 7461C, R-G-B 246-190-0, C-M-Y-K 100-6-2-10, HTML 0086BF; yellow PANTONE 7408C, R-G-B 246-190-0, C-M-Y-K 0-29-100-0, and HTML A6BE00).

3. The font Calibri has been chosen as corporate; this font has been recommended by experts because of the favorable interpretation of numbers and text in any font size, as well as its tightness, which is important in the presentation of volume tables in any font size and format of the publication, but this font shall be used with its size increased a little.

4. The industrial color palette has been determined in standards PANTONE, R-G-B, C-M-Y-K, and HTML.

5. The general initial template of a publication cover has been designed.

6. Experts’ recommendations on technical performance/design of tables and diagrams have been taken into consideration in the process of preparing publications.
Notes on further planning

An additional consultation mission E1-KAZ-7 has been scheduled for April 2016 and local training E1-KAZ-8 for September 2016.

However, in the framework of project management the Committee offered in September 2015 to involve not one expert for the upcoming mission, as it was specified in the Project Implementation Plan, but two experts; as previously involved experts have a different focus: a designer and an expert in the area of disseminating statistical information and working with users. The World Bank representatives have expressed their readiness to satisfy our request.

Upon completion of missions, it is planned to design the “Guidelines for Using the Corporate Style” as well as to improve the “Guidelines for Designing Publications with a Detailed Elaboration of Design Rules (Brand Book) in Order to Maintain a Unified Stylistics Format” and “Standards for Formatting ARKS Newsletters and Express Information”.

Findings and results

A Consulting mission (E1-KAZ-10) on the topic “Developing Regional Statistics" has been carried out in June 2015 by an expert from the German statistical office Destatis.

The aim is to study the international experience in developing regional statistics, get theoretical knowledge and practical recommendations in the field of methodological and practical aspects of developing regional statistics. Development of the regions and efficient use of resources across the country, taking into account the criteria of sustainable development, creates new potential information needs. Social and economic policy of local and central government agencies requires informational support from official statistics.

The mission addressed the topic regional statistics for the first time. It focussed on issues concerning the further development of regional statistics for better public awareness and improving the user-relations policy. Representatives of all regional offices attended the meetings as well as staff from central subject matter units. Regional user needs and the possibilities to cope with them were addressed by the regions representatives. Legal, organisational and financial aspects as well as the related constraints were discussed in comparison to the situation in other countries. Strategies to develop regional profiles and a variety of dissemination formats were considered.

A considerable amount of figures and indicators are already available on regional level and are published in the Internet, but additional regional requirements, for example further disaggregated data, cannot be met. A user-friendly and comprehensive dissemination, including metadata and quality documentation, taking aspects of statistical literacy into account, is currently not given within this publication channel. Concluding, a fundamental decision is necessary, if a regional statistics policy/strategy shall be developed or if the current procedures shall be continued.
Conclusions

A decision has to be taken whether regional statistics should be developed in a way that it is more than making national indicators available on a regional level.

Approach 1: The decision is taken to stick to the current situation.

**Recommendation 1:** In this case it is necessary to adapt the regional indicators to the users needs continuously – either add what is recommended and verified or delete what is not necessary anymore. The necessary actions can be taken during the preparation of the annual programme. The collection of the regional statistics user needs could be included in an annual user survey.

**Recommendation 2:** Also without setting up a special regional statistics policy the calculation of more sophisticated/context-based indicators using already existing data should be focused, especially in the social area.

**Recommendation 3:** User-friendly explanations and metadata have to be integrated in the dissemination platform, since this documentation is currently not available to the general public or is not directly linked to the data.

Approach 2: The decision is taken to develop a concept stratégie for regional statistics.

**Recommendation 1:** The coordination role for the development process must be taken by the central office. A team/group has to be defined which is responsible for the development of a concept strategy/policy for regional statistics including a pilot implementation. This team should include staff of the regional offices.

**Recommendation 2:** The approach towards a concept should be orientated on general regional profiles (comparing regions), special regional profiles (what is special for one region or a cluster of regions), overarching issues (poverty, inequality, …). For each topic a selection and development of indicators is necessary.

**Recommendation 3:** Guidelines for dissemination must be developed. Especially, explanations taking didactical aspects into account focusing on the development of statistical literacy are desirable. Illustrative formats – like info-graphics and inter-active Internet applications should be taken into consideration.

To set up a more flexible regional structure

**Recommendation 4:** All data related to a province should be available on single data level in the regional statistical offices (possibilities of linkage included). By doing this, a precondition is fulfilled that the field of working areas in the regional offices can be widened and a good regional statistical service can be offered.

**Recommendation 5:** The responsible authorities should consider an amendment of the statistical law to make a more flexible user-oriented work possible. Further the law rele-
vant for revenues earned by the statistical authorities should be amended to make the revenues usable within the official statistics budget.

**Status of implementation of recommendations from project activities**

Given the federal structure, the German experience in most cases has turned out to be unacceptable to the state statistical system in Kazakhstan. In addition, it has been decided to consider the topic of regional statistics development with regard to expanding the list of statistical indicators by oblast/raion decided directly with industry international experts in the framework of subject-matter sub-components.

**Notes on Further Planning**

This topic has been excluded from further consideration under the Project.

**E1-SV-1 “Identifying User Groups and User Needs”**

**Status of implementation of recommendations from project activities**

Based on the study visit E1-SV-1 that was already carried out, the “Official Statistics User Directory” has been designed and approved.

**Notes on further planning**

Missions that were provided for by the Project under this topic have been implemented in time.

**E1-KAZ-1/3 User Relations, Including Mass Media and Public Relations**

**Status of implementation of recommendations from project activities**

Based on the results of the consultation mission E1-KAZ-1 and local training E1-KAZ-3, “Guidelines for User Relations, Including Mass Media and Public Relations” have been prepared and approved.

In addition, the following expert's recommendations have been introduced:

- News and press releases are now available at the top of the Committee’s home page;
- A separate section “Press Service” has been created on the Committee’s website;
- A calendar of press releases with specification of release dates is available in the section “Press Service”;
- Press releases are also available with release dates;
- Archives of press releases are available by year and have a search function by date and throughout the text;
- Subheadings “activity announcement” and “briefing materials” have been created;
- Briefing topics cover not only the issue of the overall socio-economic development, now the briefings are theme-based, issues related to demographics, crime, inflation, etc. are considered;
- A link to a more detailed source has been added to summary press releases on the Committee’s website;
- A section “photo and video gallery” has been created on the Committee’s website;
- The call center of the Committee that is to date combined with the press service has been launched in 2015;
- The responsible staff has been chosen in subject-matter divisions and telephone numbers have been determined to switch a call, if necessary;
- A reference note has been designed (requirements for Committee’s call center operators upon contact with users)
- On the basis of the Committee’s call center, the formation of the database of user questions and monitoring of frequently asked questions has been initiated;
- When responding to official and electronic requests by users, all the information requested is provided not depending on the user group; along with that, a source of this information is specified on the Committee’s website, there is also an option to obtain more detailed information (on a sample and database) for a fee;
- Instead of the contact form on the home page of the Committee’s website, the call center’s e-mail is available in addition with an option to send questions and requests via the Chairperson’s blog;

Implementation of other recommendations is possible subject to availability of additional resources, for example, an option to edit texts of press releases by the press service, etc. The available resources are not enough to work intensively with the users, including the mass media.

**Notes on further planning**

Missions that were provided for by the Project under this topic have been implemented in time.
E2 Dissemination and marketing of statistical information

Implemented activities

There were no missions or study visits in this sub-component during the reporting period.

Status of implementation of recommendations from project activities

Based on the results of the missions held under this sub-component in 2013-2014, the "Strategy of Communication and Dissemination of Official Statistics" is being designed; it is planned to complete this document in 2016. According to international expert's recommendations:

“Currently, the strategy of communication and dissemination of the National Statistical Institute (NSI) is based on electronic distribution and structure of the NSI website. Thus, the Sub-component E.2 shall be closely linked to the Subcomponent E4. Improvement of the Web Portal.”

The Division of Information Technologies has been involved to design this document, which is responsible for the implementation of Subcomponent E4. Improvement of the Web Portal.

Besides that, the following expert’s recommendations have been introduced:

- Websites of territorial departments of statistics have been modernized since 2015 in the area of introducing a unified structure;
- All statistical information is published on the website of the Committee, which increases the ability of the Google search to lead users to our website;
- Committee website contains archives of all materials published in previous years;
- Notifications on releasing key statistical publications are posted on the home page of the Committee’s website;
- To introduce the concept of open data, a working group for database de-identification has been established; this working group will also design guidelines for database de-identification;
- A link to a more detailed source has been added to summary press releases on the Committee’s website;
- The call center of the Committee that is to date combined with the press service has been launched in 2015;
- Committee’s call center operators coordinate the process of filling in the website of the Committee and simultaneously interact with the mass media, which allows them to own major information flows;

Implementation of other recommendations is possible subject to availability of additional resources. The available resources are not enough to work intensively with the users, including the mass media.
Notes on further planning

Missions that were provided for by the Project under this topic have been implemented in time.

Based on the activities results, it is planned to design and approve the “Strategy of Communication and Dissemination of Official Statistics”; completion of this document has been scheduled for 2016.
**Respondent relations policy**

**Implemented activities**

There were no missions or study visits in this sub-component during the reporting period.

**Status of implementation of recommendations from project activities**

Based on the consultation mission, experts of the Division of Statistical Activities Planning have presented an office memo on the name of the Committee’s Chairperson for the second time. This memo contained data on the need to introduce this practice in the Committee.

Based on the results, the following has been decided:

1. The Division of Finances and Document Support shall provide room to arrange the operation of the pre-test lab;
2. The Division of Classifications and Information Technologies shall design terms of reference to purchase the equipment required according to knowledge obtained during consultation missions and based on materials previously provided by the Division of Statistical Activities Planning (technical specifications of the equipment);
3. The Division of Finances and Document Support shall provide for (include) the purchase of equipment and software package as well as staff training in the Plan of Public Procurement for 2015 as part of KAZSTAT Project.

However, due to lack of suitable premises in the Committee to equip the pre-test laboratory it was decided to temporarily accommodate the lab at the premises of the Department of Statistics of Astana city.

All documents necessary to design terms of reference to purchase the equipment required have been forwarded to the Division of Classifications and Information Technologies as well. Currently, the Division of Classifications and Information Technologies is agreeing upon the terms of reference to purchase the equipment required with the Informatization and Communications Committee.

Now, premises to open the pre-test lab have been chosen. All documents necessary to design terms of reference to purchase the equipment have been prepared. The equipment purchase has been nearly concurred by the Informatization and Communications Committee.

The concept of the pre-test lab operation has been formulated. Terms of reference were prepared and forwarded to the Division of Classifications and Information Technologies for concurrence on May 25.

It is planned to purchase the equipment for the pre-test lab till the end of October this year and carry out a pilot till the end of 4th quarter of 2015.
Notes on further planning

The Committee for Statistics and DEstatis agreed to conduct a second expert mission in autumn (November-December) of 2015. During this mission, it is expected to exercise control over specific preparatory stages of the first pilot testing in the fourth quarter of 2015. Reports based on the results of this pilot testing, in turn, shall be assessed by DEstatis experts (also via e-mail consultations). It is expected that the experience gained during the implementation of the pilot project will be used as a basis for the second pre-testing scheduled for early 2016. Subsequently, it is recommended to perform an overall self-assessment of the pre-test lab workflow in order to change the final structure of further regular preliminary tests. The self-assessment shall be performed within the Committee for Statistics.

Upon completion of the self-assessment and with consideration of the actual needs and the possible introduction of the gaze direction-tracking device, it might be considered to hold a third expert mission in 2016.
E4 Improving the web-portal

Implemented activities

There were no missions or study visits in this sub-component during the reporting period.

Status of implementation of recommendations from project activities

Completed

The Division of Information Technologies has been involved in the process of designing “Strategy of Communication and Dissemination of Official Statistics”. Together with the Publications and Information dissemination division IT and classifications division was able to implement following expert’s recommendations:

- Websites of territorial departments of statistics have been modernized since 2015 in the area of introducing a unified structure;
- All statistical information is published on the website of the Committee, which increases the ability of the Google search to lead users to our website;
- Committee website contains archives of all materials published in previous years;
- Notifications on releasing key statistical publications are posted on the home page of the Committee’s website;
- To introduce the concept of open data, a working group for database de-identification has been established; this working group will also design guidelines for database de-identification;
- A link to a more detailed source has been added to summary press releases on the Committee’s website;

Achieved improvement of the web-portal of the CS:

• E-statistics online reporting. In 2014 – total # of online reports accounted to 821 619. During 1-3 quarters 2015 it is 531 663, expected figure by the end of the year is 1 000 000 reports submitted online. Number of forms available for online submission - 130 out of 155.

• Number of web-site visitors in January – August 2015 increased by almost 700 000 visitors compared to the same period of 2014.

• 9 regions out of 14 have already launched updated websites with the same format as http://stat.gov.kz/
Component F
Improvement of the methodologies and practices in specific areas of statistics

Overview – State of implementation of component F

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F1 National accounts statistics

Implemented activities

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<td>F1-KAZ-10</td>
<td>Government expenditure</td>
<td>01.06.2015 - 05.06.2015</td>
<td>Pascal Schmidt, Daniel Schmidt, Destatis</td>
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<tr>
<td>F1-KAZ-19</td>
<td>Estimation of GDP by income</td>
<td>17.08.2015 - 21.08.2015</td>
<td>Vladimir Kermiet, Jaroslav Zbranek, CZSO</td>
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<td>F1-KAZ-38</td>
<td>Compilation of the balance of produced assets</td>
<td>13.07.2015 - 17.07.2015</td>
<td>Petr Musil, Martina Nemeckova, CZSO</td>
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<td>F1-KAZ-39</td>
<td>Non-observed economy (NOE)</td>
<td>18.05.2015 - 22.05.2015</td>
<td>Jiri Vopravil, CZSO</td>
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<td>F1-KAZ-41</td>
<td>Compilation of accounts for financial corporations and financial accounts</td>
<td>07.09.2015 - 11.09.2015</td>
<td>Helena Hozvickova, Saka Chaloupkova, CZSO</td>
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<tr>
<td>F1-KAZ-29</td>
<td>Forming a revaluation account to financial assets</td>
<td>28.09.2015 - 02.10.2015</td>
<td>Reimund Mink, Destatis</td>
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<td>F1-KAZ-7</td>
<td>Non-financial corporations sector and households sector</td>
<td>25.05.2015 - 29.05.2015</td>
<td>Vladimir Kermiet, Jaroslav Zbranek, CZSO</td>
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<tr>
<td>F1-KAZ-8</td>
<td>Compilation of the entire sequence of accounts for General government sector</td>
<td>03.08.2015 - 07.08.2015</td>
<td>Vaclav Rybacek, Marie Trejbalova, CZSO</td>
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<td>F1-SV-12</td>
<td>Current practice of CZSO for compilation of supply-use tables and input-output tables, Study visit to the Czech Republic</td>
<td>10.08.2015 - 14.08.2015</td>
<td>Petr Musil, CZSO</td>
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</table>

Findings and results

A Consulting mission (F1-KAZ-7) on the topic “Non-Financial Corporations Sector (S 11) and Household Sector (S14)” has been carried out in May 2015 by two experts from the Czech statistical office.

In accordance with the plans of the Committees NA Department the mission was aimed at the compilation of full sequence of accounts for Non-financial corporation sector (S.11) and for Households sector (S.14). These plans require a wide range of input data and also some particular conceptual adjustments or extrapolations. The Kazakh NA Department uses a couple of sets of data sources for compilation of each account of these institutional sectors. Their mutual consistency is not always assured because these accounts are compiled separately.

The main effort was focused on the discussion about the source data used and about the disposable data sources which could or should be used. This discussion was necessary for the correct understanding of surveyed data with regard to the Kazakh financial accounting rules. Based on the information gathered it was possible to prepare instructions how to com-
pile the full sequence of accounts for the Non-financial corporation sector (S.11) in accordance with SNA 2008.

Conclusions

1. Data source table is ready and filled with figures from structural statistics. When data for individual entrepreneurs will be added, first stage in compilation process will be achieved. This is the most crucial point in NA compilation process. Then data will be transferred into prepared sectoral tables and tables by activities and by institutional sectors.

2. Additionally in following missions all necessary adjustments will be provided and allocated into institutional sectors of the economy

3. Organization of the work within NA Department is fragmented by accounts. There is no appropriate communication between experts. We agreed with Kazakh colleagues on some changes of the organization of their work in Prague last year. Our recommendation now is to wait with the changes. We expect some results of the project as experimental results. Then we will provide some recommendations how to change organization of their work.

4. An expected result of project has changed from particular improvements to the fully integrated system of national accounts. Fully integrated SNA is the only way how to have highly developed NA statistics. To build up this system takes years in the future. The first experience within the project could only open the way to this development. Organization of the project in the NA subcomponent in the previous years was concentrated only on particular improvements and some results are not in line with new approach (not sufficient). Some further improvements into results from carried out activities (missions) during the project in last years are needed.

5. Business structural statistics seems to be developed; more intensive cooperation with NA Department is needed.

6. SBS forms should be adjusted to fulfill all needs of National Accounts.

7. NA staff needs to have more knowledge about business accounting rules; some trainings could be helpful.

8. To create developed National Accounts statistics it is needed to have more staff. National Accounts statistics then could provide very detailed and appropriate information about economic development of the country and transactions between main groups. Sophisticated data from NA then could be used for economic policy and development.

A further Consulting mission (F1-KAZ-39) on the topic “Formulating and Estimating Non-Oberved Economy (NOE) indicators” has been carried out in May 2015 by the Czech specialist in that field.

The mission was the sixth mission on Non-Oberved Economy (NOE) estimation. In accordance with the Terms of Reference (ToR), the aim of activity was to improve the methodology
for measuring the non-observed economy by economic activities (based on the approaches developed by the OECD and Eurostat).

The objectives of the consultation were:
- to discuss the current algorithm (sequence) of measuring non-observed economy for each separate component in accordance with the international classification of non-observed economy;
- to define the areas of improvement of the current estimates of non-observed economy.

Conclusion

As was mentioned in previous Action Reports, there is no single methodology for NOE estimations in all countries. Each country has specific conditions for the NOE activities. So, NOE estimations are about data analysis. It is possible to describe a methodology for the NOE categories, but some data sources for the estimations could end up in following years. Next, it is important to find additional data sources. Finally, a rewriting of the methodology is needed. The estimation of the NOE should continually improve, based on advancements in the estimation methodology and data sources for full coverage of the economy in the NA system.

Recommendations and next steps

• The NA department staff must be stabilized. The current situation in the NA department is not sustainable. A lot of very good experts who were trained during the project left. The experts should be motivated.
• The organizational structure of the NA department in the CS is not well organized.
• The estimation of the NOE in Kazakhstan is about 25 % of GDP, which is quite a high share in international comparison. In this case, there should be at least one specialized expert for the NOE estimations only in the NA department.
• All governmental institutions should use same classifications. For example, the Tax Authorities should use same branch classification as the CS (NACE rev. 2). Otherwise, the estimations of the NOE category N.6 will not be accurate by branches.
• It is required to develop a policy of revisions in the NA department. The policy of revisions includes also calendar with dates when and what will be revised in future. It allows a preparation for professional public to explain the data changes. Obviously, the big revision is planned every five years, which is enough time for collection of a lot of methodological changes.
• Total estimation of the NOE in Kazakhstan in 2013 was preliminarily estimated by the new methodology (N1-N7) to be around 25.5 % of GDP. It doesn’t include the NOE from statistical reason. The results confirm the NOE estimations made by the old methodology, which are higher (28.6 %), but it includes the NOE from statistical reason (1.4 %). It is recommended to use the Eurostat methodology for the NOE estimation (N1-N7), which is more practicable, understandable, clear and internationally comparable.
• Imputation of the non-response into the survey results is really current work of the structural business statistics departments. It's not a part of the NOE. The CS experts could ask experts from other countries. The consultant will try to find a manual in which it is described. Some paragraphs on the topic (mentioned above) are in the OECD publication Measuring the Non-observed Economy: A Handbook. It means that the NA basic data without the NOE adjustments should be increased (GDP without NOE will be in 2014 higher about 1.1 % and in 2013 higher about 1.4 %). Then the share of total value added from the NOE on GDP will be lower than about 28 %. It should be well explained to the professional public.

• As described in previous Action Reports, four categories applicable to Kazakhstan were identified from the 7 NOE categories (N1, N2, N3 and N6). The other categories (N4, N5 and N7) are not relevant for Kazakhstan. For example, tips in restaurants (N7) are already included in restaurant bills in Kazakhstan.

• There could be one more part of the NOE in Kazakhstan with significant impact on GDP: musicians at weddings. We discussed it, but the estimation was not finalized. The production from the activity could be estimated by number of weddings during year multiplied by average costs for the musicians. Inclusion into NOE category will be based on two questions: Are they registered? Should they be registered?

• We discussed possibilities about one more mission to the NOE in the NA department. One more mission to the NOE on trade was planned, but the mission was cancelled due to the recommendation that the NOE estimations should be made in the NA department. The main topics for the final mission to the NOE could be (1) a final description of the NOE estimations, (2) the analysis of results from the methodologies in time series (that the methodology works on data sources during the years), (3) detailed description of NOE estimations made by the structural business statistics department and (4) preparation of explanation of the new NOE methodology to the professional public. The final mission depends on the NA department needs and time availabilities.

A Consulting mission (F1-KAZ-10) on the topic "Government expenditure" has been carried out in June 2015 by two experts from the German Federal Statistical Office Destatis. Aim of the mission was to improve estimations of the Gross Domestic Product by using the expenditure method in current and constant prices on a quarterly and annual basis in accordance with the methodology SNA-2008, other international recommendations as well as in accordance with the practical experience of a Consortium country, further to give recommendations in accordance with the international standard SNA-2008 on estimating indicators of final consumption expenditures in the public administration sector in current and constant prices and on using data of the state budget in the GDP estimations by using three methods (the expenditure method, production and income method).

Recommendations and next steps
1) Travel expenses: reclassification from compensation of personnel (D1) to intermediate consumption (P2) in the future (cf. 6.222 e) of SNA 2008.

2) Social transfers in kind (D63) (e.g. all drugs or surgeries that are free of charge for patients in Kazakhstan) should be separated from intermediate consumption (P2) in the future (cf. 8.141 of SNA 2008).

