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**REGIONAL STRATEGY AND ACTION PLAN FOR PREPARING, IMPLEMENTING
AND MANAGING DIRECTORIES OF BUSINESSES AND
ESTABLISHMENTS IN LATIN AMERICA***

2012-397

* This document is a summary of the final report for component 2 of the Project on the regional statistical framework for the directories of businesses and establishments”, being carried out by 11 Latin American countries with financial support from the Regional Public Goods Program of the Inter-American Development Bank (IDB).

CONTENTS

A.	BACKGROUND.....	3
1.	Objectives and components of the project.....	3
2.	Scope, components and guidelines of the regional strategy and action plan.....	4
B.	REGIONAL DIAGNOSTIC REVIEW AND CHIEF NEEDS DETECTED.....	5
1.	Main elements of the diagnostic review.....	5
C.	REGIONAL STRATEGY AND ACTION PLAN FOR PREPARING, IMPLEMENTING AND MANAGING DIRECTORIES OF BUSINESSES AND ESTABLISHMENTS IN LATIN AMERICAN COUNTRIES	13
1.	Major challenges for preparing, implementing and managing directories of businesses and establishments in Latin American countries	13
2.	Regional strategy.....	14
3.	Regional action plan.....	25
4.	Governance and monitoring	32
5.	Critical factors for success	33
	Bibliography	36

A. BACKGROUND

This section contains a brief description of the objectives of the Project on the regional statistical framework for the directories of businesses and establishments and those of component 2 entitled Regional strategy and action plan for preparing implementing and managing directories of businesses and establishments in Latin America. It also presents a summary of the conceptual and methodological framework used in developing that component.

1. Objectives and components of the project

The purpose of the Project on the regional statistical framework for directories of businesses and establishments is to define a regionally agreed strategy for the preparation, implementation and management of directories of businesses and establishments in the 11 countries which have been participating in this project funded under the Regional Public Goods Program of the Inter-American Development Bank (IDB) and to complement it with a regional action plan for the execution of this strategy. The objective of the project is to improve the quality of statistical information on economic establishments obtained from fiscal sources, economic surveys and other administrative records, so as to enhance the sampling frames, hence the quality of economic statistics in the countries of Latin America and the Caribbean. This, in turn, will enhance the international comparability and sustainability of these statistics, thus helping to close gaps between countries in terms of methodologies, experiences and advances.

The project has four components:

- Component 1: Diagnostic review of directories of businesses and establishments in the countries of Latin America and the Caribbean. The objective is to design and implement a set of instruments and methodologies (toolkit) for conducting diagnostic reviews of directories of businesses and establishments and related economic statistics in the countries participating in the Regional Public Goods Program.
- Component 2: Regional strategy and action plan for preparing implementing and managing directories of businesses and establishments in Latin America. The objective is to design a common strategy to enable the countries to develop and upgrade their directories.
- Component 3: Regional technical recommendations for directories of businesses and establishments. The objective is to define best practices and minimum requirements for the successful preparation, implementation and management of the directories, and to set common technical standards for the directories, which can be harmonized for use regionally, in areas such as metadata, type of unique identifier, georeferencing technology, coverage and periodicity of update.
- Component 4: Training and technical assistance plan for directories of businesses and establishments.

Component 2 is, in turn, divided into 3 subcomponents:

- Subcomponent 1: Definition of the scope, components and lines of action of the regional strategy and action plan.
- Subcomponent 2: Preparation of the draft regional strategy and action plan.
- Subcomponent 3: Validation of the proposal and preparation of the final version of the regional strategy and action plan.

The report on subcomponent 1 defines the scope, components and principal lines of action of the regional strategy and action plan for preparing, implementing and managing directories of businesses and establishments and also sets out an analytical model and a methodology for drawing up national strategies that take into account the different levels of development of the directories of businesses and establishments in each of the participating countries in keeping with the regional strategy and action plan.¹ This document was used as a basis for discussion among countries at the workshop held in Rio de Janeiro on 3 and 4 November 2011 on the preparation of the regional strategy and action plan and on the main elements for preparation of the national strategies that come under the regional strategy.

