

Annual Project Progress Report

Project title: Strengthening institutional and statistical capacity on national accounts

Award ID: 00104472

Project ID: 00102375

Implementing partner: State Statistics Committee of Turkmenistan

Period covered in this report: January -December 2022

Date of last Annual Report: 25.12.2021

Date of the last Project Board meeting: 21.10.2022

Date of last Quality Assurance and rating 12.02.2019, rating - Satisfactory

1. Project Performance

Please state the expected Output of the Project, set indicators and corresponding CP Outcome (as per project document/AWP):

Project Output 1: The National Program for the Implementation of the 2008 SNA is agreed and the
Project Output 3: Business registers are adapted to the requirements of 2008 SNA

Output indicators:

3.1 Business registers are presented in accordance with the requirements of 2008 SNA

Output targets:

3.1 Achieved

a) Were the indicators and output achieved? Yes No Partially

b) If no or partially, please explain why?

In accordance with the non-cost extension of the project document only one Project Output was included for the Annual Work Plan for the year 2022 and all planned targets were achieved.

On the request of the national partner, the work for the development of the part related to actualization of the legal entities and entrepreneurs was prioritized. The actualization function was developed, and it is ready for testing. The Agreement on Transfer of Assets with the relevant source will be sent to TurkmenStat.

2. Progress Reporting

Please summarize the main achievements during the project cycle:

During the reporting period all planned targets as per the Annual Work Plan for 2022 were achieved.

Project Output 3:

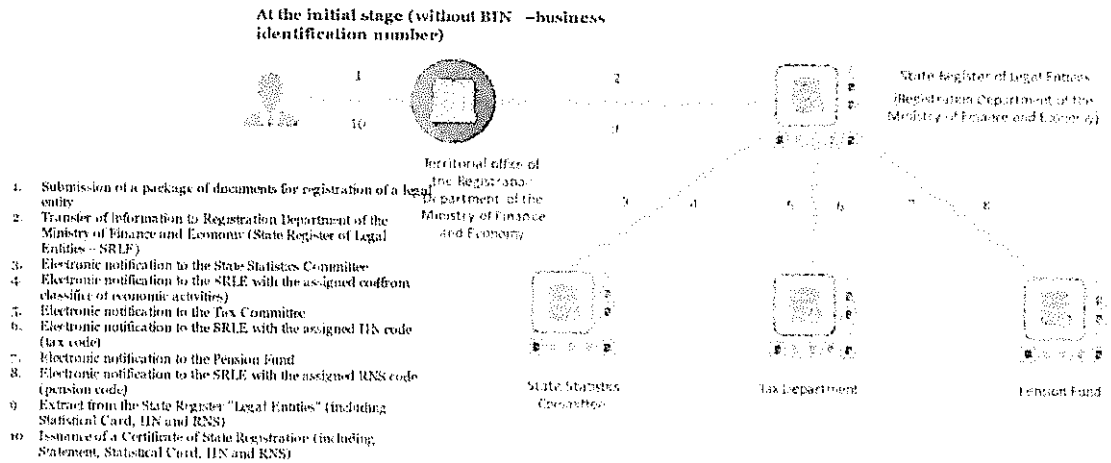
Under the projects on Strengthening institutional and statistical capacity on national accounts and on Strengthening institutional, statistical and information-technical capacity of the State Statistics Committee of Turkmenistan (the development of the software for SBR is developed within the framework of these two projects) , we have encountered certain issues in delivering three tenders to develop a Statistical Business Registry(SBR). As the three tenders were unsuccessful due unforeseen circumstances, a decision was taken to revisit our approach towards completing this activity to develop a Business Registry, including the revision of the technical and advisory arrangements to support the implementation of this activity as well as our contractual arrangements with the international expert. On the fourth tendering attempt the ToR for the software for SBR was amended by TurkmenStat. The contract with the international expert was discontinued. The tender was re-announced, as a result of which the tender process finalized successfully and the contract with the winning company was signed, and development of software was commenced.

On the request of the national partner, the work for the development of the part related to actualization of the legal entities and entrepreneurs was prioritized and it was agreed that within the project on Strengthening Institutional and Statistical Capacity on National Accounts the part of the software responsible for registration and actualization of legal entities and entrepreneurs would be developed and transferred to the national partner. The actualization function of the software was developed, and it is ready for testing. During the development of this part of the software the several meetings with the relevant employees of TurkmenStat and UNDP were organized and presentation on developments were delivered. In the course of intense discussions, the relevant employees of TurkmenStat, who involved in the work with SBR, provided their comments and suggestions on improvement of the software. All these inputs were collected and taken into account by the company-developer in the further developments.

The development and launching of the whole software will be one of the main achievements of the project, as the software will increase the efficiency of collecting statistical information significantly as legal entities and entrepreneurs will have an opportunity to submit the relevant statistical forms online.