3) Introduce the perpetual inventory method (PIM) for consumption of fixed capital (P51c) of general government sector (S13) in the mid-term (including for Research & Development and military weapons). In our opinion it would be useful to introduce one single method to calculate the consumption of fixed capital for the total economy (S1). It should be checked if this matter could be dealt with during the mission on capital account.

4) Revision of the distinction between individual and collective consumption according to the guidelines of the Classification of the Functions of Government (COFOG): the functions of other services from government in the field of health, culture, education and social protection (COFOG groups 07.6, 08.6, 09.8 and 10.8); tourism (COFOG group 04.6) and information services (COFOG group 08.3) have already been shifted and implemented during the mission into collective consumption; however R&D of higher education institutions can only be shifted from individual to collective consumption once R&D of higher education institutions (which is collective consumption) will have been estimated (cf. recommendation n° 11).

5) In the mid-term it should be envisaged to complete the breakdown of functions of government by COFOG level II (COFOG groups).

6) The budget lines that are assigned to taxes on products in Kazakhstan are generally in line with SNA recommendations. In case of doubt, recommendations were given by experts after discussion with National Accounts experts of Committee for Statistics (see handout 6.1 with final classification).

7) The list of budget lines that are assigned to taxes on production in Kazakhstan was improved after long discussions with colleagues from Committee for Statistics. It was recommended by experts to distinguish in the future between taxes and fees as sales from on non-market output (ESA code P.131) as recommended in both SNA and ESA (see handout 6.2 with final classification).

8) The list of budget lines distinguishing between subsidies and transfers is mainly in line with SNA guidelines. Only in a few cases changes were made (see handout 7.1 with final classification).

9) It should be envisaged to further refine the price deflation method by introducing a price deflation by transactions.

10) Experts recommend to book weapon systems (as defined in 10.87 of SNA 2008) as gross capital formation in the future to be in line with the SNA 2008 guidelines.

11) Research & Development: experts recommend to withdraw R&D from final consumption expenditure of general government in the following cases:

   a. Purchased R&D (external R&D according to the OECD Frascati Manual): reclassification from intermediate consumption (P2) to gross capital formation (P51).
b. R&D produced for own final use (internal R&D): reclassification from non-market output (P13) to output produced for own final use (P12), which means that in the future (P12) will be reducing final consumption expenditure of the general government sector (P3) and will be added to the gross capital formation (P51).

However, recommendation n°11 can only be started once data on R&D expenditure of government entities will be collected regularly. Therefore, this recommendation can only be implemented in the mid-term.

A further Consulting mission (F1-KAZ-38) on the topic “Compilation of the balance of produced assets" has been carried out in July 2015 by two experts from the Czech statistical office.

Key task of the mission was to estimate stock of produced assets and to compile balances. Consumption of fixed assets was also supposed to be estimated and questions regarding the estimation of imputed rent were answered.

**Recommendations and next steps**

- CS experts should prepare time series of gross fixed capital formation by type of assets in sufficient length, appropriate price indices for employed years and information about average service life of assets.
- CS experts promised to collect information that could be used for calculation of stock of AN.114 Weapons systems.
- CZ experts are ready to provide feedback to material on Research and Development when it is prepared in English version.

A Consulting mission (F1-KAZ-8) on the topic “Compilation of the entire sequence of accounts for General government sector" has been carried out in August 2015 by two experts from the Czech statistical office.

The mission focused on general government sector (S13) and has covered both methodological discussion and practical compilation of accounts. During the mission, the full sequence of accounts for S13 has been compiled covering units of the highest importance. The recommendations made by the experts are formulated with respect to the capacities and the needs of the Committee on Statistics.

As the first step, the delimitation of general government was widely discussed. As the experts were informed, S13 covers units directly involved in the State Budget. In the course of the mission, the number of units classified in S13 was extended by the units playing a key role in the fiscal management in Kazakhstan. However, data sources are weak in some cases; this fact is reflected in the recommendations. Further expansion of general government sector should remains an open issue.

Secondly, the sectoral accounts have been compiled in the entirety with concurrent analysis of the discrepancy between non-financial and financial accounts. It has been emphasized
that the balance (B.9) can deviate from the State budget balance due to reasons which can be clearly identified (mainly different concepts of revenues and expenditures, delimitation of sector). Close cooperation with the Ministry of Finance (MoF) has been repeatedly reiterated mainly as to data sources and structure of data.

Conclusions

General government sector in Kazakhstan should be extended by other public units carrying out on the non-market basis. Different rules are applied in the case of non-financial and financial corporations, as discussed during the mission. This should be checked by the CS-staff in the future. Already during the mission it was recommended by the experts to reclassify public pension fund to general government sector.

It seems to be urgent to discuss with the MoF the structure of metadata which are provided to the CS concurrently with the budgetary data. At the same time, the MoF should provide the CS more detailed and complete balance sheets (compared to the GFS reports) for budgetary organisations and for other government units if possible (mainly the funds).

Although some data were missing at the time of the mission (e.g. opening stocks), a complete set of accounts was finished at the end of the mission. The level of discrepancy seems to be acceptable for the moment.

A Study Visit (F1-SV-12) of CS experts on the topic “Current practice of CZSO for compilation of supply-use tables and input-output tables” has been undertaken in August 2015 to the Czech statistical office CZSO.

During the study visit, the structure of input-output tables in Czech national accounts has been presented; in-depth methodological knowledge and practical skills in the area of generating input-output and supply-use tables of the Czech Republic in current prices and previous year prices have been obtained. Particularly, current practice of generating input-output and supply-use tables in buyer’s prices and basic prices and related information sources have been presented. Current practice of generating input-output and supply-use tables for domestic and imported products has been examined. Current practice of preparing a matrix of intermediate consumption and output, the practice of compiling gross fixed capital formation, changes in inventories, values, final consumption expenditure of households in the context of CPA and COICOP international classifications, import and export of goods and services has been presented. The experience in the area of balancing supply-use tables and using RAS method has been presented as well. Models of generating supply-use tables in current prices by sector per sector and product per product have been examined.

Committee’s staff has examined the experience in the area of using price indices on double deflation. Approaches of the Czech Republic applied to re-estimate supply-use tables in previous year prices in Excel format by using the double deflation method have been studied as well:

- Generating the “output” in previous year prices;
- Generating the “use” of products in previous year prices;
Generating a supply-use matrix in basic prices: matrix of product taxes and subsidies, matrix of trade and transport margins in previous year prices;

Generating a supply-use matrix for imported and domestic products, which are presented in basic prices, in previous year prices.

Inter-linkages between sector accounts and supply-use tables have been presented. Recommendations to change formats of tables in Kazakhstan and introduce controls with sector accounts have been provided.

Based on study visit results, the following activities will be carried out.

- The process of generating input-output and supply-use tables in buyer’s prices and basic prices will be improved;
- The process of making experimental estimations to generate supply-use tables, which were prepared in basic prices and buyer’s prices (in two-digit level product and industry classifications), in previous year prices by using the double deflation method will be improved;
- Final consumption of households in the context of Classification of Products by Economic Activities and Nomenclature of Goods Items to o the Classification of Individual Consumption by Purpose will be generated;
- Re-export will be separated.

A Consulting mission (F1-KAZ-19) on the topic “Estimation of GDP by income” has been carried out in August 2015 by two experts from the Czech statistical office.

The mission was devoted to the income method of estimation of GDP, especially to the item Compensation of employees and employment. The main focus was devoted to the consistent classification of the items concerning compensation of employees and employment with the classification of the items used by the production approach to the estimation of GDP. Since national accounts are presented as integrated system, some findings and conclusions go beyond the compilation of Generation of income account.

Discussions were mainly focused on the used source data about Compensation of employees and about employment in Kazakhstan and about the available data sources which could or should be used. This discussion was necessary for the correct understanding of surveyed data with regard to the Kazakh financial accounting rules and to the rules of classification of units in business register. Based on the information gathered it was possible to prepare instructions how to compile Generation of income account and how to include the data on employment into the system of sector accounts in accordance to SNA 2008 and fully consistent with other accounts.

Conclusions

1) Data source table is ready and supplemented with figures from Labour force statistics (LFS) and Labour cost statistics (LCS) on employment and with data for individual entrepreneurs. Data were transferred into prepared sectoral tables and tables by activities and by institutional sectors.
2) Necessary adjustments were proposed to prepare breakdown by activities and by institutional sectors of the economy.

3) Labour statistics seems to be developed; more intensive cooperation with NA Department is needed.

4) Subsidiaries of the enterprises are allocated into institutional sector in the Business register according to the parent unit. This approach is inappropriate, it should be changed.

5) LFS and LCS forms should be adjusted to fulfil all needs of National Accounts, especially in connection with employment expressed in full-time equivalent (FTE) and wages and salaries in kind.

6) Existing methods of NOE (N1,N6) estimates should be improved and also taken into account in institutional sector breakdown.

**Recommendations and next steps**

First of all Balance of Labour (according instructions given during mission) should be compiled. Compare data only in totals, not by activities to avoid sampling error from LFS. We recommend to provide analyses of data about labour and then to distribute unofficial employment data into activities (fixed structure for next 3-5 years). Analyses could be done for last 3 years, comparing data from business statistics and LFS.

Moreover estimates for non-observed economy need to be improved, especially categories N1 and N6.

1. Percentages applied (from tax controls) for misreporting by the producers to be calculated as a 3 – year move average. Results for one year are affected by the structure of tax controls.

2. Take data from SBS statistics for small and medium size enterprises and apply average percentages of misreporting by the producers.

3. Then to calculate labour productivity (GVA/ per employee) for small enterprises.

4. As a result of Balance of Labour the number of unofficial employees and self-employed will be provided.

5. Self-employed put into Household sector and apply on them labour productivity.

6. Employees put into Non-financial corporations sector and apply on them labour productivity. Then estimate wages and salaries using average wages for small enterprises.

7. Calculate labour productivity for official self-employed (within Households sector) and compare this productivity with productivity from small enterprises. Difference would be considered as Non-observed economy – non-declared incomes, category N6.

8. Gross operating surplus from misreporting in non-financial corporation sector should be transferred to the Households via D.42 – Distributed incomes of corporations.
A further **Consulting mission (F1-KAZ-41)** on the topic “Compilation of accounts for financial corporations and financial accounts” has been carried out in September 2015 by two experts from the Czech statistical office.

This mission builds on previous missions “Non-Financial Corporations Sector S11 and Household Sector S14” and “The compilation of the entire sequence of accounts for General government sector (S.13)’’.

The aim of the mission was to show the way how to create the system of national accounts for sector of financial institutions. The whole work can be divided into several steps:

1/ studying the existing data sources in the Financial Corporations Sector S12
2/ recommendations related to data sources
3/ generating a sequence of national accounts in Financial Corporations Sector S12
4/ recommendations to “Methodology to Account Central Bank Services”, “Methodology to Account Second Tier Banks Financial Services”, “Methodology to Account the Output of Financial Intermediation Services”, “Methodology to Account Pension Funds Services”, “Methodology to Account Insurance Services”
5/ recommendations made in line with SNA 2008, which have to be considered when generating a full sequence of accounts of the Financial Corporations Sector S12.

The mission was not only with staff of the Division of National Accounts, but also with two experts from the National Bank of Kazakhstan.

**Conclusions**

The main goal of this mission, to show the way, how to compile national accounts for financial institutions, was achieved.

Sectoral table for S12 (SEK12_13e.xlsm) was created.

Units classified to S12 were divided into eight groups of units:

1. NBK of Kazakhstan (SS12_NB.xlsm);
2. Tier II Banks (SS12_CB.xlsm);
3. Insurance companies (SS12_IC.xlsm);
4. Pension funds (SS12_PF.xlsm);
5. Brokers/Dealers (SS12_BRO.xlsm);
6. Investment managers (SS12_IF.xlsm);
7. Organizations engaged in certain types of banking operations (SS12_OFI.xlsm);
8. Other units - microcredit organizations, leasing companies, pawnshops etc. (SS12_SBS.xlsm, SS12_MKO.xlsm).

For each group separate SS table was created. To all SS tables resources data (profit and loss statements and balance sheets) were added. All items in resources data were given SNA codes.
SS tables for NBK, Insurance companies and Tier II Banks were completed. It means that sheet with full sequence of national accounts was filled by links to data resources for each items. Then the result column of national accounts for these groups were put to part for resource data in sectoral table. These tables are a model for completing other SS tables.

CZ experts went through all submitted methodological lists describing calculation of output for NBK, Tier II Banks, FISIM, Insurance companies and Pension funds. CZ experts found out that methodological lists are not fully in accordance with methodology of SNA 2008 and made a number of recommendations that need to be done.

Recommendations and next steps

1. Verify the completeness of resources data for financial institutions - CZ experts didn’t have an opportunity to look to business register and see the complete list of units classified to this sector.

2. According to obtained instructions fill data sources by the codes of SNA in the rest SS tables (other financial intermediaries, microcredit organizations, SBS).

3. Under the prepared model in SS tables for NBK, Insurance companies and Tier II Banks create links to the data sources according to filled codes of SNA in other prepared SS tables.

4. Together with structural statistic create new separate output of resources data for units that are not licensed by NBK, but classified to S12 in business register (leasing companies, pawnshops, financial auxiliaries …). Create separate SS table for these units, according to instructions for non-financial institution.

5. Fill the SEK table for financial institutions by the data sources from created SS tables.

6. Change calculation of the output for central bank, commercial banks, FISIM, insurance company and pension funds under the presented recommendation by experts.

7. Closely cooperate with central bank on obtaining supplementary information about missing data, which NBK can provide and cooperate with central bank on creating new data sources for missing information.

A Consulting Mission has been carried out in September/October 2015 by a German expert on the topic “Forming a revaluation account for financial assets” (F1-KAZ-29).

The aim of the consultation was to make familiar the participants from the Committee on Statistics and from various other institutions with the methodology of the 2008 System of Accounts (2008 SNA) in the context of compiling the revaluation account and the other changes in the volume of financial assets and liabilities account. Specific focus was on how (1) to treat valuation changes and volume changes in the context of securities issuances and holdings; (2) to move from stocks at the beginning of a period to stocks at the end of a period by distinguishing between transactions, revaluations and other changes in the volume of financial assets and liabilities by residency and institutional sector and subsector – specifically of financial and non-financial corporations and of general government; and (3) to identify the appropriate statistical sources, methods and balancing techniques for the reduction of the exist-
ing discrepancies vertically (between net lending (+) / net borrowing (-) compiled for the capital account and for the financial account) and horizontally (between financial assets or changes in financial assets and liabilities or changes in liabilities).

Intensive work focussed on the analysis of the current practice of compiling the revaluation account and of the other changes in the volume of financial assets and liabilities account by institutional sector. Much time was devoted to identify the available statistical sources used, to give advice on the comprehensive compilation of these accounts also in the context of the financial account and balance sheet in terms of sector and financial instrument breakdowns.

Based on the 2008 SNA the recommended classification of securities by category, sub-category and sub-position was discussed. The available statistical sources in the Stock Exchange JSC, the Central Securities Depository JSC, and the Integrated Securities Registrar JSC were evaluated to derive a comprehensive set of data for the financial account, the revaluation account and the other changes in the volume of financial assets and liabilities account. The corresponding statistical treatment was also discussed for the following financial instrument categories and sub-categories: monetary gold and special drawing rights, currency and deposits, loans, other equity and investment fund shares or units, insurance, pension and standardized guarantee schemes, financial derivatives and employee stock options, and other accounts receivable and payable.

Conclusions

- There is a need and also some room to improve the quality (the coverage, the accounting rules, and the timeliness) of the current set of sectoral annual financial accounts, revaluation accounts, and other changes in the volume of financial assets and liabilities accounts and financial balance sheets.
- One significant improvement of these accounts but also of the capital account will be achieved by integrating the data, which will be requested from and be delivered by the NBK, the Kazakhstan Stock Exchange JSC, and the Central Securities Depository JSC, and the Integrated Securities Registrar JSC.
- There is also a need to draw up a full and consistent set of government accounts on an accrual basis (current, capital and financial account, other accumulation accounts and balance sheet). For the time being the coverage of government data is incomplete. Moreover, substantial efforts need to be made to transform the cash data into accrual data.
- It has to be checked again whether all national accounts compilers and data providers apply the same registers (for general government, financial corporations, and non-financial corporations). Some discrepancies may be due to the use of different registers.
- National accountants have to identify the reasons for the existing major discrepancies in net lending (+)/net borrowing (-) by sector and to reduce these discrepancies before publishing sectoral accounts.
Recommendations and next steps

- **Within the Committee on Statistics (by financial instrument)**

**Monetary gold and SDRs**
- Check full coverage of data on monetary gold (gold bullion and accounts) and of SDRs as financial assets and liabilities
- Check compilation of valuation changes for monetary gold and SDRs
- Check compilation of accrued interest for SDRs

**Currency and deposits**
- Check full coverage and sectorization of domestic currency (as illustrated in Table 15) issued by Kazakh residents (central bank and general government) and held by Kazakh residents and non-residents as well as of foreign currencies issued by non-residents and held by Kazakh residents

<table>
<thead>
<tr>
<th>Table 15: Issues and holdings of currency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic currency in circulation issued by the central bank and general government</td>
</tr>
<tr>
<td>Foreign currencies issued by non-resident central banks and general governments</td>
</tr>
</tbody>
</table>

- Check full coverage of deposits issued by Kazakh residents (financial corporations and general government) and held by Kazakh residents and non-residents
- Check full coverage of deposits issued by non-residents and held by Kazakh residents
- Disentangle flows for currency and deposits into transactions, revaluations and other changes in the volume of financial assets and liabilities
- Check compilation of valuation changes for currency and deposits denominated in foreign currencies
- Check compilation of accrued interest for deposits

**Debt securities**
- Get full coverage of debt securities issued by Kazakh residents: general government, non-financial corporations and financial corporations by sub-sector
- Get full coverage of debt securities issued by Kazakh residents and held by Kazakh residents and non-residents
- Disentangle flows for debt securities: transactions, revaluations and other changes in the volume of financial assets and liabilities
- Check compilation of valuation changes for debt securities (by disentangling changes in prices, in exchange rates and in single prices where applicable)
- Check compilation of accrued interest for debt securities (see Annex 3)
Loans

- Get full coverage of loans incurred by Kazakh residents: non-financial corporations (inter-company loans) and financial corporations by sub-sector, general government, households, non-profit institutions serving households and granted by Kazakh residents (non-financial corporations, financial corporations, general government) and non-residents
- Disentangle flows for loans: transactions, revaluations and other changes in the volume of financial assets and liabilities
- Check compilation of valuation changes for loans denominated in foreign currencies
- Collect statistical information on non-performing loans granted by financial corporations and general government
- Check compilation of accrued interest for loans

Equity securities (listed and unlisted shares)

- Get full coverage of equity securities (listed and unlisted shares, if applicable) issued by Kazakh residents: non-financial corporations and financial corporations by sub-sector
- Distinguish between listed shares traded on the stock exchange and listed shares not traded on the stock exchange
- Apply to listed shares not traded on the stock exchange similar valuation methods as for unlisted shares (as described in the 2008 SNA)
- Assess whether unlisted shares exist issued by Kazakh residents
- Get full coverage of equity securities issued by Kazakh residents and held by Kazakh residents and non-residents
- Disentangle flows for equity securities: transactions, revaluations and other changes in the volume of financial assets and liabilities
- Check compilation of dividends for equity securities

Other equity

- If applicable, get full coverage of other equity incurred by Kazakh residents: non-financial corporations and financial corporations by sub-sector
- Apply to other equity similar valuation methods as for unlisted shares
- Disentangle flows for other equity: transactions, revaluations and other changes in the volume of financial assets and liabilities
- Check compilation of investment income for other equity (reinvested earnings)

Investment fund shares or units

- Get full coverage of investment fund shares or units issued by Kazakh residents (investment funds other than MMF) and acquired by Kazakh residents and non-residents
- Get full coverage of investment fund shares or units issued by non-residents and acquired by Kazakh residents
- Disentangle flows for investment fund shares or units: transactions, revaluations and other changes in the volume of financial assets and liabilities
- Distinguish valuation changes for investment fund shares or units (price changes and valuation changes due to denominations in foreign currencies)
- Check compilation of investment income for investment fund shares or units (reinvested earnings)

Insurance, pension and standardised guarantee schemes
- Get full coverage of insurance, pension and standardised guarantee schemes incurred by Kazakh residents (insurance corporations and pension funds) and non-residents
- Disentangle flows for insurance, pension and standardised guarantee schemes (if possible, for life insurance, non-life insurance, reinsurance, and pension schemes): transactions, revaluations and other changes in the volume of financial assets and liabilities
- Check compilation of investment income for life insurance and pension fund investments (reinvested earnings)

Financial derivatives and employee stock options
- Get full coverage of financial derivatives and employee stock options incurred by Kazakh residents: mainly non-financial corporations and financial corporations
- Get full coverage of financial derivatives and employee stock options incurred by non-residents and acquired by Kazakh residents
- Disentangle flows for financial derivatives and employee stock options: transactions, revaluations and other changes in the volume of financial assets and liabilities
- Distinguish valuation changes for financial derivatives and employee stock options (price changes and valuation changes due to denominations in foreign currencies)

Other accounts receivable/payable
- Get full coverage of other accounts receivable/payable incurred by Kazakh residents and
- Get full coverage of other accounts receivable/payable incurred by non-residents and acquired by Kazakh residents
- Disentangle flows for other accounts receivable/payable: transactions, revaluations and other changes in the volume of financial assets and liabilities
- Check compilation of accrued interest for other accounts receivable/payable

- Committee on Statistics in cooperation with the Ministry of Finance
- Draw up government accounts by general government sub-sector
- Data requests (see above in the report) from the:
  - NBK
  - Kazakhstan Stock Exchange JSC
It was agreed that the expert will prepare the drafts for the data requests of the Committee from the various institutions by mid/end-October 2015.

Status of implementation of recommendations from project activities and notes for further planning

Consultation mission F1-KAZ-7 “Sector of Non-Financial Corporations S11 and Household Sector S14”

Employees of the Division of National Accounts have prepared data on individual entrepreneurs by economic activity for 2013 (based on data taken from the business register, tax revenue): the number of employed workers, the gross output and the number of individual entrepreneurs. Prepared data has been sent to experts of the Czech Statistical Office for inclusion into sector tables.