The second report relates to subcomponent 2 and is the outcome of the consultancy on this issue.² This document and the national reports drawn up using the model proposed by the international consultant and approved at the workshop in Rio served as a basis for discussions at the workshop in Bogota on 10, 11 and 12 April 2012; at this workshop, the proposal was approved and the final version of regional strategy and action plan was produced.

The present document relates to subcomponent 3 and incorporates the outcome of the discussions held at the Bogota workshop. Thus, it constitutes the final report on component 2 of the project.

The calendar for completion of the project is as follows:

- Within 24 months, the design of the strategy and action plan must be ready;
- Within 30 months, the regional technical recommendations will be prepared;
- By the end of 36 months, the training and technical assistance plan for the directories of businesses and establishments will have been drawn up.

2. Scope, components and guidelines of the regional strategy and action plan

This section contains a brief outline of conceptual and operational aspects of the strategy and action plan, examines the link between the two components and analyses the interrelationship between the regional and national dimensions.

Generally speaking, a *strategy* embodies a set of possible courses of action that will need to be carried out in order to achieve given medium- or long-term objectives. As such, it needs to be defined in terms of a clearly conceived desirable future situation towards which the institution, programme or project is to be oriented and in light of the specific strategic objectives to be achieved. An action plan is a

¹ See Aguilera (2011a).

² See Aguilera (2012).

set of actions and activities defined within the framework of specific strategies and geared towards given priority objectives and which provides for the corresponding resources, deadlines and policymakers in order to facilitate the achievement of these objectives, that is, to ensure that the desirable future situation materializes or draws nearer.

Both conceptually and operationally, the strategy and action plan have, on the one hand a regional scope or dimension, and on the other, a national scope or dimension. It is understood that there will be a unified strategy and a regional action plan which includes actions that will be carried out jointly and others that only apply to a particular country, but which are in keeping with the overall strategy.

The regional scope of the strategy and action plan must reflect the shared vision of the countries participating in the directories of businesses and establishments vis-à-vis the desirable future situation of the directories and the lines of action that can be carried out jointly. The diagnostic review carried out earlier has served to identify those weaknesses and problems that will be part of the common future challenges, such as a least common denominator for the directories or a minimal common reference directory, common issues such as strengthening legal frameworks, joint treatment of similar technical issues (improving classification and nationalization variables, updating local units, etc.), sustainable development and improving the directories, among others.

The action plan includes actions that are regional in both scope and implementation, such as agreements and partnerships with relevant regional stakeholders within the framework of the Statistical Conference of the Americas to support the directories, a regional training programme, a regional network of experts, horizontal cooperation mechanisms and regional technical assistance programmes.

Nationally, the strategy and action plan must be able to implement the shared vision at the country level, bringing it in line with the special characteristics of the national diagnostic review, available resources and level of development and other constraints or with each country's needs. As occurs at the regional level, the design of the strategy and action plan at the country level starts with the definition of the desirable future situation and the resulting prioritizing of objectives and goals to be achieved by the specified deadline. Naturally, since the starting point differs from one country to the next, the national strategies reflect the necessary differences between countries which already have a directory and those that are developing one.

The diagnostic review of component 1 reveals the multiple and complex requirements and challenges involved in developing directories in the region, so that a strategic plan that seeks to resolve it must be based on a medium- and long-term time frame. In this case, it was decided to work over a long-term, five-year period, a medium-term, three-year period and to set annual targets to be met in the interim.

B. REGIONAL DIAGNOSTIC REVIEW AND CHIEF NEEDS DETECTED

1. Main elements of the diagnostic review

While the first component of this project was being developed, a very thorough process of data collection was carried out together with a detailed assessment of the status of the directories in each of the countries.³ Almost a year after the beginning of the data collection exercise, countries were

³ See final report on component 1, May 2011.

requested to update their diagnostic assessment as part of the first status report on component 2.⁴ The main elements of the diagnostic review of the status of the directories in the 11 participating countries are summarized below.