During the analysis it was identified that the registration of legal entities usually took about two months. This software, when subsequently integrated with IT systems of other ministries, will significantly reduce the time for registering a business and create a Single Window, which will serve as an integral part of the Concept for the Development of the Digital Economy for 2019-2025 and the State Programme for the Development of a Digital Economy of Turkmenistan for 2021-2025. The terms of registration of a legal entity will be significantly reduced, which will ultimately affect tax revenues, social and pension contributions, the volume of production of goods and services, and the provision of jobs, etc. There will be no need to collect and submit the same documents to different departments. It will lead to a unified coding system, which will facilitate the work of specialists and avoid errors. The centralization of the database will lead to an orderly record of legal entities. Data integration will allow to access and process data in an accelerated manner. In general, the creation of a statistical business register and the installation/adaptation of the developed software for sectoral departments will make it possible to apply a systematic approach to the implementation of digital solutions to improve the efficiency and effectiveness of the process of collecting, processing, and analysing data.

The purpose of the development of the registration system in the coming years



The relevant trainings for 14 staff (9 women, 5 men) of TurkmenStat, who were involved in work with SBR from Ahal, Balkan, Dashoguz, Mary and Lebap velayats were organized and conducted from December 6th to December 13th by the representatives of the company - developer.

The subject of the trainings was the step-by-step usage of SBR Client and SBR Builder. The contact information of the responsible employees was obtained in all velayats, and after the installation of the server in TurkmenStat, the company provided login/passwords so they will be able perform tests on their own computers

3. Project Risks and Issues

The project Risk Log is maintained throughout the project implementation to capture potential risks to the project and associated measures to mitigate risk. The Project Manager shall maintain and update the Risk Log and ensure that risks are identified, communicated and managed effectively.

A number of potential risks are listed below.

Description of risk	Type and category	Risk management actions	Current situation
The project team have encountered certain issues in delivering three tenders to develop a Statistical Business Registry and all the three tenders failed	Organizational	a decision was taken to revisit our approach towards completing this activity to develop a Business Registry, including the revision of the technical and advisory arrangements to support the implementation of this	The project was extended till the end of year 2022 and tender process was successfully completed and the contract with the winning company was concluded

		activity as well as our contractual arrangements with the expert	
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4. Lessons learned and follow-up steps (if applicable)

Please provide the lessons learned and further steps after the project's closure.

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The national partner's support was important for the success of the project implementation. The partnership and cooperation with the Russian Experts on Demand, JICA, EuroStat allowed to mobilize the resources for development of the software for SBR.

The partnership with other international organizations was very useful and gave opportunity to engage professional experts to conduct the workshops and trainings within the project.

The end date of the initial SNA project document was 31 December 2020. During the implementation of the project, the need to develop the software for statistical business register was identified. In this connection, this issue was discussed during the Project Board Meeting, held on 8 September 2020 and it was agreed that the existing funds could be insufficient to cover all expenses related to the development of the software and it was decided to foresee some additional funds in the next project. In order to implement this activity, the project end date was extended till the 31 August 2021.

Within the above-mentioned timeframe (1 January – 31 August 2021), after signing a new project and receiving additional funds, the RFP for services to develop the statistical business register was developed and advertised twice in May and August 2021. Due to unforeseen circumstances, the tender process was unsuccessful and there was a need to extend the duration of the project one more time - till the end of 2022.

Taking into account the above mentioned, there is a need to eventuate the risks and allocate more time for such activity as a tender.

It is worth noting that many countries, including CIS countries have made significant progress in implementing the 2008 SNA. However, most countries face significant challenges to obtain more reliable national accounts figures and provide comprehensive macroeconomic analysis based on these data. Most of the changes proposed in the 2008 SNA seem to be acceptable for the CIS countries from a conceptual point of view. However, from the point of view of the possibilities of their implementation by countries, these changes are not homogeneous. There are many practical problems, mainly related to obtaining initial data, limited human capacity, frequent change in senior management of TurkmenStat which will need to be addressed to implement the project.

Considering the above-mentioned, it was decided to divide the work on the implementation of the provisions of the 2008 SNA, into activities which should be done first and for medium term perspectives. And at the initial stage, priorities are given to those issues that affect estimates of GDP at current and constant prices.

5. Transfer of Assets or other related matter

Please state on any past or future transfer of assets made within the project cycle (Attach list of equipment, cooperation frameworks with beneficiaries, etc.)

6. Financial management

Budget item	Total approved in 2021 (in USD)	Expenses + commitments	Budget utilization in % to planned
Component 3	170,014.00	170,014.00	100
Project Management	0.00	0.00	0
Total delivery in 2022	170,014.00	170,014.00	100%

Prepared by: *G Bay* Project Manager

Date: 26.12.2022

Approved by: *[Signature]* Programme Specialist

Date: 30.12.2022