In connection with the expiration of deadlines to revise statistical forms for 2016, amendments and supplements recommended by Czech experts to the statistical forms 1-ГФ “Report on Financial and Economic Activities Performed by an Enterprise” and a 2-МП “Report on Activities Performed by Small Enterprises” will be introduced by the Division of Structural Statistics in the process of revising the forms next year.

Consultation mission F1-KAZ-39 “Designing and Estimating Non-observed Economy Indicators (NOE)"

- An employee who was responsible for NOE estimations (and GDP by using the production method) has quit. A competition to fill in the vacant position has been announced.

- Changes on the number of staff of the Division of National Accounts are not foreseen. Currently, the number of Division employees is 23 persons, and there are three vacant positions under a competition.

- Due to extensive workload, it is impossible to put responsibility for NOE estimations on one specific person. Estimations will be made by employees that are involved in GDP calculations by using the production method.

- A letter on the need to use an updated version of the Common Classification of Economic Activities (NACE, ver. 2) has been forwarded to the State Revenue Committee (Tax Committee) of the Ministry of Finance of the Republic of Kazakhstan (MoF). However, staff of the State Revenue Committee (Tax Committee) of MoF has informed that they will not be able to switch to the updated version of the classification due to lack of additional budget funds to elaborate the software.

- Unfortunately, the Division has no experience in the area of designing a policy of revision and changes introduction; no experience in this field has been studied. It is neces-
sary to examine the international experience to implement these recommendations.

- Expert’s recommendations and Eurostat NOE estimation methodology will be considered in the process of designing the Methodology for Assessing the Shadow Economy by Economic Activity, which is planned to be completed in 4th quarter of 2015.
- The Division staff has made experimental estimations of non-observed economy on activities performed by wedding musicians and presenters. Data of the Committee for Statistics of MNE RoK, Ministry of Culture and Sports of RoK, as well as the expert opinion is used in estimations.
- The additional activity has not been implemented due to extensive workload and because the person responsible has quit the job.

Consultation mission F1-KAZ-10 “Government Expenditure”

1. Experts’ recommendations on the reclassification of travel expenses from the labor compensation (D1) to intermediate consumption (P2) will be taken into account in GDP estimations in 2016.

2. Currently, staff of the Division is studying the Report on State Budget Execution prepared by the Ministry of Finance for the presence of detailed data on social transfers in kind. It is planned to hold consultations on a routine basis with the Ministry of Health and Social Development, the Ministry of Finance; if necessary, letters will be sent to these government authorities.

3. The Division is planning to introduce the perpetual inventory method (PIM) for the fixed capital consumption not only for the general government sector, but also for all other sectors. As part of other missions with experts from the Czech Statistical Office, the perpetual inventory method is being studied; it is planned to consider this issue in detail in October this year during the mission F1-KAZ-31. Deadlines to introduce the perpetual inventory method will depend on the availability of all necessary data in the required format and dynamics.

4. Experts’ recommendations to make changes to the classification of individual and collective services has been experimentally implemented based on data for 2013. The changes will be introduced into GDP current estimations in 2016. R & D estimations are being continued, it is planned to agree them upon with the experts during the mission in October.

5. Work to make a breakdown of the general government sector according to COFOG at 2-digit level has been started.

6. Experts’ recommendations for changing the classification of taxes on products will be taken into account in the process of improving the Methodology for Accounting Taxes on Products and will be introduced into current estimations of GDP.

7. A complete check of the classification of tax and nontax revenue has been performed and agreed upon with the experts in accordance with the SNA. Changes will be taken
into account in the process of improving the Methodology for Accounting Taxes on Products and will be introduced into current estimations.

8. In accordance with the experts’ recommendations, staff of the Division has made experimental estimations in general government sector at constant prices based on data for 2013. Each output component has been separately deflated (intermediate consumption, labor compensation, fixed capital consumption). Currently, the obtained results are being analyzed, and a search is performing for the most appropriate price indices or other alternative deflators.

9. Implementation of recommendations on weapons systems will depend on obtaining the necessary information from the Ministry of Defense of RoK.

10. R & D estimations are being carried out as part of other missions. The results of the work done will be recorded in the entire sequence of accounts.

Consultation mission F1-KAZ-38 “Compilation of the Balance of Assets Produced”

1. To compile balances of assets produced, the Division staff has prepared price indices by type of capital assets, as well as information on the average life of assets in Kazakhstan.

2. A stock evaluation of machinery and equipment, computer software and databases has been made, the consumption of fixed capital has been estimated, nominal holding gains/losses have been calculated, as well as the balance of the above assets has been formed for 2013.

3. At this time, staff is engaged in gross fixed capital formation by type of assets by using the SUT. Preliminary estimations of the time series (1995 - 2014) of gross fixed capital formation by type of asset have been made.

4. According to the experts’ recommendations, the Division staff is making estimations of inventories. The previous approach was similar, but there are minor changes.

Study visit F1-SV-12 “Compilation of Supply-Use Tables and Input-Output Tables”

- The process of constructing supply-use tables and input-output tables in buyer prices and constant prices has been improved;
- Experimental estimations on compilation of supply-use tables in basic prices and buyer prices (at 2-digit level of classification of products and industries) into previous year prices by using the double deflation method;
- Final consumption by households will be formed with a breakdown by CPA and Nomenclature of Commodity Items for the Classification of Individual Consumption by Purpose in the process of compiling SUT for 2015;
- Currently, the Division staff is searching for data sources to separate the re-export.
Consultation mission F1-KAZ-8 “General Government Sector”

The classification of items of the Report on Execution of State Budget of the Republic of Kazakhstan has been made together with experts from the Czech Statistical Office. It is necessary to clarify certain items that may be classified in several items of the SNA.

As soon as experts’ recommendations are obtained based on the mission results, the work on all recommendations will be started.

Consultation mission F1-KAZ-19 “Estimation of GDP by Income”

All kinds of actual and contingent payments made by employers for their allocation between wages in kind, intermediate consumption, capital transfers have been considered. For more complete data coverage, it has been proposed to introduce changes in the form 1-T “Labor Report” in terms of adding more details of the employers’ expenses for workers' housing and training. A related letter has been sent to the Division of Labor and Standard of Life Statistics. However, in accordance with the procedure for approving statistical forms, these changes will be introduced into form 1-T “Labor Report” in the process of revising statistical forms in 2016.

On a pilot basis, data on employment for 2013 (full-time employment equivalent) has been estimated in cooperation with the experts as an example.

Based on inconsistencies revealed in the process of assigning codes of the Classification of Economy Sectors of the parent company to the subsidiary, it is planned to update the business register together with the Division of Registers. A draft letter is being prepared for the Ministry of Finance of the Republic of Kazakhstan to provide a list of organizations financed from the state budget with a breakdown by level of budget and administrator of budget programs.

As soon as experts’ recommendations are obtained based on the mission results, the work on all recommendations will be started.

Consultation mission F1-KAZ-7 “Non-Financial Corporations Sector S11 and Household Sector S14”

Amendment and supplements to statistical forms 1-ПФ “Report on Financial and Economic Activities Performed by an Enterprise” and 2-МП “Report on Activities Performed by Small Enterprises”, recommended by the experts, will be submitted to the Structural statistics department to be included in the forms that will be reviewed next year.

It is planned to complete realization of all experts’ recommendations reflected in the report of this mission.
Consultation mission F1-KAZ-39 “Non-Observed Economy (NOE)"

To analyze preliminarily prepared experimental estimations of NOE, to improve considering the expert’s recommendations. In quarter IV, 2015 it is planned to review and approve Methodology on assessment of shadow economy by types of economic activities.

Consultation mission F1-KAZ-10 “Government Expenditure”

In the framework of realization of this mission, the staff of Division of National Accounts carries out further work on improvement of current estimations of GDP with the help of expenditure approach, in particular, on application of data of the state budget while calculating expenditures on ultimate consumption of the state management sector, following the experts’ recommendations.

Based on the experts’ recommendations some minor changes to classification of budget items for individual and collective consumption have been made, which have been applied by the staff of Division of National Accounts in current estimations on experimental basis. These changes will be implemented to the current estimations of GDP from quarter I, 2016.

Besides that the staff of Division of National Accounts:

- studies perpetual inventory method (PIM) for calculation of consumption of fixed capital of the state management sector that will be reviewed in the course of mission F1-KAZ-31 in October, 2015;
- it is planned to complete work on splitting of the state management sector on COFOG at two-digit level;
- to conduct deflation of each component of output (intermediate consumption, labor payment, fixed capital consumption). At present revealed results are being analyzed and the most suitable price indexes or other alternative deflators are being searched.

Consultation mission F1-KAZ-38 “Compilation of the Balance of AssetsProduced”

1. To complete calculation of expenses on R&D in dynamics from 2002 to 2014 and to agree upon with the experts.
2. To continue work on collection of information for calculation of expenditures on military equipment.
3. To complete estimation of reserves of produced assets and to form balance, and to assess consumption of fixed assets with the use of the program provided by Czech experts.
**Study visit F1-SV-12 “Compilation of Supply-Use Tables and Input-Output Tables”**

Following the results of mission F1-KAZ-34 the international expert gave recommendations on usage of two methods of generating SUT at current prices and prices of the previous year.

The first method is method of rolling settlement. At first, SUTs at current prices are generated and balances. Then, the tables are deflated and at the end, values at fixed prices are balanced. This method was used in Kazakhstan.

The second method is method of simultaneous settlement. SUTs at current prices and at prices of previous year are balanced simultaneously.

For the purpose to apply the second method, in the course of study visit F1-SV-12 in terms of improvement of calculations while generating SUT at prices of the previous year in excel program, the Committee staff received a set of excel files of Czech statistical office.

Further, the Department staff plan to use order and algorithm of excel files of Czech statistical office got generation of SUT at prices of the previous year.

**Consultation mission F1-KAZ-8 “Compilation of the Entire Sequence of Accounts for General Government Sector”**

Following receipt of the experts’ report on the mission results, work regarding all recommendations will start.

**Consultation mission F1-KAZ-19 "Estimation of GDP by Income"**

Upon the activity’s results, making changes in estimations of the GDP by income is scheduled. In particular, breakdown of the GDP components by economy sector will be changed. For example, people employed by individuals shall be transferred from the households sector to the non-financial corporations’ sector. Probably, share of economy sectors will be reallocated. In addition, wages and salaries in kind are planned to be added with specific indicators from statistical report 1-T "Labor Report". Moreover, estimates of employment will be compiled in equivalent of full employment that will considerably influence on the final results.

In addition, labor-force balance sheet will be changed in estimation of the GDP by income. Making-out a labor-force balance sheet requires additional data sources. In this regard, it is necessary to make analysis of data sources for the missing components of labor-force balance sheet and then make-out a balance sheet itself.

The experts’ recommendations for changing estimation of the GDP by income will be taken into account when improving the Methodology for compiling a generation of income account in the current accounts.
After receiving the experts' report on the mission's results, the work according to all the recommendations will be continued.
F2 Structural statistics

Implemented activities

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Activity/Topic</th>
<th>Date</th>
<th>Expert</th>
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<tbody>
<tr>
<td>F2-KAZ-2</td>
<td>Structural Indicators</td>
<td>18.05.2015  - 22.05.2015</td>
<td>Ottmar Hennchen, Andreas Cors, Destatis</td>
</tr>
<tr>
<td>F2-KAZ-10</td>
<td>Labor productivity</td>
<td>25.05.2015  - 29.05.2015</td>
<td>Andreas Cors, Destatis</td>
</tr>
</tbody>
</table>

Findings and results

A Consulting mission (F2-KAZ-2) on the topic “System of structural statistics indicators. Developing a statistical toolkit. Recommendations for estimating gross value added (GVA) indicators based on enterprises' financial statements" has been carried out in May 2015 by two experts from the German statistical office Destatis.

The aim was to give practical training to acquire in-depth knowledge in the field of improving the system of structural statistics indicators in accordance with the System of National Accounts (SNA) requirements, improving the statistical toolkit in structural statistics. The main purpose of the consultation was further the evaluation and preparation of an additional survey for “entrepreneurs”. Together with a survey in structural statistics for enterprises having more than 100 employees and secondly, enterprises having less than 100 employees this third survey only for entrepreneurs is quite important because of their outstanding role in some economic branches in Kazakhstan. In former times for Gross Value Added (GDP) calculations results from subject statistics have been used but with no specific information about intermediate consumption. Therefore the decision to have an own survey for entrepreneurs in order to get this specific information is also important for SNA purposes. The questionnaire was intensively studied, discussed and some proposals were given to increase the transparency and understanding.

Conclusions

The main purpose of the consultation at the SC was the preparation of the new survey for individual entrepreneurships. It will fill the gap of not having enough economic information about private households being self-employed and also having market activities with turnover and costs. In some areas in Kazakhstan this economic activities are quite significant adding a good part to GVA. The questionnaire is sufficient to ensure full information about calculating production value and intermediate consumption for purpose of GVA calculation in the department of national Accounts. The Department of National Account should therefore use all information from the Department of Structural statistics, namely turnover and information.
about costs. It is advisable to stick to one information source and not to mix up different sources.

It is the task of the Department of Structural Statistics to control and monitor the answers of the respondents with respect to plausible results. It should be tested, on the level of economic branches (NACE 2 digits), if negative GVA in a simple derivation (turnover minus sum of material costs) appears. With the help of contacting the respondents and reassuring the answers or comparing the answers with other sources of statistical information the Department of Structural Statistics should proof the stability and significance of their results.

Recommendations and next steps

5. Activate the new questionnaire for individual entrepreneurs. Consider the recommendations of additional questions, f. e. NACE classification.

6. Calculate the full range of simple-GVA figures (NACE 2 digits) in order to check the reliability of the answers of the respondents.

7. For the Division of National Accounts it is recommended to use all information from the structural statistics division and not to mix it up with information coming from subject statistics.

8. A random sampling (3 %) should be a reliable value to start with.

A further Consulting mission (F2-KAZ-10) on the topic “Developing an algorithm for estimating labour productivity. Identifying sources of information to estimate labour productivity” has been carried out in May 2015 by an expert from the German statistical office Destatis.

After the first missions in 2013 and 2014, the aim of the mission was to familiarize the CS staff with further methodological requirements of labour productivity calculations. It was made clear that in all international comparisons, labour productivity aggregates of National accounts are used. Beginning with yearly figures and based upon two concepts:

- GDP in current or real terms as a relation to labour input measured in persons employed;
- GDP in current or real terms as a relation to labour input measured in hours worked of the employed persons.

Not only with respect to the whole economy but also for the different economic branches, in-depth methodological practice should be outlined in order to discuss the path of productivity over time in Kazakhstan. The expert presented and explained the concepts for calculating labour productivity that are common in Germany and also give the basis for international comparisons. Empirical data for Kazakhstan was examined together with data from other departments (Labour department), and Labour productivity on the basis of hours worked was also discussed.

Taken together, all data sources to calculate labour productivity for different branches on an annual basis are available. Moreover this data is also given quarterly but has to be checked for plausibility on the basis on the outcomes of productivity calculations.
From the Department of Labour statistics, data for hours worked are available in annual as well as in quarterly frequencies. Also they are available in a NACE classification. They have been used to calculate figures for labour productivity. This work should be done in the Department of National Accounts. The purpose of presenting labour productivity on the basis of hours worked is that it also covers part time work, vacation effects and sick-leave effects. The respective concepts were explained. For Kazakhstan at the moment there is no correction for yearly working days or part time work. This phenomenon does not seem to exist widely in Kazakhstan. Nevertheless, the calculations should be completed with it.

Moreover, the mission has familiarized the CS staff with the concept of total Factor productivity (TFP) and its calculation within a simple framework. Whereas in general, econometric programs like “E-views” are used to obtain results for TFP, a simple approach with the help of Excel calculations was used. CS staff mentioned that there is a question concerning the influence of technical progress. Therefore the calculation of TFP results, for which labour productivity figures and data for the capital stock were given, was chosen to explain.

Conclusions, recommendations and next steps

1) Productivity calculations should come from the department of National Accounts. It is strongly recommended that when publishing the results of calculations of labour productivity for different branches (NA aggregates), it should focus only on economic branches having a significant share of the economy as a whole (Agriculture, producing industry, manufacturing industry, construction, services). The calculations however can start on a deeper NACE level, but what the practical experience in Germany also shows is that the more detailed the results are carried out, the more singularities occur. In Germany, productivity results are published in an A11 classification of NACE.

2) To make calculations for the department of NA more effective and less time consuming, it should moreover be granted that data supplies from other divisions (labour statistics) should be used (hours worked). Productivity calculations should come from the department of National Accounts, as they are responsible for the macro level. Productivity calculations from the department of structural statistics can only cover parts of the economy (like medium and large enterprises). This is not comparable to other labour productivity figures for other countries. This only makes sense in a second step for national questions or plausibility checks.

3) With respect to calculations of Total factor productivity (TFP), it could be quite difficult from a statistical point of view to judge econometric outcomes and approaches dealing with these questions. In Germany, only the leading economic research institutes (Ifo, München; DIW, Berlin, a.o.) work on these calculations. They calculate TFP figures only based on a time span of over 10 years. In quarterly frequencies, these calculations do not make sense as the structure of the economy is in the focus. Moreover there are no calculations for TFP for economic branches in Germany from these institutes for the same reason. International Organizations like the OECD present some results for TFP for economic branches. To do this would mean that the capital stock data for Kazakh-
stan has to be disaggregated into branches. Moreover, the weighting factor (alpha= the distribution relation between wages and profits) has to be calculated for the specific branches. It also means that the use of an econometric program is important because of the estimation attitudes of the relevant equations. The Federal Statistical Office (Destatis) does not calculate results for TFP. These results are carried out with the help of econometric programs like E-views. Moreover, it should be clear that the theoretical approach (Solow residual) goes beyond the duties of statistical work.

Status of implementation of recommendations from project activities

Based on the recommendations given as part of activities under Subcomponent F2-KAZ-2, a statistical toolkit for structural statistics has been designed in accordance with international requirements and allows improving the quality of the generated information and it is possible to compare it at international level. Seven statistical reporting forms have been reviewed and significantly reduced according to international recommendations.

As part of the implementation of the international experts’ recommendations, a new form for the sector of individual entrepreneurs, which is currently being under approval by the Ministry of Justice of the Republic of Kazakhstan, has been drafted. It is planned to carry out this survey in 2016. The new survey will be conducted to determine the cost structure of individual entrepreneurs for SNA estimations.

During consultation missions under Subcomponent F2-KAZ-10, the Division staff has assessed labor productivity in dynamics for 10 years by activity based on hours worked according to experts’ recommendations. In addition, preliminary estimations multifactor productivity have been made on a basis of the so-called approaches “growth rate accounting” or “Solow residual”. Further works on multi-factor productivity have been transferred to the Division of National Accounts.

In addition, staff of the Division has prepared the draft methodological guidelines on labor productivity, the approval of which is scheduled for the 4th quarter of 2015. These methodological guidelines have been designed to estimate the productivity of medium and large enterprises to monitor government programs; besides, they contain a section on estimations of labor productivity on the economy in general made by the Division of National Accounts in accordance with international requirements.

Notes on further planning

In 2016 as part of the scheduled mission under Subcomponent F2-KAZ-2, the results of the pilot survey of individual entrepreneurs on the cost structure will be summarized and analyzed. The obtained results will later be used in the system of national accounts to estimate the intermediate consumption of the sector of individual entrepreneurs.
F3 Statistics of small and medium business

Implemented activities

<table>
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<tr>
<td>F3-KAZ-2</td>
<td>Training on SME indicators</td>
<td>03.08.2015 - 05.08.2015</td>
<td>Sergey Kuzin, Rosstat</td>
</tr>
</tbody>
</table>

Findings and results

A Training mission (F3-KAZ-2) on the topic “SME indicators” has been carried out in August 2015 by an expert from the Russian statistical office.

It was recommended to provide appropriate training for Kazstat experts in order to implement convenient and reliable procedures for preparing stratified samples and subsequent analysis and tabulating of SME survey results including estimation of sampling errors. It should allow to increase the value of SME statistics and reduce workload on experts involved in the process.

The purpose of the training is to increase quality of SME statistics in Kazstat by means of the following improvements in the sampling surveys’ processes:

- Reduce the time needed for the preparation of stratified samples for SME surveys and increase reliability of the process by use of standard IBM SPSS Complex Samples software tools.
- Accompany all the survey results by their sampling error estimates that significantly increase the value of SME statistics.
- Easily derive any needed breakdowns of SME indicators along with error estimates taking into account complex sampling plans.
- Quickly discover the limits for possible breakdowns of the SME survey indicators, for example, whether the accuracy level is sufficient to publish SME statistics on district [район] level.
- Automate regular operations on processing SME surveys based on SPSS Syntax feature to reduce time for data processing, analysis and tabulating.

As a result of the training, Kazstat’s experts acquired skills in preparing complex samples for SME surveys and analysis of survey results taking into account sampling plans in order to provide correct statistics and accompany it by sampling error estimates. It should help them effectively produce correct statistical results from SME survey data for any needed breakdowns of indicators by use of convenient standard tools.
Recommendations and next steps

1. Prepare samples and analyze SME survey results by means of convenient standard tools of IBM SPSS Statistics and SPSS Complex Samples available in Kazstat. It will permit to minimize efforts needed to produce SME surveys statistics and guarantee its correctness.

2. Accompany all the indicators derived from SME surveys by their error estimates. It will significantly enrich SME statistics as well as allow identifying the limits for depth of breakdown of statistical indicators based on acceptable levels of sampling errors.

3. It is advisable to automate regular operations for producing SME survey statistics with taking into account sampling plans based on use of SPSS Syntax that permits to seamlessly automate the whole process starting from getting data from data sources to obtaining tabulated statistical reports.

4. To use direct connections of IBM SPSS Statistics to the needed data sources in databases instead of ordering of downloads of data files. It will significantly increase of cooperativeness of the statistical reports and bring much more flexibility to statistical data analysis.

Status of implementation of recommendations from project activities

In order to evaluate key performance indicators of small and medium-sized enterprises and the contribution of the SME sector into the country’s economy in the past year in accordance with the individual international recommendations, the Methodology of Estimating Indicators of Small and Medium-Sized Enterprises has been approved.

Certain work has been performed to improve the quality of data generated on sample surveys of small enterprises by the Division of Structural Statistics together with the Division of Registers.