(a) Operational status and contents of the directory

- (i) *Operational status.* Eight countries have a functional directory. The changes foreseen for the next three years will not alter fundamentally the coverage, techniques or data of the directory. The exception to the above is Mexico, which has a directory that may be considered to be in operation, but which will be changed significantly in the next three years, in particular with respect to its coverage. Three countries (Ecuador, Honduras and Paraguay) are developing their directories.
- (ii) *Units included in the directory.* Table 1 illustrates the situation relating to the units contained in the directories operated in the 11 countries

Table 1
UNITS INCLUDED IN THE DIRECTORIES OF THE 11 COUNTRIES

Type of unit	Number of countries that include them	Number of countries where they are included with limitations	Number of countries that do not include them
Business units	10	...	1
Establishments	8	1	2
Natural persons	5	2	4
Economic groups	1	1	9

- With the exception of Honduras, all the countries have, or will have, directories of legally constituted units (or businesses).
- Most of the directories also include local units (or establishments), but, in many cases, the relevant directory is not updated because of the lack of reliable sources.
- It is not clear whether natural persons will be included, while only one country has declared its intention of including economic groups.
- In all countries the definitions used for legal entities are the same as those for the reference directory, but problems may arise with implementation in some cases, depending on the available sources for updating information.⁵
- In all countries except Colombia, the businesses and local units employing five or more persons are included in the directory. In Colombia, inclusion is limited to entities with at least 10 employees.

⁴ See national reports on the Strategy and plan of action for the development of national directories of businesses and establishments, March 2012.

⁵ The inland revenue office usually treats each company as a single entity, but in the case of some businesses with establishments in several regions or with activities to which different modes of taxation apply, the authorities may create separate tax entities. Social security authorities often operate regionally or locally and tax-payers pay their contributions at these levels, without any coordination at the national level.

- (iii) *Contents of the directory.* Tables 2 and 3 present the variables for both the legal and local units contained in the country directories, compared with the analytical reference.

Table 2
**PRESENCE OF VARIABLES RELATING TO THE REFERENCE DIRECTORY
IN THE DIRECTORIES OF THE 11 COUNTRIES**

Variable in the reference directory	Definition	Number of countries that include this variable in their directory		
		Yes	With limitations	No
Existence	Present status (code relating to the status of the business)	6	1	4
Identification	Identification number in the directory	8	-	3
	External identification number (for example, taxpayer's identification number (RUC) or identification number (RUT))	10	-	1
	Name or trade name	10	-	1
Location	Type of constitution under the law	8		3
	Address (including telephone number, e-mail, fax number, postal address, etc.)	9	1	1
	Geographical coordinates (latitude, longitude)	2	-	9
Stratification	Code of principal activity	10	-	1
	Codes of secondary activities, if any	4		7
	Number of persons employed	7		4
Continuity	Number of wage earners	5		6
	Turnover	6	1	4
	Export-oriented?	5	-	6
	Ownership	2	-	9
	Number in the directory or external number used to set up the business	-	2	9
	Number in the directory or external number of the previous legal unit of which the business may be considered to be the successor	-	2	9
Demography	Date of birth	4	-	7
	Date of incorporation	4	-	7
	Start-up date	6	-	5
	Date of final termination of the activities of the business	6	-	5
	Wind-up date	4	-	7
Business group	Number (in the directory or external number) of the legal unit(s) wholly or partially owned by the business.	-	-	
	Number of group or groups to which the business belongs	-	-	-

^a The reference directory is a theoretical directory which was used to carry out the diagnostic assessment of the directory in each country. This theoretical directory differs in several respects from the basic common directory agreed by the countries. For further information on the reference directory, see Picard (2011). For information on the basic common directory, see section III of this report.

Table 2 above shows that:

- The identification and location variables (apart from the geographical coordinates) are present in a minimum of eight and a maximum of 10 countries, that is, in the vast majority of countries.
- In terms of stratification, existence and demographic variables, the results are average, varying between a minimum of four and a maximum of seven countries (while the code of activity variable is to be found in 10 countries).
- There are no variables relating to continuity and groups of businesses.