Experts have offered using standard software IBM SPSS Complex Samples in the process of carrying out sample surveys. A training to use this software in the process of preparing for a sample survey and analyzing the obtained data has been held.

Notes on further planning

Further planning of works under this component is possible only after implementation of activities scheduled for 2016. Yet there is no agreement either on the topics of activities initially included in the program document, nor on terms of their implementation.
F4 Price statistics

Implemented activities

<table>
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<td>F4b-KAZ-2</td>
<td>Export and import price indices based on actual transactions</td>
<td>25.05.2015-29.05.2015</td>
<td>Toni Udd, Statistics Finland</td>
</tr>
<tr>
<td>F4e-KAZ-6</td>
<td>Agricultural prices</td>
<td>24.08.2015-28.08.2015</td>
<td>Osman Yildiz, TurkStat</td>
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<tr>
<td>F4e-SV-3/4</td>
<td>Price statistics study visit to Paris and Wiesbaden</td>
<td>15.06.2015-19.06.2015</td>
<td>Patrick Sillard, INSEE; Florian Burg, Destatis</td>
</tr>
<tr>
<td>F4e-SV-6</td>
<td>Price statistics, study visit to Rome</td>
<td>18.05.2015-22.05.2015</td>
<td>Valerio De Santis, ISTAT</td>
</tr>
</tbody>
</table>

Findings and results

A Consulting mission (F4b-KAZ-2) on the topics “Introduction of export and import price indices based on actual transactions, and ‘issues’ of price indices for agriculture” has been carried out in May 2015 by a price statistics expert from Statistics Finland.

Purpose of the mission was to develop import and export price indices, that shall be compiled based on actual transaction prices collected from enterprises. Currently unit value price indices are compiled. Unit value indices may contain severe bias, and thus foreign trade price indices are subject to improvement.

During the mission, several topics were discussed concerning import and export price indices: data collection, conducted pilot survey, concepts, statistical forms and instructions, product group and enterprise sampling, unit value prices, hybrid index, imputations, editing and validation, calculation, weighting and methodological manual. In addition to imports/exports, some issues related to price indices of agriculture were discussed.

KAZSTAT has progressed on this project component, and conducted a pilot survey to evaluate the statistical form and possibilities of collection price data from enterprises. Results were promising. In addition, methodology has been developed. Data collection, sampling, weights and calculation will meet international standards, if implemented according to the current plans. It is recommended to carry on, and compile and publish “real” price indices for foreign trade in the future. Inevitably, this will require new data collection from enterprises. As a result, burden for enterprises will of course increase. However, as foreign trade indices are used, for example, in constant price calculation in National Accounts, GDP growth rates shall
be of better quality. Use of unit value indices poses a threat, not only for foreign trade price indices, but also to GDP calculations.

**Recommendations and next steps**

- KAZSTAT should carry on the development of compiling Export and Import Price Indices (XPI and MPI) based on real transactions collected from enterprises.
- The current plan of calculating and publishing indices only on a national level - Kazakhstan as a whole, no regional indices - is supported.
- The conducted pilot study on Q1/2015 proved the possibility of collecting prices from enterprises. Feedback from enterprises was noticed and statistical form and instructions were adjusted accordingly.
- If it is not possible to collect prices for some reason, then sometimes it is possible to use unit value prices calculated in as detailed level as possible from Customs data. Study whether these unit value prices are reliable or not, or consider possibility of leaving the product out from the sample if it is not significant.
- Regarding price indices for agriculture, some issues were discussed and recommendations for improvement given.

**Status of implementation of recommendations from project activities**

The following actions were taken to implement proposals for the F4b-KAZ-2 activity:

1. The Methodological Guidelines for Constructing Export and Import Price Indices was approved by Order of the Chairperson of the Committee for Statistics No.124 dated August 20, 2015 and registered by the Ministry of Justice of the Republic of Kazakhstan on September 16, 2015 under the number 12063.

2. The terms of reference were prepared to design software for:
   - selecting importing/exporting enterprises by region for the forthcoming survey starting from January 2016;
   - generating a scheme to weight foreign trade indices including the grouping by the EEU member countries, CIS and other countries;
   - processing primary data and obtaining output indicators.

Moreover, the software for constructing industrial producer price index and price index of purchasing the products by industrial enterprises was modified to use another source of input information - export and import price indices and their merger with the domestic market price indices.
Notes on further planning

The last consultation mission will take place on October 19-23 with participation of two Finnish experts. The mission will be combined with a three-day workshop to be carried out for regional specialists. All preparations have been completed, the participants have been determined.

At the end of 2015, it is planned to complete the sampling of export/import goods and enterprises for each region.

Status of implementation of recommendations from project activities

To implement the proposals provided for activity F4e-KAZ-6, changes and amendments were made to the processes of the software that have been previously designed for generating a weighting scheme and calculating price indices for agricultural products at all levels of aggregation.

Notes on further planning

This mission was the last activity for improving price indices for agricultural products under Subcomponent F4e.

A Study Visit (F4e-SV-6) of CS experts on the topic “Experience in building price indices in construction sector in line with the international practice” has been carried out in May 2015 to the Italian statistical office ISTAT.

The aim of the study visit was acquiring the methodological recommendations and practical skills in building price indices in construction sector in line with the international standards by the CS staff. The objective was studying international experience in building price indices in construction sector through the example of the EU countries.

The training program consisted of theoretical and practical aspects of building price indices used in Italy in three main areas:

- price statistics in construction sector;
- price statistics in the field of industrial enterprises;
- import price statistics.

According to the study visit’s results, the Division of Price Statistics shall:

Take into account Italian experience in data sources for price indicators, sampling basic enterprises, methods used and practice of price information collection, forming schemes of weighting and their updating.
The following activities shall be implemented to introduce value index of construction sector:

1. Studying indicators of Form 2-KC “Report on putting objects into commission” for their use in order to detect the types of new construction facilities and their statistical characteristics. Making analysis by indicators of construction and investment statistics in dynamics and by regions.

2. Detecting characteristics of a “typical” model of housing construction in the republic and by construction areas (regions) to transfer the materials to technical expert in construction sector engaged to develop facility cost estimates of “typical” models of housing construction based on statistical data.

3. Identifying the possible data sources to estimate cost of renting truck transport and equipment used in construction together with the technical expert in construction sector.

4. Using prices of manufacturing enterprises and imported receipts of construction materials in estimating price indices of construction value and price index of construction by elements of the technological structure based on the acquired experience and international experts’ recommendations provided throughout the mission in Kazakhstan. Using purchase prices of the construction materials by construction organizations in building price indices in construction sector during the period before launching new data source into estimation process.

5. In addition the approaches used in Italian statistics for collecting primary data, forming sampled populations and their updating in the process of forming price indices of producers of industrial products and export and import prices indices shall be taken into account.

**Status of implementation of recommendations from project activities**

The following actions were taken to implement proposals for the F4e-SV-6 activity:

1) Data on residential houses commissioned in 2011-2013 was analyzed by region and republic (based on the complete database of data provided by individuals and legal entities) according to the following attributes:

- floor and usable area of residential houses;
- the number of apartments by number of rooms;
- the number of residential houses by the degree of improvements;
- the number of residential houses by material of walls;
- the number of residential houses by number of floors.

A similar, but more detailed analysis is currently carried out based on the data describing the residential houses commissioned by the construction companies in 2011-2014.
Notes on further planning

This was the second activity held under Subcomponent F4e “Construction Price Indices”. The second consultation mission F4e-KAZ-3 of the international expert is scheduled for February 2016.

A Consulting mission (F4e-KAZ-1) on the topic “Improvement of CPI” has been carried out in September 2015 by a price statistics expert from Statistics Finland.

The aim of this mission was to discuss the current procedures and obtain recommendations on the compilation of the CPI, based on the Finnish experience as well as recent recommendations provided by international organizations.

The consultant discussed the procedures and methodologies used in compiling the CPI, and attempted to build an overall picture of the production process of the CPI in Kazakhstan. Several admirable features were found. The CPI staff is highly motivated, competent and eager to find places for continuous improvement. A new production system for electronic price collection and data management has been built and is now in a testing phase. The new system will be implemented into production after a successful pilot study.

The procedures of the CPI compilation largely follow good practices. However, the expert recommends CS to study the possibility of having more flexibility in price collection between different regions, to better adapt to the different circumstances in different regions. There are significant differences for example in the climate in different regions, which affects the seasonality of certain products. It is recommended to study the possibility of introducing an appropriate methodology for the treatment of seasonal products, either variable weighting or price estimation, while also taking into account the varying seasons in different regions. Furthermore, the expert recommends to study the possibility of compiling regional weights, to better estimate the impact of a certain region on the national index.

In the expert’s view, the current index calculation procedure seems rather complex. CS specialists are encouraged to study the possibility of simplifying the calculation procedure.

CS plans to update the classification of the CPI to the new 5-digit COICOP. The consultant advised to implement the update along with the planned base year update. She also advised to use the chance to thoroughly go through the items in the market basket, and verify that they are placed in the correct COICOP classes. The expert also supports the idea of including newly significant items in the market basket, along with the base year update.

Recommendations and next steps

The expert recommends
- to study the possibility of compiling regional weights;
to study the possibility of having more flexibility in the price collection methods between different regions, e.g. collecting the prices of water according to the regional tariff structure;

- to implement an appropriate methodology for the treatment of seasonal products, taking into account the varying seasonality in different regions of the country;

- to study the possibility of simplifying the calculation procedure of the CPI;

- to update the market basket and implement the new 5-digit COICOP along with the next base year update. Updated market basket should include all newly significant items. Inclusion of owner-occupied housing should be considered;

- to review the outlet sample.

A further Consulting Mission was carried out in August 2015 on the topic “Agricultural Prices” by an expert from the Turkish statistical institute TurkStat (F4e-KAZ-6). The report is not yet available.

CS experts participated moreover in a Study Visit (F4e-SV-3/4) on Price Statistics in June 2015 in Paris and Wiesbaden. The report is not yet available.

Status of implementation of recommendations from project activities

A mechanism was designed to monitor primary data by establishing the range of price changes for each group of consumer goods within the CPI and industrial products within the PPI. The directory of status of goods was complemented with new statuses of goods.

A directory of price change reasons was designed. Moreover, format and logical controls are provided for the respondents who enter data in the online mode.

Notes on further planning

The improved Methodological Guidelines for Monitoring Consumer Goods and Services Prices will be approved in the fourth quarter of 2015 in the prescribed manner.
F5 Industrial statistics

Implemented activities

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<tr>
<td>F5-KAZ-1/</td>
<td>Industrial statistics indicators and estimation of the physical volume</td>
<td>29.06.2015</td>
<td>Valerio De Santis, Tiberio Damiani,</td>
</tr>
<tr>
<td>F5-KAZ-5</td>
<td>index of industrial output</td>
<td>- 03.07.2015</td>
<td>ISTAT</td>
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</table>

Findings and results

Two Consulting missions (F5-KAZ-1 and F5-KAZ-5) on the topics “Studying the current situation and preparing recommendations to formulate industrial statistics indicators and estimate the physical volume index of industrial output” and “Estimating the physical volume index of industrial output” have been carried out in June/July 2015 by two experts from the Italian statistical institute ISTAT. The results of the missions have been combined in one report.

Mission F5-KAZ-5 was aimed to discuss and find out practical solutions to make Kazakhstani industrial statistics volume index close to the international standards. Three themes, in particular, were deeply discussed: i) about weightings, the comparison between the present Kazakh method for deriving weights (bottom-up method, based on the value of production collected at District level) and the one of value added (top-down method, where weights at a lower level are derived by detailing value added – at 4 digit level of NACE – through appropriate value of production coefficients); ii) the inclusion of new products as it is carried out at present in CS and as it should be whether the index compilation were chain-linked. Discussions among the CS specialists and the Italian experts converge to identify the present Kazakh IPI compilation method closer to a rolling base than a chain-index; iii) about data collection, on one side the presence among respondents of individual entrepreneurs and households and, on the other side, the absence of a standard system to check data.

During mission F5-KAZ-1 other aspects have been highlighted. The one of dissemination and publishing was relevant: current practices in United Nations and European countries (hereafter UN–EU) have been presented by Italian experts. CS colleagues provided information about disseminating IPI and industrial statistics in general. Press releases and websites have been compared and discussed. Data collection practices were shortly compared too: at present, it seems CS data collection is still mostly paper based.

Based on the information received, the Italian experts will provide punctual recommendations applied to the main mission themes. Most of these will be included in the IPI practice survey manual that will be enclosed to the simulation results. Others are included in annexes of the report.
Conclusion

- At present, CS IPI survey mainframe is aimed to provide information for domestic users only. Although Kazakh IPI is rather consistent with UN–EU standards, to allow international comparisons the indicator has to be recompiled. Both Italian experts and CS colleagues agreed about planning a follow-up mission to assess the work planned and to comment results;
- The Kazakh IPI survey was analysed and compared with the UN–EU standards. Where and how to modify the present IPI mainframe has been focused during the meeting; the aim of IPI simulation is to provide empirical results also by detailing methods and practices adopted. CS colleagues will provide data to the Italian experts to run the IPI simulation. IPI data should be provided until the end of July 2015.

Recommendations and next steps

- a follow-up activity on IPI. This one is strongly recommended;
- an activity mainly focused on Producer price indices and Input/Output prices on constructions should be carried out. This recommendation origins from technical evaluations occurred while discussing meeting themes;
- detailed lists of recommendations are included in Annexes 7 and 8 of the report.

Status of implementation of recommendations from project activities

Based on the recommendations provided, pilot estimation of Industrial Production Index is carried out using gross value added as a weight.

Since the beginning of the KAZSTAT Project, the Methodological Guidelines for Formulating the Scope and Values of Industrial Statistics Indicators was reviewed and approved in 2013. Statistical Classification of Industrial Products has been amended. The Classification was re-approved on December 13, 2014.

Notes on further planning

For the theme “Examining the current status and preparing recommendations for formulating industrial statistics indicators to estimate the physical volume index of industrial output”, one consultation mission is scheduled for October 2015 and two consultation missions are scheduled for 2016.

As part of the ongoing activities, it is planned to prepare a draft methodology for calculating Industrial Production Index based on international standards.
F6 Construction and investment

Implemented activities

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<td>F6-KAZ-4</td>
<td>Non-financial asset indicators</td>
<td>18.05.2015  - 22.05.2015</td>
<td>Massimiliano Iommi, ISTAT</td>
</tr>
<tr>
<td>F6-SV-4</td>
<td>Construction statistics indicators, study visit to Halle</td>
<td>28.09.2015  - 02.10.2015</td>
<td>Volker Streufert, Destatis</td>
</tr>
<tr>
<td>F6-SV-5</td>
<td>Services to estimate the physical volume index of construction products, study visit to Moscow</td>
<td>25.05.2015  - 29.05.2015</td>
<td>Irina Vitalievna Bezrukavaya, ROSSTAT</td>
</tr>
</tbody>
</table>

Findings and results

A Consulting mission (F6-KAZ-4) on the topic “Services to analyze the current status in Kazakhstan, draft recommendations for non-financial asset indicators, produce data in economy sectors, improve the statistical toolkit and formulate indicators in accordance with a model scheme (algorithm)” has been carried out in May 2015 by an expert from the Italian statistical institute ISTAT.

The activity’s aim was to increase the quality of formulated investment indicators by improving the methodology for carrying out a statistical survey in line with international recommendations. The activity’s objective was to provide methodological and practical assistance in updating current methodological provisions for formulating investment statistics indicators based on the internationally accepted system of accounting such indicators; obtain practical skills in formulating investment statistics indicators based on a model scheme (algorithm) of analysis and receive recommendations on further work in these areas. Moreover, a discussion on further activities to introduce SNA-2008 recommendations regarding non-financial asset indicators (capital investments) is required.

Specific recommendations were given in the course of the mission to update the current methods adopted for formulating investment statistics. Less complex improvements include the imputation of non-responding units and deflation; more complex changes that cannot be implemented in the very short run are modifying the questionnaire, the method adopted for estimating industry breakdown and the process for detection and treatment of erroneous data.

Examples of the algorithms to implement mean and ratio imputation of unit non response and to implement deflation using asset specific price indexes were provided in Excel files. General guidelines on the design of a new questionnaire were discussed. CS colleagues showed great interest in the selective editing approach and in the procedure that ISTAT uses for the detection of potential influential errors in investment data from firm surveys.
Also a general discussion of two of the main changes regarding gross fixed capital formation in the SNA2008 (Research and Development and Databases) was given. CS colleagues showed great interest in the methodology for estimating GFCF in databases and in R&D, but because of time constraints, it was not possible to provide detailed guidance and specific recommendations on these topics.

**Recommendations and next steps**

In order to increase the quality of investment indicators estimated using the survey on Capital Expenditure, I suggest several activities that differ in terms of complexity of their implementation. Two activities that have a lower level of complexity are the following ones:

i) Revising the deflation method using asset specific price index where available

ii) Revising the method adopted for non-response and document it. It is suggested to start from the simplest methods as ratio imputation or random donor imputation. As a second best approach, even a mean imputation would be an improvement with respect to the current imputation method based on the lowest value of respondents.

A second group of activities that have a higher level of complexity are the following ones:

iii) Refining of the method for detection and treatment of erroneous observations, adopting a selective editing approach.

iv) Revising the questionnaire increasing the asset details and including at least some of the information that is very useful to national accounts (e.g., the breakdown of investment between expenditure in new goods vs. major maintenance; purchase of goods provided by other firms vs. investment produced for own final use and purchase of new goods vs. purchase of second hand assets). For the preparation of the new questionnaire, I suggest that CS colleagues should be informed in detail on the business accounting rules and practices in Kazakhstan (e.g. what is the asset detail that is required in Financial Statements? What is the accounting treatment of financial leasing? Is there any difference in accounting rules related to the legal status or the size of the firm? Etc.).

v) Revising the method for the industry breakdown, asking the firm only for the industry breakdown for social investment, while productive investment should be attributed to the industry in which the local unit that made the investment is classified (the implementation of this recommendation requires that the questionnaire is modified accordingly).

Finally, as a strategic goal in the long run, I suggest that CS should check if investment data or variables that are highly correlated with investment are potentially available from administrative data sources. The availability of such variables could then allow CS to introduce further refinements in the methods used for detection and treatment of erroneous and missing data using administrative variables as auxiliary variables, with the goal of increasing the quality of the data, reducing the statistical burden on respondents and reducing the costs of producing investment statistics.
CS experts participated in Study Visits in May 2015 on the topic “Estimation of the physical volume index of construction” in the Russian statistical office Rosstat (F6-SV-5) and in September 2015 on the topic “Construction Statistics indicators” in Germany (F6-SV-4). Reports are not yet available.

**Status of implementation of recommendations from project activities**

Based on the results of the consultation mission (F6-KAZ-4) on the theme “Analysis of the current conditions in the Republic of Kazakhstan; providing recommendations regarding indicators of non-financial assets; producing data by sector; improving statistical toolkit and designing indicators in accordance with model scheme (algorithm)”, pilot calculations are carried out using the mean value to adjust for non-responses from enterprises.

**Notes on further planning**

Under this subcomponent, a study visit (F6-SV-3) “Practical introduction of the 2008 SNA recommendations regarding non-financial asset indicators and data production in economy sectors” (Czech Republic) is scheduled for October 2015.

A consultation mission (F6-KAZ-6) “Analysis of the current conditions in the Republic of Kazakhstan; preliminary recommendations regarding indicators of non-financial assets; producing data by sector; improving statistical toolkit and designing indicators in accordance with model scheme” is scheduled for March 2016.

Based on the results of the activities, it is planned to prepare Methodological Guidelines for Formulating Indicators of Investment Activities.
F7 Energy statistics

Implemented activities

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Findings and results

A Consulting Mission was carried out in September/October 2015 on the topic “Energy statistics: renewables” by experts from France (F7-KAZ-10).

Energy statistics is a new responsibility for the CS experts. Besides, Kazakhstan will organize the next World Exposition in 2017, and has decided its theme would be “Future’s energy”. The Kazakh statisticians thus expect to be asked more and more questions on energy statistics in the next months, especially on renewables, which was the central issue dealt with during the mission. Kazakhstan also intends to increase energy efficiency in 2016, and to become a leader in the region for that matter. As the CS team is new on the topic of energy, they were also very much interested in getting information about the French energy statistics system in general, total production and total primary energy supply, and final consumption. The five days of the mission were thus aimed at giving a comprehensive overview of the French energy statistics system, with a focus on renewables but also households surveys. All the questionnaires designed and used for energy statistics were transmitted to the Kazakh experts during the mission.

The adopted Strategy Kazakhstan 2050 and other strategic program documents set ambitious targets concerning the power sector. One goal is to reach a 50 percent share of renewable and alternative energy by 2050. Renewables are thus going to be developed at a very large scale. Statisticians must be able to measure their development.

Conclusions

Following the re-organisation of the energy statistics in Kazakhstan, the streamlining of energy statistics and energy balances is clearly under way. International methodology and recommendations developed by Statistics department of UN, the IEA and Eurostat are used as guidelines for future surveys, which is a very positive step to achieve a comprehensive and consistent system of energy statistics. The IEA has for instance appraised the growing quality of the KZ energy balance.

Regular contacts with the energy industry as well as with academics would help designing sound and user-friendly surveys, as well as ensure a thorough capacity-building.
Recommendations and next steps

The mission’s main recommendations are as follows:

SURVEY DESIGN

- In order to ensure that the survey questionnaires are well understood and can be filled correctly by respondents, the mission recommends that each new (or former) questionnaire must be tested with a few companies (a figure of ten to twenty seems fair). This also provides a measure of the time which is necessary to gather information and fill the questionnaire, allowing a control of the respondent burden.

- Limiting the respondent burden is a key issue for statistical offices. As of today the surveys in Kazakhstan survey all companies. The mission recommends that a sample frame be established, which would for example survey all big companies, but only a sample of the smaller ones. A follow-up mission in France, with the Ministry of Energy and Insee, could focus on sample design for business surveys.

- Once samples are designed, the Kazakh Statistics Committee could also enforce “negative coordination” of samples, thus ensuring that once a small or medium size company has been surveyed during the calendar year, it cannot be sampled for another survey the same year.

- Having examined the questionnaires that have been designed by our Kazakh colleagues, the experts recommend that the CS take better advantage of their internet data collection system, by adding filter questions that parameter and adapt each set of questions to the activity of the companies surveyed, and by programming data consistency checks that prevent respondents from editing wrong answers. A follow-up visit to France could allow the Ministry of Energy experts to show concretely such filters and data checks.

IMPROVEMENT OF HUMAN RESOURCES

- In order to obtain good quality energy statistics, training is essential. Statisticians should be trained in order to keep informed about state of the art methodology. They also should receive proper training about their topics, in order to be able to design relevant and user-friendly surveys and discuss with companies, especially when contacted to understand how to fill in the questionnaires. The mission thus recommends that Kazakh statisticians have access to a specific training about the energy sector, more specifically the oil and petroleum products industries, the natural gas industries, and the renewables industries.

- Organizing regular visits to energy plants is also a very fruitful way of increasing competency, according to the French experience.

- The Kazakh CS intends to design and launch a households’ survey on energy consumption and renewables production by households. The French mission experts have provided examples of questionnaires in use, but could only provide general in-
formation on sampling. They thus recommend that a follow-up study visit of Kazakh experts to France dedicates one day on sampling frames and design for households surveys, with Insee and Ministry of Energy experts.

KEY ISSUES THAT COULD NOT BE DEALT WITH

- There was no time left to deal with energy efficiency indicators during the mission. Besides, the two French experts were not really knowledgeable about this issue. They thus recommend that during the next mission, a day at least should be dedicated to energy efficiency indicators with ADEME, which is the French administrative body responsible for the European project ODYSSEE-MURE.

- The Kazakh CS intends to work on the System of Economic and Environment Accounts, and more specifically on Physical Energy Flow Accounts in that framework. As there was no time left to deal with this topic during the mission the experts recommend that during the next mission to France a day should be dedicated to a discussion with the Ministry experts responsible for SEEA and PEFA.

Status of implementation of recommendations from project activities

In 2014 according to recommendations of international experts it has been developed methodological recommendations on Fuel and Energy balance which includes international standards on energy statistics, list of indicators, which is characterize development of fuel and energy market of the country which is comparable on international level. In 2015 there CS continued work on improvement of toolkit survey on energy statistics, which will help to fill international questionnaires and will reduce the burden on business. All duplicated forms and indicators will be canceled. This work will be finished in 2016. 

Currently interdepartmental working group on energy statistics has been formed.

In 2016 methodological recommendations of IEA on energy efficiency indicators will be implemented to the national practice. CS needs expert consultation for implementing energy efficiency indicators. During the consultation of Mr. Roland Mertens there was discussion on program project ODYSSE-MURE, developed by French Ecology Agency. One of the developers of the "Energy Efficiency Indicators: Fundamentals of Statistics", published by the IEA is this agency, Mr. Dider Bosseboeuf and Mr. Bruno Lapiollone. Since the Committee is planning to write guidelines for energy efficiency, there would be desirable to provide recommendations on energy efficiency calculations.

Notes on further planning

A continuation of the energy subcomponent should be taken into consideration in order to ensure the project objective in the subcomponent.

In the framework of World Bank there has been considered additional activities on energy statistics: in 2015 CS will facilitate training for territorial statistical offices with participation of Mr. Mertens.
F8 Agriculture statistics

Implemented activities

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<tr>
<td>F8-SV-3</td>
<td>Development of Agriculture Statistics, study visit to Warsaw</td>
<td>22.06.2015 - 26.06.2015</td>
<td>Tomasz Milewski, CSO Poland</td>
</tr>
<tr>
<td>F8-SV-5</td>
<td>Agricultural census study visit to Moscow</td>
<td>18.05.2015 - 22.05.2015</td>
<td>Alexandra Epikhina, ROSSTAT</td>
</tr>
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</table>

Findings and results

A Study Visit (F8-SV-5) of CS experts on the topic “Methodological and Organizational Aspects to carry out the Agricultural Census” has been undertaken in May 2015 to the Federal State Statistics Service of Russia, Rosstat.

The aim of the activity was to acquire knowledge and recommendations for preparing and conducting census of agriculture, forming all the census' documentation, primarily questionnaires and guidelines, as well as applying different methods of collecting and processing information. The objective of the study visit was to acquire methodological, theoretical and practical knowledge of carrying out preliminary and basic activities for arrangement of agricultural census.

In accordance with the Terms of Reference the program's main part was aimed at activities for studying experience in conducting agricultural census in Russia through the example of 2006 All-Russia Census of Agriculture and pilot census-2012. The materials related to 2016 All-Russia Census of Agriculture (hereinafter - ARCA) were studied. Different aspects of agricultural census were reviewed from its preparation to publication. The presentations were followed by discussions of the questions arose.

The issue of public awareness campaign was widely presented. The system of special projects that took an enormous importance in popularization and necessity of ARCA conduction shall be particularly noted. The ROSTAT also presented the issue of training employees collecting information on the census objects through the example of ARCA-2006 and ARCA-2016. The training videos were demonstrated.

The ROSTAT staff particularly noted the role of a pilot census. For example, after a pilot census in 2004 it was revealed that the census of agriculture cannot be conducted without adoption of the Federal Law "On All-Russia Census of Agriculture". Based on the findings of a pilot census in 2012 it was decided to use tablet computers (in separate districts or cases - machine-readable document forms).
Recommendations Based on Study Visit Outcomes:

- Russian colleagues have repeatedly emphasized the complexity of the process to hold the agricultural census in 2 stages. Their recommendations: organize this work in one step, if possible;
- The Division of Production and Environment Statistics and Division of Registers shall use materials provided by Russian colleagues and take their recommendations into consideration when arranging and holding the agricultural census;
- The Division of Production and Environment Statistics together with the Division of Registers shall prepare the procedure to formulate lists of entities that are subjects to the agricultural census and approve it in the established order;
- The Division of Classifications and Information Technologies together with the Division of Production and Environment Statistics and the Division of Registers shall design a corresponding module in IIS „e-statistics“, where it will be possible to generate preliminary census lists. In turn, this module will be integrated with internal modules (IS Agricultural Register, IS Statistical Business Register, IS Statistical Housing Stock Register), and with external information systems, if necessary;
- The Division of Classifications and Information Technologies together with the Division of Production and Environment Statistics shall design software package for processing data and obtaining agricultural census outcomes;
- It is required to carry out additional activities on data processing and statistical information quality assurance.

A further Study Visit (F8-SV-3) of CS experts on the topic “Development of Agriculture Statistics (Methodology and Practice of Conducting Sample Surveys in Crop and Livestock Production)” has been undertaken in June 2015 to the Polish statistical office in Warsaw.

The aim of the activity was to improve the quality of indicators generated for agriculture sector statistics by modernization of the methodology based on international recommendations. The objective of the study visit was to acquire theoretical and practical knowledge of the methodology for conducting sample surveys in the agricultural sector based on the standards accepted in the international practice.

Under the study visit theme, the staff of the Statistical Office of Poland held the training on the following issues:
- Basic information on the agricultural sector and directions of the development of agricultural statistics in Poland as well as general information on agricultural statistical surveys.
- Methodological and organizational aspects of conducting household surveys in June 2013 (preliminary work, including the CATI method, use of administrative data, use of agricultural census data in the inter-census period).

- Key methodological aspects (forming sample population, extrapolation to general population, appearance of non-typical units (non-responses)).

- Statistical survey related to crop (methodologies, survey organization, sample surveys, assessments, system of reporting, data collection and design).

- Statistical survey related to livestock (methodologies, survey organization, sample surveys, assessments, system of reporting, data collection and design).

- Cooperation with external institutions, data dissemination.

- Eurostat requirements related to generating statistical surveys data.

- Preliminary activities for structural SURVEY 2016 and agricultural census 2020 - use of administrative sources' data.

- Use of modern technology in agricultural surveys and LUCAS survey.

During the study visit, the data collection methods were discussed including processing and generating of the sample data on agricultural statistics as well as statistical toolkit for statistical surveys in crop and livestock production.

**Status of implementation of recommendations from project activities**

Based on the results of these study visits, the following activities have been implemented:

- Working Groups for Organizational and Technological Support and Outreach Activities for Agricultural Census in the Republic of Kazakhstan in 2015-2019 have been established; No.116 dated August 5, 2015;

- Draft documents have been prepared for the “Methodological Guidelines for Determining the Rate of Load on Persons Engaged in Collecting Data on the Units of Agricultural Census” and “Methodological Guidelines for Preparing a List of Units of the 2017 Agricultural Census”;

- Meeting of the Working Groups for Organizational and Technological Support took place on September 23, 2015 to discuss the procedure of preparing a list of units of agricultural census and approve it in the established manner;

Based on the results of the study visit and previous expert mission “Improving the Methodology of Sample Surveys in Crop and Livestock Production”, the division engaged in sampling has analyzed the proposals provided by the Danish expert for improving the sample design for agricultural surveys. The results of the analysis will be taken into account when preparing a package of new methodological documents. A draft of new methodological guidelines for conducting sample agricultural surveys is being prepared.
Based on the results of the previous study visit consultation missions by international experts on the theme “Improving the methodology of estimating gross output of agricultural products (services)”, a draft Order on Approving the Methodological Guidelines for Estimating Gross Output of Agricultural Products (Services) has been prepared and is currently being reviewed and agreed.

Based on the results of the previous study visits and consultation missions by international experts on the theme “Implementing Computer Assisted Telephone Interviewing in Agricultural Sector”, a plan of actions for CATI implementation, including pilot survey, has been prepared and approved. Two existing Statistical Forms 2-cx and A-008 have been adjusted to use them in the pilot project on CATI implementation. In particular, draft descriptions of electronic questionnaires have been prepared based on these forms and in accordance with the recommendations provided by the Poland experts. The draft questionnaires, including the list of validations and a scheme of questions, were sent to the system developer. A Draft Methodological Guidelines for Conducting Telephone Interviews in Agricultural Sector have been prepared and is currently being reviewed and agreed.

Notes on further planning

Based on recommendations provided in 2015, preparatory activities for pilot and main census will be carried out. Eventually, statistical toolkit, regulatory and legal acts will be designed and approved, the guidelines and guidance materials for the staff engaged in census will be prepared, software for entering and processing data using tablet PCs, as well as for processing materials and obtaining census results will be designed in 2015-2016.

For the theme “Improving the Methodology of Sample Surveys in Crop and Livestock Production”, two more expert missions are planned for 2016. Based on the result of theme missions, the Methodological Guidelines for Conducting Sample Surveys in Crop and Livestock Production will be prepared and introduced since 2017.

For the theme “Improving the Methodology of Estimating Gross Output of Agricultural Products (Services)”, it is planned to approve the methodology in Quarter IV, 2015 and start using the approved methodology in the estimations in 2016.

Final consultation mission “Implementing Computer Assisted Telephone Interviewing in Agricultural Sector” with participation of Poland experts to discuss the results of the pilot project and further work on the CATI implementation was postponed to April 2016. Eventually, “Methodological Guidelines for Conducting Telephone Interviews in Agricultural Sector” will be prepared and approved. The preliminary period to implement the methodology is after the second half of 2016.
**F9 Environmental statistics**

**Implemented activities**

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<tr>
<td>F9-KAZ-1</td>
<td>Environmental indicators</td>
<td>18.05.2015 - 22.05.2015</td>
<td>Jukka Muukkonen, Statistics Finland</td>
</tr>
<tr>
<td>F9-KAZ-4</td>
<td>Environmental indicators, identification of respondents and survey methods</td>
<td>14.09.2015 - 18.09.2015</td>
<td>Leo Kolttola, Statistics Finland</td>
</tr>
</tbody>
</table>

**Findings and results**

A **Consulting mission (F9-KAZ-1)** on the topic “Services to design methodological guidelines for formulating primary indicators of environment statistics to build a System of Environmental-Economic Accounting (SEEA)” has been carried out in May 2015 by an expert from Statistics Finland.

Focus of the mission was on developing methodology and compiling environmental accounting to Kazakhstan by applying the UN SEEA framework on environmental accounting and European Union application on the SEEA.

Questionnaire form of the CS on environmental expenditures and payments is improved and extended to cover all activities included into international classification of environmental protection activities. The experts of the CS have compiled accounts on environmental taxes for years 2011-2013 according to the detailed division of taxes by tax type included into the UN SEEA framework and EU regulation on environmental accounting. The next step is to allocate these taxes to economic activities that actually pay the taxes, starting from examining data of monetary supply and use tables. The CS has also started to develop accounting methodology on environmental goods and services sector.

**Recommendations and next steps**

It is recommended, that the focus of developing methodology and implementing environmental accounting in Kazakhstan in the next 1 – 3 years should be on physical flow accounts for emissions to air, solid waste and water, and monetary flow accounts on environmental expenditures and payments, environmental taxes, and environmental goods and services. Developing and implementing these accounts by economic activities are also among priority aims for environmental accounting in European Union and in United Nations.

The next step on environmental taxes is to allocate these taxes to economic activities who actually pay the taxes. This can be done mainly based on other data and statistics already existing in the Committee of Statistics and Tax Committee. The work could be started by examining data of monetary supply and use tables, which can be used in estimating the data on environmental taxes by economic activity. It is also important to identify connections be-
between tax revenues according to Government budget and taxes according to National accounts.

The focus on accounts for environmental goods and services should for the start be on those economic activities, who’s main purpose is to produce environmental goods and services, and activities such as agriculture, where data availability on production of environmental goods and services is good. European Union countries experiences and lists of shares of environmental goods and services in other economic activities could be used to estimate the shares in economic activities in Kazakhstan.

In the next 4-5 years other focus areas of environmental accounting could be economy-wide material flow accounts that combine data on all physical flows at aggregated level. Accounts for the most important natural resource stocks (mineral, energy, water) would expand implementation of the SEEA in Kazakhstan to cover all main environmental natural resource stocks and flows.

Data from environmental accounts could be combined and to some extent presented in the form of hybrid tabled linking physical and monetary information. The starting point would be at highly aggregated level, e.g. at 1-digit level of the NACE Rev.2 classification of economic activities. However, activities inside C manufacturing, E water supply and waste management, and H transportation and storage may be very different with respect to environmental and economic importance to national economy of Kazakhstan. Therefore it is recommended, that disaggregation of these activities at applicable level would be considered. For each module of environmental accounting compiled by economic activity (emissions to air, solid waste, water, taxes, expenditures, goods and services) the same kind of disaggregation may not be very relevant, and the relevance for Kazakhstan should be evaluated by economic activity and by modules of environmental accounting.

Translation for the most important parts of Eurostat manual on environmental goods and services sector is recommended.

A further Consulting mission (F9-KAZ-4) on the topic “Environmental indicators, identification of respondents and survey methods” has been conducted in September 2015 by an expert from Statistics Finland.

The purpose of the mission was to discuss the classifications, methods and data collections for environmental statistics and accounts in Kazakhstan. During the mission, the compilation of accounts on environmental taxes was discussed. The consultant presented releases of the accounts in Finland. Recommendations on the compilation of accounts on environmental taxes were developed. The compilation of environmental goods and service sector (EGSS) statistics and the application of CEPA and CReMA-classifications in them were also discussed and recommendations for the development of surveys and possible changes in questionnaire forms were formulated.

The experts of CS and the consultant also planned the contents of the Methodological recommendations for the compilation of primary data required for building an environmental account of the System of National Accounts. It is recommended that the document will ex-
plain the strategy of CS on environmental accounting. In the document only three types of accounts will be presented as examples.

In Kazakhstan, the focus will in the near future be on eight types of flow accounts: air emissions, water, waste, environmental expenditure, energy, environmental goods and service sector (EGSS) and environmental taxes. This strategy are well in line with international priorities and would include the modules currently existing in EU regulation on environmental economic accounts except material flow accounts for which data do not exist in Kazakhstan at the moment.

Recommendations and next steps

Accounts on environmental taxes

It is recommended that accounts on environmental taxes will be based mainly on two data sources: the national budget and enterprise statistics of CS. The total sums of tax revenues could be taken from National budget. The allocation of taxes paid by different activities can be done on the basis on data from enterprise statistics. Taxes can be divided to pollution, energy, traffic and resource taxes by the definitions of OECD and Eurostat.

In Kazakhstan the only energy tax seems to be the \( \text{CO}_2 \)-tax. This is understandable, because Kazakhstan is such an energy rich country. Pollution taxes are paid related to air emissions, wastewater emissions and solid waste. Taxes on paid both as directly linked to emissions and as a penalty for exceeding existing environmental norms. Also traffic taxes and resource taxes exist in Kazakhstan.

Environmental goods and service sector (EGSS) statistics

It is recommended that supply and use tables of national accounts are the starting point of the statistics. By these accounts the output, intermediate consumption, value added, import and expert of EGSS can be calculated. The CPA-classes in supply and use tables will be divided to classes with 100% of EGSS, 0 % of EGSS and 0 – 100% of EGSS. The share of EGSS will be defined on the data of these enterprises and international experiences, which exist e.g. from Finland, Germany and Canada.

It is recommended that for the form 1 (R&D) an extra column will be added on research on renewable energy in section 7.

It is recommended that in the form 2 (services) will be inserted a 3rd column “volume of produced environmental and natural management services in section 2. The instructions to fill this column will include definition taken from SEEA handbook and maybe examples of the classes.

It is recommended that the data for production state administration for environmental protection will be taken from the report on the performance of national budget.

It is recommended that forestry in Kazakhstan can be considered 100 % environmental goods and services, because commercial cuttings do not exist all activities are done for natural resource management purposes.
It is recommended that for organic farming will be classified products of those farms that do not use chemical fertilizers nor herbicides. Data of this can be found from questionnaire forms for agricultural production.

The breakdown of activity data to CEPA/CReMA-classes can be done on the basis of data of the production of those enterprises.

**Status of implementation of recommendations from project activities**

Methodological guidelines for Formulating Primary Indicators to Build a System of Environmental-Economic Accounting (SEEA) with the SNA and a draft CREMA classification have been developed.

Based on the Green Growth Indicators (OECD Guidelines), preliminary list of green economy indicators for the Republic of Kazakhstan has been prepared.

Based on the recommendations provided during the previous missions on SEEA, the CS specialists determined the environmental taxes for Kazakhstan. Environmental accounts for the 2011-2013 taxes were compiled in cooperation with the National Accounts experts using the detailed breakdown of the taxes included in the UN SEEA and the EU Regulation on Environmental Accounting.

Forms for nationwide survey on environmental statistics have been reviewed for 2016.

**Notes on further planning**

For the topic “Designing a classification of environmental protection indicators by activity and cost using the CEPA classification”, one study visit (F9-SV-2) is planned in Q I, 2016 and one expert mission (F9-KAZ-5) is planned in Q IV, 2016. Partner countries have not been identified yet. Our proposal is to consider the possibility of cooperating with the Czech experts.
F10  Trade and commodity markets statistics

Implemented activities

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<tr>
<td>F10-KAZ-2</td>
<td>Trade statistics/NOE</td>
<td>01.09.2015 - 04.09.2015</td>
<td>Ingeborg Vind, Statistics Denmark</td>
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</table>

Findings and results

A Training mission (F10-KAZ-2) on the topic "Trade statistics surveys / best international practice" has been conducted in September 2015 by an expert from Statistics Denmark. This mission was the third (and last) mission in the field of trade statistics in the project. The first two missions, as well as a study visit to Statistics Denmark, have covered all the main steps in the statistical production process for trade statistics – sampling and estimation, data collection, survey forms, data validation and editing, index calculation, use of administrative data and quality management. This mission summed up the recommendations in all these fields, based on international guidelines as well as best practices from Statistics Denmark and other EU countries. The mission was arranged as a training seminar with participation of trade statistics staff from regional statistical offices as well as from the central office. Participants also included staff from the business register and from price statistics.

Conclusions

The achievements of the project are many and include

- Simplified forms for monthly and annual survey
- Design for new sample survey for individual entrepreneurs
- Progress on agreement with tax authority on access to VAT data
- Specifications for new data editing program to check for significant errors (outliers)
- Work on seasonally adjusted series using Demetra
- Methodological guidelines.

Recommendations and next steps

This was the last mission, but the work on improving trade statistics does not end here. In November, some of the staff of the central office will participate in an expert mission on the Business Register. Also in November, regional staff will again come to Astana to learn more on the new set of methodological guidelines. This workshop will also cover the topic of seasonal adjustment.
The new methodological guidelines are based on international recommendations and on inspiration from the Danish short-term statistics on trade. The implementation of the guidelines is planned to be from 2016. This will require a lot of work, in central as well as regional offices. Among other things, it will affect data collection when a sample-approach is taken (rather than a census).

It is recommended that the methodological guidelines allow some room for flexible adaptation in the regions, as their business structures vary a lot. Also it is recommended to evaluate and, if necessary adjust, the guidelines after the first 1-2 years of practical implementation.

**Status of implementation of recommendations from project activities**

The result of the implementation of activities under this mission is the increased level of professional knowledge of the Committee’s staff and territorial statistics divisions’ specialists.

In addition, taking into account that the mission was the final one, the draft “Guidelines for Formulating Domestic Trade Statistics Indicators with Consideration of International Recommendations” (the Guidelines) was presented to the attention of the audience and expert. They were designed based on the experience of the Statistics Denmark in domestic trade statistics according to the results of previous missions, as well as in accordance with “International Recommendations on Retail and Wholesale Trade Statistics” prepared by the United Nations Statistical Commission.

During the presentation, issues were discussed with regard to draft methodological guidelines, in particular, adaptation of approaches used in Danish practice in the area of carrying out sample surveys, validation and editing/aligning of data with the national practice of data formulation. During the discussion, the expert also provided recommendations to formulate indicators of domestic trade statistics, which will be introduced into guidelines.

**Notes on further planning**

The training was the last activity under Component F10 “Trade and Commodity Markets Statistics”.
F11  Services statistics

Implemented activities

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<tr>
<td>F11-SV-2</td>
<td>Service statistics, study visit to Bonn, Wiesbaden and Hannover</td>
<td>06.07.2015  - 10.07.2015</td>
<td>Jutta Oertel, Destatis</td>
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Findings and results

A Study Visit (F11-SV-2) of CS experts on the topic “Development of Service statistics” has been undertaken in July 2015 to German statistical offices in Bonn, Wiesbaden and Hannover.

According to the Terms of Reference, the staff of the Committee for Statistics got familiarized with:

- Current international practice of carrying out sample surveys of services statistics in Germany;
- Software used in a statistical process and their functionalities;
- Development of the process of working with the Index of Service Production (ISP), international and European recommendations for ISP estimation;
- German online questionnaires;
- Description of the process of carrying out surveys in Germany and time planning related.