Table 3
**PRESENCE OF VARIABLES OF THE ESTABLISHMENTS IN THE REFERENCE DIRECTORY
IN THE DIRECTORIES OF THE 11 COUNTRIES**

Variables in the reference directory	Definition	Number of countries in which the variable is found		
		Yes	With limitations	No
Existence	Current status (status code of the establishment)	7	-	4
Identification	Identification number of the local unit	7	-	4
	Trade name	9	-	2
	Tax identification number (RUC) for the local unit	3	-	8
	Identification number of the company on which the local unit depends	6		5
	Type of unit: ancillary, secondary or main	5	-	6
Location	Address (including telephone, e-mail, fax, postal address, etc.)	9	-	2
	Geographical coordinates (latitude, longitude)	3	-	8
Stratification	Principal activity code	9	-	2
	Secondary activity codes	3	-	8
	Number of employed persons	8	-	3
	Number of wage earners	3	-	8
	Turnover or earnings	1	-	10
Continuity	Number of the local units in the directory as used for the incorporation of the local unit	1	1	9
	Number in the directory of the previous local unit of which the unit may be considered to be the successor	1	1	9
	Innovativeness of the event	1	1	9
Demography	Date of birth	2	-	9
	Start-up date	3	-	8
	Final termination date	3	-	8

Table 3 displays the following:

- The identification and location variables (with the exception of the geographical coordinates) are present in a minimum of three and a maximum of nine countries).
- The stratification and existence variables may be observed in an average number of countries, varying between a minimum of 1 and a maximum of 8 countries (except for the variable relating to the code of principal activity, which appears in 9 countries).
- The demographic and continuity variables are present in very few countries, that is, between a minimum of 1 and a maximum of 3.

(b) Sources for the directory

The following table shows the type of sources used by the countries depending on whether the source in question is the principal or the secondary:

Table 4
PRINCIPAL AND SECONDARY SOURCES BY TYPE

Type of source	Principal or secondary used on a regular basis	Frequently used secondary	Secondary only for some variables
Tax	8	2	-
Social security	3	6	-
Economic surveys	7	1	-
Economic censuses	5	-	-
Private	1	1	2
Other	-	-	5

Conclusions to be drawn from table 4:

- Most of the countries (8 out of 11) already have or will soon have access to tax records, which will become their main source of registration and update. It should be noted, however, that in some countries, there are constraints in accessing information on the turnover or earnings owing to tax confidentiality issues invoked by the relevant Government agency.
- Social security registers are a major source for updating records.
- Business surveys are a significant source for updating records (7 out of 11 countries).
- Business censuses are used to a limited degree by countries (5 out of 11 countries).
- Private records are not significant sources for updates.

(c) Views and requirements of users

- Coverage of the directory. Insufficient coverage with respect to the establishments, especially small enterprises, public services and natural persons.

- Quality of the data. The main problems arise in relation to stratification variables and the principal activity. The following variables, in particular, are usually considered to be of average or poor quality: geographical address and mailing address, principal activity, size, documentation of the data transmitted and consideration of observations by users. In most countries, size is only measured by one type of characteristic (employment or earnings); moreover, the measurements are of average quality and/or relate to a distant date. The main code of activity, which is one of the important characteristics of the units, often comes up against the same difficulties.
- New required variables: investments, secondary activity, Internet sales, importer, main products produced, main products marketed and classification of staff by sex.

(d) Quality management

There are various activities geared to obtaining a good quality directory, that is, a directory that contains information with few errors, especially for the variables relating to the existence and stratification of the units. However, such efforts are highly varied and are not organized in accordance with quality management standards. These efforts relate mainly to the quality of the process of updating the directory and to its application. In terms of the quality of the directory, very few countries treat the quality of the product transmitted to users and only one country calculates quality indicators that concern the directory content. In short:

- Few countries work out indicators to determine the quality of the processes;
- There is no method for dealing with product quality that includes operations such as: a list of regular checks and product improvement operations; regular comparison with partial sources; surveys for quality measurement (some countries do carry out this type of survey); regular calculation of product quality indicators based on checks.