Based on study visit results, it is recommended:

1. To introduce German experience into the process of preparing a sampling population using the sample rotation principle.
2. To introduce German experience in the area of data adjustment based on EU and Destatis recommendations into national practice.
3. In cooperation with the Division of Price Statistics to consider generating price indices required for the Division of Price Statistics to estimate the physical volume index by types of activities of commercial services in line with international practice studied by specialists of the specified divisions in Destatis and based on Destatis experts’ consultations.
4. To use tax authorities’ data in national practice of Kazakhstan in order to analyze da-
ta and improve its quality.

5. Prepare methodological guidelines to improve services statistics with consideration of German experts’ recommendations obtained during consultations and the study visit.

A Consulting mission (F11-KAZ-9) on the topic “Introduction of Communication Statistics Indicators” has been conducted in September 2015 by a Spanish expert.

Main purpose of this mission was to review the international experience concerning the formulation of communication indicators, including methodology and terminology, as well as revise indicators in the forms of the CS in accordance with international standards.

Communications is a very important sector for the country, growing rapidly, especially in reference to mobile telephony and Internet. Therefore, statistics of the sector of communications are very relevant. They provide the necessary information for adequate policy making, investment, market research and monitoring, progress assessment and regulation. In particular, administrative data on communications provide an overall picture of the market and its development. In this regard, the Committee of Statistics (CS) is in charge of collecting administrative data of the communication and postal services. They do it through four questionnaires. These forms contain the indicators required by the communication authorities and users, however, there are issues concerning statistical definitions, which impacts the quality of statistical surveys and formulation of communication statistics indicators.

During this mission, the international standards on communications and postal indicators were discussed and the forms to collect information were revised and reviewed in order to introduce new indicators and remove indicators and categories that are not necessary.

Conclusions

- While there is room for improvement, the general status of administrative data on communications and postal services collected by the CS is very good; forms are very complete and CS is in a position to report almost all the required information demanded at the international and national level, including key information required to calculate Global Indexes, in a timely manner and with adequate quality.

- Questionnaire forms need to be updated i) with new indicators and ii) by removing indicators and categories that are not any more relevant at the national and international levels.

- There seems to be a good coordination between CS and the Committee on Communications (CoC) in the sense that the latter is always accessible when staff from CS require information about indicators and methodologies or any matter related to the communications forms. On the other hand, CS provides all the information required by the CoC in a timely manner. Nevertheless, there seems to be a need for more coordination in order to revise methodologies, update forms and provide regular capacity building so that CS staff is always up-to-date with terminology and technical definitions.
There is a good communication with data providers (operators and businesses from the communications and postal sectors) who usually provide the required information in the timeframe provided. This is however also the result of the legal basis accompanying this exercise. It is advisable to conduct regular encounters (for instance, once a year or biennially, depending on how frequently changes are incorporated in the forms or the methodologies) with providers of information in order to discuss methodological issues or unclear matters when providing the data.

**Recommendations and next steps**

- Discuss the proposals for updating the questionnaire forms, including assessing relevance of indicators and revision of definitions, with main users of information.
- Revise document containing methodology and definitions of indicators provided to operators for completing the forms. Definitions should be reviewed, clarifications and methodological recommendations should be added when missing.
- In order to make information on revenues comparable at the international level, CS should be able to report revenue excluding interconnection rates. For this, a proposal to collect this information separately in the form has been included.
- Revise and update, when necessary, the name of some identified indicators in the Statistical Classification of Services.
- Trainings or working sessions involving providers, producers and users of information should be held once a year or biennially in order to define and explain new indicators and shortcomings when providing data for already established indicators.
- Technical experts from the Committee on Communications who could also provide capacity building trainings to staff from CS on the technologies and the way in which information should be collected in the context of Kazakhstan.
- Cooperation and coordination with the Committee of Communications should be increased. Definitions of indicators and possible methodological issues in the collected information should be discussed and agreed. CS should be properly informed about the relevance, meaning for policy purposes and need of collecting the information. The coordination should be well established, as to be able to reply to international demands on methodological issues and concerns about the data.
- In case of inconsistencies with the information, the Committee of Communications should identify them and discuss with CS how to correct them.
- Work with the Regional Commonwealth in the field of Communications (RCC) in order to revise and update RCC’s questionnaire on communications, as well as to update definitions and methodology.
- Find out what institution collects information on annual foreign investment and whether it can be provided for the sector of telecommunications.
• Establish who are the main users of postal and currier services’ indicators and revise together the relevance of the indicators collected.

• Encourage operators to collect information on data traffic, which is necessary for the monitoring and management of their network. This information should be collected at the access point of the network that is as close as possible to the end user.

• Continue encouraging operators to provide additional explanations (in the form of notes to the data) when there are high increases or decreases in the data from one year (or month) to another, which are not self-explanatory.

• Encourage operators to use the software prepared to fill in the information asked in the questionnaire forms, since this should optimize and make more efficient the work of CS. And also in view of the paperless government policy aimed for 2017.

• The form on technical infrastructure and quality issues could be directly collected by the CoC, since it is very specific information for monitoring the quality of the network and services provided.

• Register and participate in the ITU Expert Group on Telecom/ICT Indicators (EGTI) http://www.itu.int/net4/ITU-D/ExpertGroup/default.asp. It is recommended that not only CS participates actively, but also CoC and RCC.

• Participate in the meetings of the EGTI (held usually in September or back-to-back with World Telecommunication/ICT Indicators Symposium (WTIS)).

• Check the conclusions of the EGTI meeting in Geneva. There may be additional changes to the indicators currently discussed.

• Participate in the next World Telecommunication/ICT Indicators Symposium (WTIS) to be held in Hiroshima, Japan, 30 November to 2 December, 2015.

Status of implementation of recommendations from project activities

Based on the knowledge acquired, methodological guidelines to formulate services statistics indicators will be designed in 4th quarter of 2015 in line with international standards.

Notes on further planning

The survey toolkit for services statistics was revised in 2015. To lower the respondent burden, the volume of services delivered will be formed in software by type of activities performed by an enterprise.

Training on services statistics will be held October 19-23, 2015 for specialists of territorial statistical authorities; methodological guidelines will be prepared.
F12  Statistics of information-communication technologies

Implemented activities

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<td>F12-KAZ-1</td>
<td>ICT use in households/ secondary education</td>
<td>25.05.2015 - 29.05.2015</td>
<td>Jose Cervera</td>
</tr>
<tr>
<td>F12-KAZ-2</td>
<td>ICT in Enterprises</td>
<td>08.06.2015 - 12.06.2015</td>
<td>Oliver Bauer, Gesine Petzold Destatis</td>
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</table>

Findings and results

A Consulting mission (F12-KAZ-1) on the topic “Improvement of ICT statistics indicators / best international practice” has been carried out in May 2015 by an expert from the Statistical Consulting Service Devstat.

The aim of the mission was: to improve the system of indicators that characterize the development of the ICT sector in line with the international standards (Eurostat, UNCTAD, ITU) and national requirements. The objective of the activity is to provide methodological and practical assistance in updating the current methodological guidelines for formulating ICT indicators based on the internationally recognized ICT statistical indicators recording system; improve the quality of ICT statistical surveys in households; and review the statistical toolkit.

The activities carried out included:

• becoming familiar with the current system of formulating statistics indicators of ICT use in households in Kazakhstan (home-based preparation and discussions during the mission);
• presenting the international experience in defining and formulating statistics indicators of ICT use in households using the example of the consultant country (package of materials, including questionnaire forms and guidelines for completion of the forms); share guidance materials, methodologies for defining and formulating statistics indicators of ICT use in households used in the consultant country;
• providing practical recommendations for improving the statistical toolkit on a national level in line with the international standards.

The main results of the mission are:

• Better knowledge of CS of international standards in the measurement of access and use of ICT by households and by secondary education institutions
• Reformulated questionnaire on ICT access and use by households and individuals
• Recommendations on the sample design for the survey on ICT access and use by households and individuals
• Recommendations on the use of administrative registers for the collection of indicators in the use of ICT in secondary education.

A Consulting mission (F12-KAZ-2) on the topic “Methods of conducting surveys in ICT statistics” has been carried out in June 2015 by two experts from the German Federal Statistical Office Destatis.

The aim of the mission was to analyse the Kazakh survey on ICT usage in enterprises as well as the existing system of ICT indicators in order to identify measures for improvement to better monitor new developments of ICT in Kazakhstan and to meet international standards.

The activity aimed at discussing and redeveloping the Kazakh questionnaire and at examining further relevant topics such as sampling design, plausibility checks, extrapolation, data quality (standard errors) and publication. However, redesigning the questionnaire currently used by CS took much more time than originally expected and was therefore the main component of the visit. Since a comprehensible and feasible questionnaire is the elementary base for conducting a survey in a good quality, a detailed adaption of the indicators and related questions was necessary.

During the action the German experts already identified several further aspects with need to improvement to enhance the Kazakh system of ICT statistics and the quality of the data. For example the introduction of a shortened questionnaire for very small enterprises like in Germany would be reasonable as well as a general limitation of the number of questions. Since the user needs on ICT indicators are increasing constantly it should be taken into account to introduce fix and annually changing flexible modules in the questionnaire and thus not to overload the survey. This approach is successfully implemented in the European ICT surveys since 2005. Furthermore it seems that there is currently too little time for developing a feasible questionnaire, to carry out proper plausibility checks and to evaluate data quality in the CS ICT section. These aspects should be discussed during one of the next expert missions.

Conclusions

The revision of the Kazakh model questionnaire on ICT usage in enterprises was very successful. The questions have been adapted to international standards. Different modules have been presented that could be used within a flexible system of the questionnaire. Besides, instructions were presented that could also be included in the new questionnaire in order to improve the understanding of the questions.
Recommendations and next steps

The discussions with our Kazakh colleagues revealed that the revision of the questionnaire was urgently needed. However, further steps have to be taken to improve the conduction of the survey. During the next study visit in Bonn, the time line for the survey should be analysed. Besides, survey sample, plausibility checks, extrapolation, data quality (standard errors) and publication are important issues also to be covered within the next study visit.

Status of implementation of recommendations from project activities

Consultation mission (F12-KAZ-1) “Improvement of ICT Statistics Indicators/Best International Practice”.

The result of the activities implementation under this mission is the increased level of professional knowledge of Committee’s staff in ICT statistics.

With the participation of the independent expert, Jose Cervera, the form H-020 “Questionnaire for Surveying Households on the Use of Information and Communication Technologies” has been modernized. Recommendations to consider the Register of Housing Units (Housing Stock Register) as the sample toolkit have been obtained. All his recommendations have been taken into account. Results on the statistical form will be obtained March 6, 2016 after the reporting period. Currently, the form is being under approval.

The statistical form 1-inform “Report on the Use of Information and Communication Technologies in Secondary Education” has been reviewed as well. Indicators of this form have been compared to UNESCO international standards. Recommendations to analyze in cooperation with the Ministry of Education and Science of the Republic of Kazakhstan an opportunity to collect current administrative data from secondary schools to produce ICT key indicators in education have been obtained. If all indicators may be found in administrative registers, the Committee will reduce the number of statistical activities. If the statistical load is reduced, this experience shall be demonstrated as a successful practice of modernization and reduction of the need to gather answers and lower expenses on data collection. This recommendation has been analyzed and the form has been successfully cancelled.

Notes on further planning

It is planned to carry out a study visit in the near future to Spanish Statistical Office to familiarize the staff of the Committee for Statistics with Spanish experience, which includes the responsibility of the National Statistics Institute for data collection and production of statistics, and the National Observatory of Telecommunication and Information Society as the main user. Visits to the territorial office to better understand the management process and potential issues in fieldwork (taking into account the technical complexity of the concepts contained in ICT questionnaires) might be included as well.
Issues to be examined during the study visit:
- Sample plan, use of the core sample of households;
- Questionnaire used;
- Organization of the data collection in territorial offices;
- Check of data correctness, data imputation;
- Extrapolation;
- Data dissemination, tabulation, dynamic tables, micro data and metadata;
- Discussion of issues appeared at the level of EU and OECD in the area of assessing ICT;
- Analysis and use of ICT statistics;
- Data dissemination, tabulation, dynamic tables, micro data and metadata;
- New measurement issues discussed at the level of EU and OECD; ICT used by the National Observatory of Telecommunication and Information Society.

Further meeting has been planned to be held in May 2016, when a training under Component F “Improvement of the Methodologies and Practices in Specific Areas of Statistics” as part of Subcomponent F12 “Statistics of Information-Communication Technologies” is conducted with the participation of the staff of the Committee for Statistics from central and territorial offices, Informatization and Communications Committee of RoK, ZERDE Holding JSC, communications operators, professional associations of ICT companies, the National Chamber of Entrepreneurs, academic researchers on ICTs. The presence of the ITU and UNCTAD might be useful to improve the international visibility of the activity.

Preliminary plan for the workshop:
- First and second days: production of ICT statistics: training according to international standards (ICT in households, business), teaching methods used by the Committee for Statistics in ICT;
- Third day: use of statistics: what indicators are necessary for national policy, Committee’s presentation of the research results in 2014 and 2015. Determine the needs being occurred;
- Fourth day: relations between ICT statistics users and producers;
- Fifth day: conclusion and next steps.

Consultation mission (F12-KAZ-2) “Methods of Conducting Surveys in ICT Statistics”.
The statistical form 3-inform “Report on the Use of Information and Communication Technologies in Enterprises” has been revised with the participation of experts of the Federal Statistical Office of Germany, Mr. Oliver Bauer and Gesine Petzold. As a result, a draft statistical
form has been designed; also, recommendations to agree upon this draft statistical form with users and concerned government authorities have been given by experts.

The draft statistical form is being under development, further changes will be introduced during the study visit.

**Notes on further planning**

It is planned to carry out a study visit to the Statistical Office of Germany on November 14-22, 2015.

During the study visit, the staff shall acquire theoretical knowledge and practical skills in ICT statistics in enterprises.

Content of the study visit program:

- Study the existing practice of arranging ICT statistics in the Statistical Office of Germany, in particular use of ICT in enterprises:
  - International methodological guidelines on ICT statistics;
  - Eurostat methodological requirements to formulate indicators and their frequency on ICT statistics;
  - Statistical forms and Eurostat completion guidelines.
- Concepts and their definitions used to carry out surveys on ICT statistics;
- Practical recommendations to carry out sample surveys on ICT statistics (types of activities performed by enterprises, size of enterprises, sample percent, etc.);
- Use of administrative sources to formulate ICT statistics indicators.

Experts of the Federal Statistical Office of Germany also have given a recommendation to hold an additional mission on the ICT use in enterprises.

**Activity aim and objectives:**

The aim is to improve the methodology for formulating ICT statistics indicators and improve the statistical toolkit for using ICT in enterprises.

The objective is to study the world experience in the area of carrying out sample surveys on ICT use in enterprises, examine the system methodological approaches and the statistical toolkit in the process of carrying out sample surveys on ICT use in enterprises.
F13 | External trade statistics

## Implemented activities

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<td>F13-KAZ-1</td>
<td>Foreign trade statistics</td>
<td>15.06.2015 - 19.06.2015</td>
<td>Joseph Steinfelder, Karl-Heinz Palmes, Destatis</td>
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<tr>
<td>F13-SV-1</td>
<td>Foreign trade statistics, Study visit to Germany</td>
<td>17.08.2015 - 21.08.2015</td>
<td>Joseph Steinfelder, Destatis</td>
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## Findings and results

A Consulting mission (F13-KAZ-1) on the topic “Provision of methodological and practical assistance in the field of Foreign Trade Statistics” has been carried out in June 2015 by two experts from the German Federal Statistical Office Destatis.

The expert mission’s aim was to support the methodology applied and practical work related to external trade statistics conducted by the Committee for Statistics. During the discussions relevant Germany’s experience in Intra-EU trade and Extra-EU trade as the European Union member state was provided. The information provided was discussed in comparison with the situation in Kazakhstan in order to provide consultations and recommendations for improving the quality of Kazakhstani external trade statistics.

As a member state of the Eurasian Economic Union Kazakhstan has been one of the three founding states of the Customs Union - Russia, Belarus, and Kazakhstan - since July 2010; Armenia has been included as a member state of the Customs Union since January 2015. The statistical methods of recording international trade among countries of the Customs Union are similar to the methods used in the European Union (survey of enterprises/primary statistics). Therefore, the consultations were considerably aimed at the methodological and technical aspects of preparation of the Intra-EU trade data. During the joint discussion with Kazakh counterpart these aspects were compared with a special situation in Kazakhstan and we tried to find the possibilities for qualitative improvement of the methodology for covering bilateral Kazakhstan trade with the Customs Union member states.

Other important aspects related to international trade have also been discussed. On this issue the customs legal and technical matters and relative circumstances of statistics preparation were provided in detail. In 2017 the State Revenue Committee will delegate powers of preparing external trade statistics to the Committee for Statistics and it will be responsible for trade statistics with the Customs Union and other countries. After such transformation the customs import and export registered forms will become data sources. External trade statistics will also include special economic zones of the Republic of Kazakhstan. The customs registration forms will be further checked by customs bodies. The Committee for Statistics
will send such data adjustments to the participants of international trade; so detailed information about customs formalities and methods is really necessary. Taking into account on-coming year of 2017 and future distribution of authority the numerous recommendations were provided to be prepared to next tasks. It is strictly recommended to contact with Kazakh customs timely in order to obtain necessary knowledge by the Committee's staff.

**Recommendations**

Currently, it has not yet been exactly determined what and in what scope the tasks of statistics preparation and statistical control will be delegated from the customs bodies to the Committee for Statistics. Reconciliations and specific agreements related to this issue are still necessary.

In Kazakhstan in external trade with the Customs Union member states it is not envisaged exemption of enterprises from submitting statistical report as how in the EU in Intrastat surveying based on the current regulations in Europe. In case of the enterprises' responses missed the missing information will be submitted on the basis of assessment. Based on the available data of tax bodies it is necessary to detect distribution and depth of assessments and re-estimations. The assessment method used in Germany will show the opportunities of taking the final results of not-received data into consideration. Reduction of statistical load on enterprises-respondents have not yet been the subject for considerable discussions in Kazakhstan. However, certain simplifications (for example, threshold for respondents’ exemption by size, as well as simplification of submitting the statistical information) should be reviewed, but so as not affect greatly the results’ quality.

In 2017 the State Revenue Committee will delegate powers of preparing external trade statistics to the Committee for Statistics and it will be responsible for trade statistics with countries out of the Customs Union. As the customs import and export registered forms will become data sources in-depth knowledge of customs activity is necessary. Growth of intensive cooperation with Kazakh customs bodies is a good presupposition for future implementation of activities related to external trade statistics. Use of data submitted by tax bodies for the purpose of survey and data control is necessary for statistical profile of external trade statistics. Alternative data sources to provide and improve data quality have also to be used if possible. Customs bodies provide all import and export data, therefore it is necessary to develop methods to exclude the transactions not related to categories of external trade statistics.

As for data quality it is recommended to create and document quality standard in Kazakhstan similar to the European Union’s quality concept. Quality of data submission could also be improved by good user’s manuals for the systems of statistical reports’ submission. The German "Guidelines for Intra Trade Statistics for the EU Member States" could serve as an example; Kazakhstani colleagues also showed open interest to these guidelines.

One more opportunity for data re-verification can be presented based on comparison of mirror data of Kazakhstan bilateral trade with Germany for 2014. Tables with results of the Federal Statistical Office of Germany had been developed and presented by counterpart during
the discussion. They should be added by mirror statistical data of external trade of the Republic of Kazakhstan with Germany. The reasons of data discrepancy will be discussed during the study visit to Germany.

CS experts participated in a **Study Visit (F13-SV-1)** in August 2015 on the topic “Foreign Trade Statistics” to the German Federal Statistical Office Destatis.

During the study visit the staff of the Committee for Statistics has reviewed the current international practice of conducting surveys and formulating indicators for external and mutual trade statistics. Based on the visit's program, methodological materials and surveys' toolkit for external and mutual trade statistics have been provided.

According to the study visit's results, it is recommended for the Division of Statistics of Services and Energy to:

1. continue using administrative sources for generating mutual trade statistics in accordance to international standards;
2. continue formulating register of participants of foreign economic activity based on administrative sources and business-register taking into account experience of the EU and Destatis together with the Division of Registers;
3. enhance a list of indicators formulated for external and mutual trade statistics based on integration of trade and business registers according to requirements of international methodologies;
4. develop "The Methodological Recommendations in the field of International External Trade Statistics" based on the Destatis experts' recommendations acquired during consultations and the study visit;
5. prepare the Guidelines for using mutual trade statistics by territorial statistical bodies and respondents while completion of form 1-TC taking into account the EU and Destatis’ experience.

**Status of implementation of recommendations from project activities**

The result of the study visit implementation under this mission (F13-SV-1) is the increased level of professional knowledge of Committee for Statistics' staff in foreign and mutual trade statistics.

During the study visit, the experience of formulating statistics of foreign and mutual trade in EU and Germany was presented. German foreign trade statistics is produced in the statistical office in Wiesbaden. Surveys are carried out, work is performed with the respondents, and data is produced and processed in this office.

According to foreign trade statistics (Extrastat), the data is formed based on customs declarations.
According to mutual trade statistics (Intrastat), there is a statistical threshold and therefore only respondents with the volume of foreign trade activities of over 500 thous. EUR are included into survey.

The EU basic requirements to carry out surveys are the regulations: No. 471/2009; No. 92/2010; No. 113/2010.

In accordance with the EU Regulation No. 471/2009, countries are required to keep a register of foreign trader operators according to Intrastat.

In a pilot mode, EU countries start working on the exchange of microdata on Intrastat with the authorized bodies of partner countries.

SIMSTAT system, which is an exchange of microdata (at the level of enterprise’s data) with authorized bodies of partner countries, began to operate in EU in a pilot mode. This work is done to reduce the burden on respondents. It is planned to use the export data of a partner country in the future as an import for an EU partner country.

In Destatis, an annual “mirror” comparison of the data is performed with the data of partner countries at the 8-digit level of commodity codes. The data is thoroughly checked, compared to administrative sources, if necessary, changes are made. In addition, requests on extreme values are obtained from Eurostat, which are checked and, if necessary, changes are made.

To qualitatively fill in the data on Intrastat, Destatis is designing the Intrastat Guidelines, which includes instructions and explanations to fill in the tools on mutual trade statistics.

At the end of the study visit, possibilities for further cooperation between Destatis and the Committee for Statistics on the foreign trade statistics were discussed.

Notes on further planning

Activities under this Component will be completed in the Q4 2015. Based on the results of the activities, “Methodological Guidelines to Keep Statistics of International Commodity Trade” will be designed in December 2015 with consideration of international standards and recommendations.
F14  Science and innovations statistics

Implemented activities

There were no missions or study visits in this sub-component during the reporting period.

Status of implementation of recommendations from project activities

Completed

Sub-component F14 was completed in June 2014.

Outputs of implementation of activities under this subcomponent are:

- reviewing statistical toolkit for science and innovations statistics, in accordance to recommendation of an international expert and Eurostat standards;

- reviewing techniques for conducting surveys;

- development of the Methodology for formulating science and innovations statistics indicators (the Decree of the Agency dated December 20, 2013).

Mr. Ari Leppalakhti, an expert from Statistics Finland, provided consultation services, reported, “Lately the Agency of the Republic of Kazakhstan for Statistics has made significant progress in science and innovations statistics. Statistical forms include all the key indicators, corresponding Eurostat model questionnaires. The draft project of Methodology for formulating science and innovation statistics indicators comply international recommendations, provided in Oslo and Frascati Manual. In addition, the ARKS is formulating indicators for UNESCO needed data”.
F15  Tourism statistics

Implemented activities

There were no missions or study visits in this sub-component during the reporting period.

Addition to report No 4 (report was not available before):

A Study Visit (F15-SV-2) of CS experts on the topic “Studying the experience in recording visitors at Shanghai EXPO exhibition” has been undertaken in April 2015 to Shanghai.

During the study visit the staff of the CS were acquainted with preparatory works for holding EXPO and recording visitors. In accordance with the visit’s program, the presentation material of holding Shanghai EXPO and 2006 and 2009 questionnaire forms were provided in Chinese language and must be translated.

Upon the results of the study visit, it is recommended:

1.1. The Division of Statistics of Services and Energy and the Division of Planning Statistical Activity with participation of all the other divisions of the CS should:
   - hold a meeting on formulating statistical indicators that characterize economic benefits from holding EXPO – 2017 with invitation of JCS “National Company “Astana EXPO-2017”, concerned public authorities and organizations;
   - update Work Plan by the Agency of Statistics of the Republic of Kazakhstan on statistics under holding EXPO-2017 exhibition for 2013-2017 taking into consideration the outcome of the visit to Shanghai and upon the results of the abovementioned meeting.

1.2. The Division of Statistics of Services and Energy should include questions about oncoming Astana EXPO-2017 in tourism statistical forms (households and visitors survey) and conduct sample survey related to EXPO-2017 in 2016 and 2017.

1.3. The Division of Statistics of Services and Energy should prepare the letter to the Government of RK with proposals for equipment necessary for EXPO-2017 with the aim of operating and qualitative data generation on number of exhibition visits.

Status of implementation of recommendations from project activities and Notes on further planning

Sub-component F15 activities were completed in October 2014.

Activities’ outputs under this subcomponent are:

   - review of statistical toolkit for tourism statistics, in accordance to recommendation of an international expert and Eurostat standards (3 statistical forms have been improved, 1 statistical form has been annulled);
- development of the Methodological recommendations for formulating tourism statistics indicators (including methods for conducting sample surveys, inner tourists coverage survey) (the Decree of the Agency dated December 20, 2013).

Currently, the CS cooperation with Mr. U. Shperel, an expert of statistical office, is being continued. Statistical forms of tourism statistics was sent to Mr. Shperel to make recommendations for further statistical toolkit modernization for 2016. Having acquired recommendations, the Committee for Statistics will review further toolkit improvement for tourism statistics surveys.

Committee of Statistics of the Republic of Kazakhstan with the assistance of Consortium conducted a Study visit on April 27-30, 2015 to Shanghai. It was a training workshop in Shanghai to study the experience of Expo-2010. CS was particularly interested in the experience of China because EXPO - 2010 in Shanghai was the most effective in term of ROI. During this SV CS experts were able to have discussions with their Chinese counterparts (EXPO SHANGHAI GROUP - Organizers of the Expo in Shanghai). These discussions covered issues such as organization of EXPO and calculation of visitors of the exhibition.

According to the results of the visit Energy and Services Statistics Division sent a letter to the Prime Minister of Kazakhstan, where CS proposed to hold a series of activities for the EXPO-2017 in Astana:

- CS included questions about the upcoming EXPO-2017 into tourism statistics forms (household survey and visitors) for Astana city.

- In 2016 and 2017 CS will facilitate sample surveys on Expo-2017 and the survey results will be made available to relevant authorities and JSC NC "Astana EXPO-2017".

Based on international best practice JSC NC "Astana EXPO-2017" has to seek funding to purchase special system of turnstiles, which will allow an accurate count of the number of visits during the Expo-2017.

Currently CS revised statistical forms for 2016. As part of this work, Energy and Services Statistics Division included questions about the upcoming EXPO - 2017 in Astana to the tourism statistical forms (household survey and visitors).
F16 Socio-demographic statistics

Implemented activities

<table>
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<tr>
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<td>F16a-KAZ-4</td>
<td>Services to analyze the data of sample survey of disabled people's quality of life</td>
<td>15.06.2015 - 19.06.2015</td>
<td>Elena De Palma, ISTAT</td>
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<td>F16a-KAZ-6</td>
<td>Domestic violence statistics</td>
<td>17.08.2015 - 27.08.2015</td>
<td>Henriette Jansen, Maria Karla Floresca-Rarick</td>
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<td>F16c-KAZ-1</td>
<td>Accounting of natural population movement</td>
<td>01.09.2015 - 04.09.2015</td>
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<td>F16c-KAZ-3/4</td>
<td>Accounting of migration statistics</td>
<td>18.05.2015 - 22.05.2015</td>
<td>Gunter Brückner, Destatis, Kare Vassenden, Statistics Norway</td>
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<td>F16c-SV-4/D2-SV-5</td>
<td>Statistical Population Register, study visit to Oslo and Kongsvinger</td>
<td>24.08.2015 - 28.08.2015</td>
<td>Kare Vassenden, Statistics Norway</td>
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<tr>
<td>F16c-SV-5/D2-SV-6</td>
<td>Population census, study visit to Sofia and Varna</td>
<td>01.06.2015 - 05.06.2015</td>
<td>Magdalena Kostova, NSI Bulgaria</td>
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<tr>
<td>F16d-KAZ-4</td>
<td>Formation of health statistics and development of indicators</td>
<td>27.07.2015 - 31.07.2015</td>
<td>Moritz Mannschreck, Thomas Graf, Destatis</td>
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</table>

Findings and results

A Consulting mission (F16a-KAZ-4) on the topic “Provision of methodological and practical recommendations regarding the survey titled "The quality of life of persons aged 18 and over with a disability, with regard to gender aspects" has been carried out in June 2015 by an expert from the Italian statistical institute ISTAT.

The main objectives of the consultation mission have been to provide methodological and practical recommendations regarding the survey titled "The quality of life of persons aged 18 and over with a disability, with regard to gender aspects" for analyzing the preliminary results, improving the questionnaire for adults and for the final report.

The following main topics and activities have been addressed:

- data collection on disability in the country: limitations and opportunities
- implementation of the International Classification of Functioning, Disability and Health (ICF) in surveys
- main characteristics of the survey: background information, sample frame and design, questionnaire design, field work
- analysis of the preliminary outcome tables
- review of the questionnaire used with people aged 18 and older
- recommendations for the final report
- methodological aspects related to the preparation of the survey, the training of interviewers, and the monitoring process of the survey
- review of the main recommendations agreed and assessment of the results obtained during the consultation versus expectations.

**Recommendations and next steps**

Some key recommendations provided by the expert for the next steps:

- to analyze the results of the surveys taking into account the suggestions elaborated during the consultation mission, and where justified by the new results, carry out further detailed analysis;
- to identify the main indicators for each topic and link them to the UNCRPD articles covered in the questionnaire;
- to review all documents reporting difficulties during the field work, in administering the interview and experienced by the respondents;
- to adopt the International Classification of Functioning, Disability and Health as the conceptual framework in the revision of the questionnaire and the international disability measure proposed by the UN Washington Group on disability statistics;
- to review the suggestions proposed regarding changes in the questionnaire, taking into account that the final questionnaire should be easy to administer and its length should be balanced considering the response burden, the mode of data collection and the fulfillment of the survey goals;
- to test the questions and the new questionnaire before launching the new survey;
- to develop a detailed methodological manual and provide training that will also address specific issues on disability and interaction with persons with disability besides specific aspects related to the instrument, mode of data collection and activities to carry out before, during and after the field work;
- to develop protocols to monitor data collection activities, with strategies aimed at correcting identified problems;
- to work in order to solve the problem with the sampling, so to be able to get survey results that are representative of the general target population.
- to consider carrying out a survey in the general population, with an appropriate questionnaire, to estimate the prevalence of persons with disabilities using the WG measure in order to compare data internationally and obtain information comparing persons with and without disability in all aspects related to the UNCRPD, and ultimately to monitor its implementation in the country.
A Consulting mission (F16a-KAZ-6) on the topic “Domestic violence statistics” has been carried out in August 2015 by two experts.

This mission of Henrica Jansen involved the preparation and conduct of a capacity building workshop aimed in particular at representatives of Regional (Oblast) statistical offices. These participants were the regional supervisors for a national violence against women survey. Following the training, they were expected to be responsible for properly training and supervising their regional teams of interviewers, in order to achieve high quality data while at the same time ensuring full safety of all participants (interviewers and respondents).

At the end of the workshop it was clear that most participants accepted and understood the challenges that a violence against women survey brings with it and that they felt quite confident about training and supervising interviewers in their own regions. Even though this workshop was successful, the expert had the impression that duration was relatively short and there is a risk that the knowledge gained may not be fully transferred to the next level, because the regional interviewer training will be done by different trainers in different sites.

One of the crucial recommendations deals with making sure that the questionnaire is extensively reviewed and tested and subsequently discussed and fine-tuned during interviewer training, to eliminate any mistakes and formatting issues and improve the cognitive meaning in all language versions, before it is printed.

The IT consultant (Maria Karla Floresca-Rarick) helped in developing, testing and fine tuning the data entry application and trained the regional data processing staff in the system so that they can train the data entry people in the regions in a consistent way. The IT consultant also helped with setting up procedures such as backing up, uploading and merging files to prepare the raw data before submission for analysis.

Conclusions

The training was fairly long in comparison with other trainings for surveys and unusual because it emphasised sensitization, ethics and safety. Ideally part of the training should serve to fine-tune the cognitive wording of the questions in the questionnaire, while at the same time eliminating mistakes and formatting issues. This had not been possible since the questionnaires had already been printed.

Because the training of interviewers did not take place at the same time but takes place as a next step, there is a risk that the knowledge gained may not be fully transferred to the next level. This is because the regional interviewer training will be done by different trainers in different sites. Further it is likely that the regional interviewer training will be shorter than the supervisor training. Therefore there is the risk that interviewers will not fully learn all the skills and attitudes to achieve safe and easy disclosure of violence from the part of the respondents.
Recommendations and next steps

Training of interviewers

- When fieldworkers are insufficiently trained and do not have the right attitudes you risk getting low prevalence rates because it needs the right training and attitudes to get good rapport with respondents and good disclosure. Interviewers need be able to get women to talk about things they feel embarrassed about and are ashamed off and that is not easy. They also need to keep the women safe and well. And this needs to be practiced extensively with roleplays reflecting many different situations. Interviewers should also know how to react to and support women who need help and they need to learn self-care. Training is the single best investment in achieving quality data.

Data entry

- Increase number of training days to at least 12 to 14 days so that we would have more flexibility in adjusting our schedule according to the participants’ pace during the workshop. In addition, this is also to accommodate the data entry application testing if application is being developed there. That way, the participants will have more time to familiarize themselves with the application and help the IT team find inconsistencies within the program.

If possible have the interviewers and supervisors attend the same workshop on the same dates. This way we minimize miscommunications/misinterpretations of the questions and other relevant aspects while conducting the interviews. This is especially true when KAZSTAT decide to use the CAPI system, an electronic-based survey rather than a paper-based one.

Further, the printing of the final questionnaire (for paper-based surveys) should be done after the supervisor and interviewer training has finished. This is to accommodate all the revisions on the questionnaire that are encountered during the training, which also makes developing the system better, more accurate, more consistent.

Field work

- Staple the questionnaires so that the pages cannot fall apart
- Close supervision and retraining especially during first weeks
Data analysis and report writing

- To assist in the analysis plan a generic analysis plan with dummy tables were shared. The analysis syntaxes for the generic UNECE questionnaire (available on UNECE website) are expected to be a useful reference for the analysis.

- In my view Jessica Gardner could be an excellent expert to assist with this part of the work. I myself may be able to provide some support ‘on the side’ if feasible.

- An action plan should be made how to effectively use the data for policy and planning. Recommendations should be formulated with the involvement of all stakeholders.

A Consulting mission (F16c-KAZ-1) on the topic “Accounting of natural population movement” has been carried out in September 2015 by an expert from the German Federal statistical office Destatis.

The aim of this mission was to review the methodology of statistics of natural population movement in Kazakhstan to see if improvements can be suggested.

First, it can be stated that the statistics of natural population movement is well developed in Kazakhstan. The workflow of the statistics is quite similar to that in Germany. The single statistics (births, marriages and divorces) in some cases collect significantly even more objects than in Germany:

However, in the view of the expert there are some details that could be improved. These improvements are seen especially in increasing use of IT technology.

Some other desirable changes cannot be brought about by the Statistical Office itself. Here, the support of other, higher-level institutions (e.g. ministries) is required.

Recommendations and next steps

The recommendations can be found in the report in the To-do list.

In the opinion of the external expert there are two other problems in relation to statistics of natural population movement which should be reviewed:

A  The plausibility checks in every single statistics,

B  Difficulties and imaginable solutions in the process of transition from natural population movement statistics to a population register.

Status of implementation of recommendations from project activities

Currently, interaction is implemented with state bodies and holders of administrative register-
based systems with the aim to produce migration and vital statistics. Specialists of Registers Division analyze the received data on a monthly basis: verification of statistical cards of arrival/departure, registration of acts of civil status (birth, death, marriage and divorce), verification of soft and hard copies received from the Ministry of Internal Affairs of the Republic of Kazakhstan and the Ministry of Justice of the Republic of Kazakhstan.

Notes on further planning

Knowledge and experience gained during the study visit will be useful for further development of statistical registers and population statistics in Kazakhstan.

A Study Visit (F16c-SV-5) of CS experts on the topic “Studying the Experience of Advanced Countries in the area of Preparing to Carry out a Population Census by Applying a Traditional Method with the Use of Population Register and Housing Stock Data as well as Technological Innovations” has been undertaken in June 2015 to the National Statistical Institute of Bulgaria.

The activity aim was to study planning, preparation, carrying out, processing, making analytical generalization and publishing the results of the Census-2020 according to UN recommendations as well as to ensure that its outcomes are comparable based on demographic, geographic, economic, educational, migration, ethno-cultural and housing conditions and other parameters with the previous census data at regional and national levels as well as internationally.

The objective was to acquire theoretical knowledge and practical skills in the area of performing preparatory and basic works to arrange and carry out a census including the pilot one based on the example of advanced countries.

The staff of the Division of Social and Demographic Statistics of the CS have acquired theoretical knowledge and practical skills in the field of collecting, processing, analyzing and disseminating data of the Population and Housing Stock Census-2011 in the National Statistical Institute of Bulgaria (NSI). As part of this activity, useful information on the NSI’s experience in the area of carrying out a population and housing stock census by applying “electronic” and “traditional” has been provided.

Status of implementation of recommendations from project activities

Recommendations provided during the study visit are currently being implemented. In particular, amendments to the Law on State Statistics are being preparing in cooperation with the Legal Division to include provision on administrative responsibility of individuals for the refusal to provide information during the censuses.

Moreover, the specialists of the Social and Demographic Statistics Division are preparing the methodological and organizational provisions on conducting a National Census in 2020.
Notes on further planning

Recommendations provided during the study visit will be used to prepare for pilot and main census in 2020. The preparation will include designing and approval of statistical toolkits, regulatory and legal acts, software for data entering and processing.

Further Consulting missions (F16c-KAZ-3/4) on the topic “Services to prepare methodological guidelines for improving migration records” have been carried out in May 2015 by an expert from the German Federal Statistical Office Destatis and an expert from Statistics Norway.

The purpose of the mission was counseling on evaluating and possibly improving migration statistics in Kazakhstan. A special focus was dedicated to finding a suitable “method mix” of data sources and means of statistical data collection to be used for migration statistics in Kazakhstan. Currently, administrative data sources - paper-based statistical forms - are used to compile immigrants into Kazakhstan, emigrants from Kazakhstan and internal migrants within Kazakhstan. In the near future it is planned to have these paper-based statistical forms replaced by event records from the new Central Population Register (CPR). Surveys were also discussed as a means to fill the gap left by both paper-based statistical forms and CPR records.

The work of the German consultant was supported and complemented by contributions from Kåre Vassenden from Statistics Norway, an expert for the Norwegian Central Population Register.

From the point of view of the consultant the statistical authorities in Kazakhstan handle migration statistics properly and by the book. There are no recognizable shortcomings, and, therefore, there is no need for specific recommendations. The consultant was, however, unable to determine whether or not migration records in Kazakhstan are complete, i.e. whether or not it is possible to emigrate from Kazakhstan or to immigrate into Kazakhstan or to migrate within Kazakhstan without becoming subject of migrations statistics. Furthermore, the consultant could not fully establish which means and procedures are used for “cleaning” data, i.e. for handling missing, inconsistent or obviously wrong information items in the statistical forms. That incorporates some potential risk with respect to the overall data quality.

The introduction of the Central Population Register (CPR) will have substantial implications on how migrations statistics are compiled in Kazakhstan. There may be more or lesser cases of external or internal migration recorded when migration records are taken from the CPR in the future. Therefore, the Kazakhstan Statistics Committee may want to evaluate the potential changes triggered by using the new data source e.g. by compiling migrations statistics in Kazakhstan in a parallel way – traditional and register-based – for a limited time span or within a limited regional area. By comparing the results of both means of compilation the authorities will learn the potential consequences of migrating from traditional to register-based statistics with respect to the number of migration events and the migrants’ demographic characteristics.
From the current point of view, there seems no need for a German expert to further advice on migration statistics. Should migration statistics in Kazakhstan be compiled from records of a fully functional CPR in the future, however, additional CPR-specific consultancy may be needed.

The Norwegian consultant worked together with the German consultant most of the time, except the last 2-3 hours of the workshop. In this session the participants from the Committee of Statistics (CS) asked questions about the Norwegian administrative registers and the production of population statistics in Statistics Norway.

The main topic of the week was migration, but some discussion was about the overall register systems and population statistics in general. The fact that the Norwegian Population register contains both migration data and data usually found in civil registers contributed to a mixed focus on migration and other demographic data.

During the last extra session of the workshop the Norwegian consultant answered questions about the formation of families and households in the Norwegian data, the registration of employment status, Norwegian guidelines for the register data, Population censuses and other issues. Among other things, the consultant described the close connection between stock and flow statistics in the Norwegian population statistics system.

Due to the situation of administrative registers in Kazakhstan the CS has established a Statistical Population Register (SPR), however still as a trial version. There is a Central Population Register owned by the Ministry of Interior, but the overcoverage is substantial. There are plans for improving the CPR with input from the forthcoming Population census 2020.

Status of implementation of recommendations from project activities

From the consultant’s point of view, the migration statistics in Kazakhstan is produced carefully and according to the established regulations. There are no obvious deficiencies and therefore there is no need in special recommendations. Currently, there is no need to involve the German expert for further consultations on migration statistics. If afterwards migration statistics in Kazakhstan is to be based on population registers, it may be necessary to conduct a consultation specifically on population registers.

Notes on further planning

Recommendations provided during the study visit will be taken in consideration when preparing a questionnaire for the pilot census which is planned to be carried out in Kazakhstan in 2018.

A Consulting mission (F16d-KAZ-4) on the topic “Improving methodology for formation of health statistics and development of indicators” has been carried out in July 2015 by two experts from the German Federal statistical office Destatis.
The activities performed during the expert mission at the Committee of Statistics of the Republic of Kazakhstan concerned monetary and non-monetary health statistics. In the area of monetary health statistics, the German experts demonstrated the allocation of the Kazakh report on the volume of services provided in the field of health care and social services to international spending categories. In the area of non-monetary health statistics the Kazakh report on activities of sanatoriums, consistency checks in German hospital statistics and the calculation of indicators with respect to international standards were discussed.

In the experts’ opinion the scope of the statistics and indicators collected and calculated by Kazstat are sufficient with regard to international standards. There are no additional data collections necessary. However, some improvements and changes in the questionnaires should be made to enhance the information obtained from the questionnaires (see recommendations). A more thorough investigation of the Kazstat methodology would be necessary to ensure that the Kazakh indicators are in accordance with international standards.

In the experts’ perception, there are some ambiguities concerning the responsibility concerning international data collections between the Committee of Statistics and the Ministry of Health and different data sources seem to be available at both institutions. The experts encourage both institutions to deepen their collaboration on those matters.

**Recommendations and next steps**

- Expand questionnaire A to the international HF, HC and HP categories according to the Excel-file template provided by the experts.
- The number of medical and non-medical staff measured in full-time equivalents should be collected in the report on the activities of sanatoriums and providers of rehabilitation.
- Include patient-based questionnaire collecting diagnoses according to ICD10 in report on the activities of sanatoriums and providers of rehabilitation.
- As agreed during the consultation in Astana, a possible second expert mission should consider the non-monetary health indicators calculated by Kazstat in more detail and assess if their methodology and formulae are in accordance with international standards. Therefore Destatis should be provided with a list of the indicators, their formulae and methodology (in English).

**Status of implementation of recommendations from project activities**

The Committee has revised the Statistical Form “Report on Activities of Health Resort Institutions” (Index: 1-Health Resort): indicators have been changed based on the recommendations provided by international experts. Following the recommendations provided by the experts, a new indicator “Average Length of Stay of Patients in Health Resort Institutions” will be included.