(e) Uses of the directory

The directory is used directly or indirectly primarily for the preparation of business surveys with a shared sampling frame. Users external to the statistical institute are few and far between, and consist mainly of the central bank, which, as the agency responsible for national accounts in many countries (Chile, Dominican Republic, Ecuador, El Salvador, Honduras, Paraguay and Uruguay and the countries participating in the Regional Public Good Program) uses them for this purpose.

(f) Human and budgetary resources

- (i) Human resources. With few exceptions, the countries declare that the number of persons who work on the directory is sufficient to deal with current requirements. Problems have arisen in the following areas:
 - In three countries, no or few permanent staff members have been available to work on tasks relating to the directory.
 - There is a high staff turnover.

- For all countries, it seems difficult to cope with new update sources or to carry out all the quality management operations without increasing the number of persons that work on the directory or without increasing the work load.
 - Keeping the documentation updated poses difficulties.
- (ii) Budgetary resources. While, generally speaking, there is no separate budgetary provision for the directory, most countries consider that budgetary resources for the directory are sufficient to deal with current requirements. The main problem in this regard, however, is that they do not expect total funding to be maintained in the future.

(g) Legal framework

On the whole, there is no appropriate legal framework for the development of the directories:

- Only four countries report the existence of a legal framework that assigns management of the directory to the national statistical institute. In many cases, the difficulty in this regard is resolved insofar as the statistical legislation authorizes the statistical institute to obtain the necessary data for generating and updating the directory from administrative records.
- In legal terms, the main problem seems to be that the principles of tax confidentiality make it difficult for some statistical offices to have access to tax records or to the values of certain variables.
- An additional difficulty is linked to the fact that only four countries have a national identification number for businesses for their use in all public administration operations (in one other country, the system is in the pipeline).

(h) Information technology platform

The information platform used functions correctly in almost all countries. The difficulties identified relate to the decline in the number of information specialists and the fact that the material is outdated or insufficient.

(i) The regional matrix of strengths, weaknesses, opportunities and threats (SWOT)

The elements of the diagnostic review, based on the matrix of strengths, weaknesses, opportunities and threats (SWOT),⁶ are summed up below.

⁶ This SWOT matrix differs from that set out in the Final Report on Component 1, since it contains all the new information incorporated subsequently by the countries.

Table 5
**ANALYSIS OF THE STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS (SWOT) OF
 THE DIRECTORIES OF BUSINESSES AND ESTABLISHMENTS IN THE 11 COUNTRIES**

INTERNAL ANALYSIS	
STRENGTHS	WEAKNESSES
Directory <ul style="list-style-type: none"> - The theoretical content is satisfactory to users - Accurate identification and location data - There is a process for regular updating of records Quality management <ul style="list-style-type: none"> - Existence of quality control over the process - Existence of specific operations for improving the quality of the directory Staff <ul style="list-style-type: none"> - Of a good calibre - Not expected to change in the near future - Have the documentation - Have the training Information technology <ul style="list-style-type: none"> - The current applications function properly; 	Directory <ul style="list-style-type: none"> - There is no directory of establishments or the existing directory has not been updated - The definitions of the tax (fiscal) units do not match those of the businesses (legally incorporated units) - Mediocre quality for coding of the principal activity and size indicators - Presence of just one type of size variable (employment or turnover/earnings) - Problems with small businesses or natural persons - Information on demographic and continuity variables is lacking or deficient Quality management <ul style="list-style-type: none"> - There are no quality indicators for the process or for product quality - There is no method or model for product quality management Staff <ul style="list-style-type: none"> - Many individuals contracted on a short-term basis - High staff turnover - The number is sufficient for expansion Information technology <ul style="list-style-type: none"> - Difficulties in developing operations or sources - Cutbacks in the number of experts - Outdated equipment
EXTERNAL ANALYSIS	
OPPORTUNITIES	THREATS
Sources <ul style="list-style-type: none"> - Using new record sources is one possible option - Agreements for regular transfer of data to the office - Taxation or social security sources are reliable for identification and location data but less reliable for confirming the existence of a business - Single legal register of businesses exists or is being developed in the country - A single identification number of businesses exists or is being prepared - Good relations with suppliers - No changes are expected in existing sources in the near future - Some suppliers wish to have their staff receive training on coding of the principal activity Users <ul style="list-style-type: none"> - Good feedback Budget <ul style="list-style-type: none"> - Generally speaking, the resources are sufficient 	Sources <ul style="list-style-type: none"> - Legal difficulties in obtaining new sources - Some major sources still have not come to any agreement for the transfer of data - Most of the data suppliers wish to handle the coding of the principal activity themselves Users <ul style="list-style-type: none"> - Are not familiar with the directory or have a poor opinion of it Legislation <ul style="list-style-type: none"> - Decisions relating to confidentiality which rule out the use of some sources, in particular tax sources. - Lack of any official provision awarding management of the directory to the statistical institute Budget <ul style="list-style-type: none"> - No scope for an increase in resources