As part of this mission, the Committee is preparing methodological guidelines for non-monetary indicators that will be considered in detail during the second consulting mission.
Notes on further planning

This theme includes two consultation missions in which the priority is to get recommendations for expanding the healthcare indicators with due consideration of the international experience and available administrative data based on the analysis of the system of health care indicators formulated by the Committee. The specialists of the Ministry of Health and Social Development of the Republic of Kazakhstan (MHSD) have been involved in these activities.

The Committee in cooperation with the MHSD is elaborating indicators that further will be included in the methodological guidelines for formulating health care indicators under the KAZSTAT Project.

In the long term, it is planned to obtain statistical indicators for producing the data on the number of medical and non-medical staff measured in the full-time equivalent using the statistical forms on the activities of health resort institutions.

CS experts participated in a Study Visit (F16c-SV-4/D2-SV-5) on the topic “Statistical Population Register” in August 2015 in Norway. A report has not been made available yet.

D2-SV-6/F16c-SV-4 and D2-SV-5/F16c-SV-6

Status of implementation of recommendations from project activities

The following results have been obtained during the activities held under the Strengthening the National Statistical System of the Republic of Kazakhstan Project (KAZSTAT):

1. Methodological Guidelines for Maintaining the SBR) have been developed (No. 98 dated April 25, 2012);
2. Rules for Interaction of SBR IS with Administrative Sources (the Ministry of Justice (MJ RK), the Ministry of Internal Affairs (MIA RK), the Ministry of Education and Science (MES RK), the Ministry of Healthcare and Social Development (MHSD RK), the National Security Committee (NSC RK) of the Republic of Kazakhstan) have been signed;
3. Structure of the SBR register base and types of units (person, family, household) have been identified, chapters of terms of reference for development of SBR IS have been prepared;
4. Links between units, units and events, between statistical registers have been identified;
5. "Methodological Recommendations for Maintaining the Statistical Population Register" have been developed and improved (No. 10 dated December 9, 2013);
6. Draft tables based on the SBR by number of births, deaths, marriages and divorces have been compiled;
7. Monthly, administrative sources data are analyzed on comparability of e-data number by
all the events with the current soft statistical information, changes are identified and controls are entered;
8. To identify reference data the handbooks of administrative sources and statistics have been reviewed, the transition keys by handbook have been developed;
9. New Procedure for Information Interaction of Information Systems of the Ministry of Education and Science of the Republic of Kazakhstan with the CS Integrated Information System "e-Statistics" has been developed and approved in order to transfer additional attributes from MES IS to SBR IS, namely by graduates from vocational and technical colleges, higher educational institutes, "Bolashak" program (Order No. 628 dated September 2, 2015);
10. Terms of Reference for uploading the information from MES RK to SBR IS has been prepared;
11. Rules for Interaction with MIA RK to acquire additional data on population migration namely on foreigners have been reviewed (Order No. 629 dated September 2, 2015);
12. Terms of Reference for uploading the information from MIA RK to SBR IS has been prepared;
13. Maintaining of the SBR in Statistics Norway and "Demography" IS of NSI Bulgaria has been studied; the reports with proposals for subject-matter divisions have been prepared.

Totally, under Subcomponent D 2 "Improvement of the Statistical Population Register" after studying international experience in maintaining of the SBR under the Strengthening the National Statistical System of the Republic of Kazakhstan Project (KAZSTAT), the training workshops have been held in accordance to the Plan of workshops for territorial statistical bodies and 16 CS MNE, 32 SM Divisions and 4 IIS RSE employees have been trained.

Notes on further planning

It is scheduled to get the Finnish experts' consultations in October 2015, and upon the activities studied, develop the "Methodological Recommendations for Updating Information in the SBR Using Administrative Data" in 2016.
F17  Labour statistics

Implemented activities

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<td>F17-KAZ-9</td>
<td>Labor market indicators</td>
<td>01.06.2015  - 05.06.2015</td>
<td>Martina Rengers, Ralf Hussmanns, Destatis</td>
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<tr>
<td>F17-KAZ-16</td>
<td>Working time indicators</td>
<td>25.05.2015  - 29.05.2015</td>
<td>Ralf Hussmanns, Destatis</td>
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</table>

Findings and results

A Consulting mission (F17-KAZ-16) on the topic “Consultation services to develop a methodology for formulating working time indicators” has been carried out in May 2015 by a German expert.

The aim of the activity was to prepare proposals and practical recommendations for the formulation of working time indicators in line with the international recommendations on labour force statistics. The mission objectives had been to provide methodological and practical assistance on the revision of the questions on working time in the current Labour Force Survey (‘Employment Survey’) questionnaire and on the formulation of working time indicators in line with the international recommendations.

During the mission, the data sources for working time statistics in Kazakhstan were reviewed: the quarterly (in future: monthly) Labour Force Survey (LFS) and the annual and quarterly Labour Reports and establishment sample surveys. The international recommendations on statistics of working time and of time-related underemployment, which are currently in force, were presented: the Resolution concerning the measurement of working time adopted by the 18th International Conference of Labour Statisticians (ICLS) in 2008, the Resolution concerning the measurement of underemployment and inadequate employment situations adopted by the 16th ICLS in 1998, and relevant parts of the Resolution concerning statistics of work, employment and labour underutilization adopted by the 19th ICLS in 2013.

The questions on working time and time-related underemployment were reviewed, which had been suggested by the first mission on labour market indicators (F-17-KAZ-8) in June 2014 for inclusion in the revised LFS questionnaire. Proposals were made for improving the wording of the questions and for supplementing them with a module of in-depth questions on the various components of hours actually worked and of time to be excluded from hours actually worked. The expert recommends that the revised LFS questionnaire be tested and finalised in due course, so that the new LFS questionnaire can be introduced as from the beginning of 2016.
The expert and his Kazakh counterparts from the Labour and Standard of Living Statistics Division met with the Structural Statistics Division of the Committee of Statistics (CS) to discuss the needs for data on working time as an input to the measurement of labour productivity.

The working time indicators currently formulated by the CS were examined and the internationally recommended indicators on working time and time-related underemployment were explained. On the basis of the relevant international recommendations, a tabulation plan consisting of 47 statistical tables on working time was developed during the mission. A tabulation plan for data on time-related underemployment still needs to be developed during a future mission on working time indicators.

**Recommendations and next steps**

An English language version of methodological guidelines on basic labour market indicators, which have formulated by the CS, should be prepared and made available to the expert.

The Labour and Standard of Living Statistics Division of the CS should amend the wording of question Q33 (number of hours actually worked in the main job during the reference week) of the revised LFS questionnaire, as recommended in the present action report.

Using a sub-sample of the households, which are included in the old LFS sample or the new LFS sample, the revised LFS questionnaire should be tested in due course. The results of the test should be analyzed and the LFS questionnaire be finalised accordingly. The aim is to introduce the new LFS questionnaire, which has been developed during the project ‘Strengthening of the National Statistical System of the Republic of Kazakhstan 2012-2016’, as from the beginning of 2016 (i.e. before the end of the project).

A module with in-depth questions on each of the four components of hours actually worked (direct hours, related hours, down time, and rest time) should be designed for the inclusion in the LFS from time to time. The module should also include questions on the various types of time to be excluded from hours actually worked.

Data on working time obtained from Labour Reports and establishment sample surveys should be compared with the corresponding data on working time obtained from the LFS.

The internationally recommended working time indicators, which have been presented during the expert mission and in the present action report, should be computed for Kazakhstan to the extent that data are already available.

The Labour and Standard of Living Statistics Division of the CS should provide data on total hours actually worked by (i) branch of economic activity (industry) and (ii) type of institutional unit to the Structural Statistics Division.

To the extent that data are already available from the current LFS, or once these data become available through use of the revised LFS questionnaire, statistical tables on working time should be prepared according to the tabulation plan, which is attached as Annex 5 to the present action report. The tables should be reviewed in cooperation with the expert.
A tabulation plan for data on time-related underemployment should be developed during a future expert mission on the topic.

On the basis of the elements discussed during the expert mission and included in the present action report, the Labour and Standard of Living Statistics Division should design methodological guidelines relating to the measurement of working time. The guidelines should be reviewed during a future expert mission on the topic.

**Status of implementation of recommendations from project activities and notes on further planning**

The employment sample survey questionnaire for 2016 has been revised. In particular, questions concerning working hours have been modified; methodological recommendations have been included from the Resolution Concerning Statistics of Work, Employment and Labour Underutilization adopted by the Nineteenth International Conference of Labour Statisticians.

In view of the increase in the total number of questions in the questionnaire due to inclusion of new questions concerning working hours, a decision was taken to single out new questions concerning working hours in a separate module and include it in the survey starting from 2017.

The Labor and Living Standard Statistics Division will estimate working-hours indicators at the request of the Structural Statistics Division and the National Accounts Division to estimate labor productivity and make other calculations.

Be the end of Quarter III of the current year, the methodological guidelines for working-hours indicators will be prepared and approved; the draft methodological guidelines have been prepared and are being reviewed.

A further **Consulting mission (F17-KAZ-9)** on the topic “Labour market indicators” has been carried out in June 2015 by German experts.

The expert mission was the second one undertaken on the topic ‘Improvement and extension of labour market indicators’. The mission objectives had been to provide methodological and practical assistance in formulating labour market indicators, including decent work and informal employment indicators, based on the international recommendations on labour force statistics. During the expert mission, the 17 main statistical indicators of decent work developed by the ILO, as well as the seven additional and two context indicators for the dimension ‘employment opportunities’, were reviewed. Data sources and computation methods were discussed for all of these indicators.

The questionnaire on decent work, which is attached to the labour force (employment survey) questionnaire once a year during the last quarter, was reviewed. Proposals were made to improve the decent work questionnaire and to reduce the number of questions considerably. Concerning the remaining questions, a decision needs to be taken as to whether they
should be kept as a separate module attached to the labour force survey (LFS) or be integrated in the main LFS questionnaire.

Parts of the revised main LFS questionnaire were reviewed again during the expert mission, and suggestions were made to improve them. As part of the review, the classification by status in employment of persons employed on civil/service contracts was clarified. The revised LFS questionnaire should be tested and finalized in due course, so that the new LFS questionnaire can be introduced as from the beginning of 2016 (i.e. prior to the end of the project).

On the basis of the revised LFS questionnaire, the classification by labour force status was reviewed and corrected. In this connection, clarification was provided on the classification by labour force status of persons on child-care leave or education/training leave.

The data processing procedures for the identification of persons employed in the formal versus informal sectors, and in formal versus informal jobs, should be corrected as suggested during the first expert mission on the topic.

Recommendations and next steps

An English language version of the methodological guidelines on basic labour market indicators, which have been formulated by the CS, should be prepared and made available to the experts.

The 26 decent work indicators, which have been listed in Annex 5a of the report, should be computed for Kazakhstan with relevant breakdowns (e.g. sex, urban/rural area, etc.).

The decent work questionnaire should be revised and shortened according to the experts’ suggestions. The CS should decide whether the remaining questions should form a separate ‘LFS-Module on Decent Work’ or be included in the main LFS questionnaire.

Annex 8 attached to the present Action Report should be completed by the CS, i.e. the CS should adjust its own new English version of the revised main LFS questionnaire prepared in June 2015 (see Annex 7) to the version, which the experts had prepared for the action report on their first mission (F17-KAZ-8), and which is attached to the present Action Report as Annex 6. In doing so, the CS should also take into account the corrections indicated in Annex 8 and the other suggestions made in the present Action Report.

Using a sub-sample of the households, which are included in the old LFS sample or the new LFS sample, the revised main LFS questionnaire should be tested in due course. The staff of the Labour and Living Standard Statistics Division should participate in the test and conduct some of the interviews. The results of the test should be analysed and the LFS questionnaire be finalised accordingly. The aim is to introduce the new LFS questionnaire, which has been developed during the project ‘Strengthening of the National Statistical System of the Republic of Kazakhstan 2012-2016’, as from the beginning of 2016 (i.e. before the end of the project).

The CS should correct Table 5 (see Annex 11 of the report), which cross-classifies status in employment with the type of production unit (formal sector, informal sector, households) and the formal vs. informal nature of the job, according to the recommendations made by the
experts during their first mission. The results should be discussed with the experts during their next mission.

**Status of implementation of recommendations from project activities**

In the publication Decent Work 2015 to be prepared in February 12, 2016 according to the Plan of Statistical Activities, a list of decent work indicators will be expanded based on the recommendations provided by the international experts.

All recommendations provided by the experts will be taken into account when revising a decent work module for 2017.

Tables are being adjusted in the publications on informal employment based on the expert recommendations concerning the employment status by type of production units (formal/informal sector, households).

Methodological guidelines for Labour Market Indicators have been sent for translation; as soon as they are translated, they will be sent to the experts.

**Notes on further planning**

Improvement of the employment questionnaire will be continued to include all the recommendations provided by the experts and ensure that the formulated indicators meet the international standards to the fullest extent.

By mid 2016, the decent work questionnaire will be revised based on the recommendations provided by the experts; the module with questions concerning working hours will be finalized for being included in the 2017 survey.

In 2016, a sample for monthly employment survey will be improved by including a quota sampling method to be used in the surveys for additional modules and in a monthly overlapping.

**Addition to report No 4 (report was not available before):**

A Study Visit (F17-SV-2) of CS experts on the topic “International experience in conducting labor force surveys” has been undertaken in November 2014 to the German Federal Statistical Office and the German Labour Agency.

Following the Terms of Reference, during the study visit the specialists were provided with an overview of:

- practices used to record working time indicators, including hours worked, to assess the national economy;
- German experience in conducting employment micro census, including working time recording (night, evening, weekend, shift and flexible working hours);
- German and French statistical experience in measuring the amount of hours actually worked;
- the draft model Eurostat Questionnaire for harmonization in the measurement of working hours.
- The following issues were addressed during the study visit:
  - overview of the German statistical system, with detailed consideration of the labor and wage/salary statistics system;
  - theoretical and practical basics for formulating the working time indicator based on the wage/salary statistics (specific aspects of data collection depending on the size of enterprises and types of economic activity);
  - methodological framework of the ILO activity, Resolution on Measurement and Regulation of Working Time adopted on the 18th International Conference of Labour Statisticians;
  - conceptual framework of formulating working time indicators; measurable and multiple characteristics;
  - overview of specialized Working Time Module used in Germany for labor force surveys; discussion of the statistical toolkit used in the Republic of Kazakhstan in the same area;
  - comparing the German and French statistics in terms of the measurement of the amount of hours actually worked; the reasons for differences;
  - overview of the history, general structure, functional responsibilities, sources of information and study areas of the Federal Labor Agency and Labor Market and Professional Qualification Research Institute, Nuremberg (Bavaria).
F18  Statistics of standard of living

Implemented activities

<table>
<thead>
<tr>
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<th>Activity/Topic</th>
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<tbody>
<tr>
<td>F18-KAZ-6.4</td>
<td>Statistical analysis of survey results, methods of building multidimensional indicators</td>
<td>15.06.2015 - 19.06.2015</td>
<td>Lars Lundgren</td>
</tr>
<tr>
<td>D7-SV-2/ F18-SV-5</td>
<td>Theory and practice forming a sample of households, study visit to Wiesbaden and Bremen</td>
<td>14.09.15 - 18.09.15</td>
<td>Kai Lorentz, Destatis</td>
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Findings and results

A Consulting mission (F18-KAZ-6.4) on the topic “Statistical analysis of survey results, methods of building multidimensional indicators” has been carried out in June 2015 by the Swedish expert for household surveys.

Kazakhstan has a well organised continuous survey measuring the welfare of 12 000 representative households with a rotating sample. The survey can also be used as a vehicle for broader aspects of standard of living through add-on modules. So far modules have included Quality of life, Time use, Availability of education and Health services and Social involvement. There is, however, a need to give a more comprehensive picture of the living conditions as a supplement to economic indicators.

Current and future development of multidimensional survey indicators were presented and discussed. A recent Swedish official investigation for future living condition indicators and the EU-SILC were used as references.

An inventory of available indicators in Kazakhstan showed that most relevant indicators are or soon will be available for analysis of welfare and poverty in a broader perspective. The supply of welfare services is already covered by an annual report. A broad wellbeing/satisfaction perspective will be presented in August.

A rapid training in the use of XLSTAT-PLSPM was given using the not cleaned data from the wellbeing/satisfaction module. Sampling design and the “middle class” were also discussed.

Conclusions

CS already has most of the relevant indicators to make multi-area analysis of welfare, poverty and well-being. It is not recommended to try to use area-specific thresholds or composite indices. The existing annual report on the supply of living condition support should be supplemented with a comprehensive well-being report every third or fourth year. Later a report could be compiled showing all three dimensions of living conditions: the supply-access to
resources-impact as well-being; different areas/components of life; and sustainability over time. A program for future modules should be harmonised with the reporting program.

**Recommendations and next steps**

**Welfare/well-being frameworks**

After discussions about the OECD, Swedish and other frames, it was concluded that comprehensive presentation of welfare/well-being in Kazakhstan should be based on the well-being/satisfaction module, supplementing the annual public service supply report. The measured indicators will be grouped similar to the other frames, particularly the OECD frame. The current module measures both service performance and quality of life.

Not covered in the current well-being module is the employment situation and sustainability of well-being over time (capital in column 2). The well-being module covers both satisfaction with public services and the personal impact. No frame is covering mobility (possibilities to travel), access to information, equality/fairness and freedom of choices. The current and future modules can be useful tools to monitor the Kazakhstan 2050 Strategy.

The indicators can also be grouped from a personal perspective: Self, family and friends, home and environment, work/school, and society (public and private services).

The data should be presented by sex, age groups, regions and economic status.

**The middle class**

A “middle class” should be defined by clear criteria. Often mentioned criteria are combinations of income, education and occupation. The classifications are often called Socio-economic level or Socio-economic background, but the preferred name seems to be Socio-economic status (SES). There are no international standards for such classifications, but EU has developed the European Socio-economic Classification (ESeC). Work is going on to adjust the classification to the new ISCO-08.

**Sampling design**

The planned mission on sampling design should aim to make the design as efficient as possible and therefore look for alternative designs, as the design is not only depending on theoretical aspects, but as much on field organisation, logistics, access to updated frames, etc.

Most countries have long traditions of making surveys and are mentally “indoctrinated” in certain logistics/field-organisation. To make the sample design more efficient, it is important to discuss or test different solutions, e.g. one stage sampling.

Besides alternative designs depending on different logistics and rotation schedules, one-stage sampling could be discussed. The design effect in this type of surveys is often at least 2-4, meaning that a two-stage sample needs 2-4 times as big a sample to give the same precision. Statistics Sweden has for a long time been using local interviewers and one-stage sampling. Even if it sometimes involves travelling more than 300 km to a household, it has
proven to be more efficient than cluster sampling. It is again a question of balancing theoretical sampling with the logistical alternatives. The most efficient solution should be found.

There are two main reasons to use two stage sampling: logistics and the age of the frame. Updating all areas are costly, but if the quality of the population register is adequate it could be used as a reliable frame. Rural areas in Kazakhstan is less populated than northern Sweden, so it may not be cost efficient to use one stage sampling in rural areas. An alternative would be to use one stage sampling in urban areas and two-stage sampling in rural areas. Clustering can also be done when the sample for the full year is drawn to minimize travelling.

As mentioned in earlier reports, the reference period for non-durables could be reduced from 4 x 2 weeks to 4 x 1 weeks. Many countries have only one week as reference period, many have two weeks and some four weeks. Very few have eight weeks. Quarterly visits with one week reference period would be sufficient and give higher reliability than the semi-durables and durables, particularly if each monthly week can be represented for each household.

Alternatives can be tested on current data to estimate the outcomes.

As soon as the well-being data are cleaned, further analysis with XLSTAT-PLSPM are recommended to present the satisfaction on different areas of life and living conditions and their contribution to the total well-being. In the meantime, the consultant will make further analysis on the anonymised raw data to propose specific settings in the program. The results will also be used to discuss and program future modules and included indicators, with less relevant indicators removed.

Status of implementation of recommendations from project activities

Well-being/life satisfaction data that is necessary to complement economic indicators for obtaining a more comprehensive picture of living conditions were published in August of the current year in the bulletin “Quality of Life”. The publication provides subjective evaluation by the respondents of the level of life satisfaction, living conditions, health, financial situation, the quality of dwelling they live in, free time availability, satisfaction with the public services in healthcare and education sectors, and other aspects of quality of life.

Based on the results of the survey, a press release was published with a brief analysis of the main obtained data.

Notes on further planning

Based on the recommendations provided, it is planned to use the results from the Quality of Life module in the estimation of multidimensional indicators, in particular, of the quality-of-life index.
PM  Project management

Implemented activities

<table>
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<tr>
<td>PM-KAZ-7</td>
<td>9th Meeting of the German-Kazakh Government Working Group Economy and Trade in Karaganda/Project management meeting in Astana</td>
<td>09.06.15   - 10.06.15</td>
<td>Volker Gutekunst, Ringo Raupach, Destatis</td>
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<td></td>
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<td>11.06.15   - 12.06.15</td>
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<tr>
<td>PM-KAZ-8</td>
<td>High Level Planning Meeting (HLPM) 4</td>
<td>15.06.2015 - 17.06.2015</td>
<td>Roderich Egeler, Sibylle von Oppeln-Bronikowski, Ringo Raupach, Destatis; Ki-bong Park, Yeon-ok Choi, Kostat</td>
</tr>
<tr>
<td>PM-KAZ-9</td>
<td>Project management meeting</td>
<td>08.09.2015 - 11.09.2015</td>
<td>Ringo Raupach, Dennis Kaschuba, Günter Kopsch, Destatis</td>
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<tr>
<td>PM-SV-8</td>
<td>High Level Planning Meeting (HLPM) 5 in Berlin</td>
<td>03.09.2015 - 04.09.2015</td>
<td>Roderich Egeler, Sibylle von Oppeln-Bronikowski, Ringo Raupach, Dennis Kaschuba Destatis;</td>
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</tbody>
</table>

Findings and results

During the reporting period, four project management activities were carried out. The aim of the activities was to monitor the project’s progress and to discuss further planning of the project activities.

It was agreed that the missions and study visits for 2016 should be scheduled by the end of this year. CS will provide the necessary terms of reference as soon as possible. Destatis is going to provide the updated work plan after the HLPM in September.

Based on a projection of costs anticipated, Destatis asserted that another 300,000 USD might be necessary to fund all activities. CS and Destatis expressed their willingness to amend the contract accordingly if the pre-calculations remain valid.