C. REGIONAL STRATEGY AND ACTION PLAN FOR PREPARING, IMPLEMENTING AND MANAGING DIRECTORIES OF BUSINESSES AND ESTABLISHMENTS IN LATIN AMERICAN COUNTRIES

1. Major challenges for preparing, implementing and managing directories of businesses and establishments in Latin American countries

Listed below are the main weaknesses and requirements detected in the diagnostic review, which account for the main challenges to be confronted in the strategy and action plan. These challenges give an idea of the gap between the current situation reflected in diagnostic review and the future desirable situation.

(a) Content of the directory

- Include and improve the update of establishments;
- Improve the quality of the classification variable relating to the economic activity;
- Include and/or improve the stratification variables, especially relating to employees and turnover/earnings;
- Improve demographic and continuity variables.

(b) Directory sources

- Access taxation and social security records in all countries;
- Overcome constraints in access to information on turnover or earnings by topic of confidentiality invoked by the relevant Government agency;
- Explore fully all remaining sources (social security records, customs records, business surveys and others) in those countries where this is not already being done.

(c) Quality management

- Estimate process quality indicators and product quality indicators;
- Develop and implement a quality management system.

(d) Legal framework

- Promote legal changes to enable the statistical institute to access administrative records;
- Foster the development of a single national identification number for businesses for use in all public administration services;
- Extend and strengthen agreements with record sources.

(e) Human resources

- Promote a human resources policy that increases and gives stability to staff assigned to the directory;
- Increase the availability of permanent staff for the work of the directory.

(f) Budgetary resources

- Promote a policy that ensures stable budgetary resources over time.

2. Regional strategy**(a) Mission and vision of directories of businesses and establishments in the 11 countries**

The institutional mission describes the fundamental agenda of the institution or a specific area thereof. The mission normally sets out the rationale and purpose, the services provided and its users as well as the functions that it fulfils and the impact or public value it hopes to achieve (outcome). The vision or desired future outcome must be consistent with the institutional mission of those responsible for developing and managing the directory.

While each statistical institute may express in a particular manner its mission and vision for the directory, discussions to date have led to agreement on the following definitions:

Mission

The mission of the directory is to record and keep up-to-date the attributes relating to the existence, identification, location, stratification and demography of all businesses and establishments that contribute to the generation of gross domestic product, to serve as a tool for preparing and coordinating surveys, as a source of information for statistics and analysis of the population and entrepreneurial demography and as a tool for the dissemination of information.

Vision

“The directories of businesses and establishments will be fully functional in all 11 countries within five years; they will share a common reference directory and use harmonized definitions of the variables of existence, identification, location, stratification and demography of the businesses and establishments, explore fully all existing data sources and will be recognized for their high calibre as measured by their coverage, up-to-date information and ease of access to their functions.”

(b) Basic common directory of businesses and establishments

Bearing in mind the diagnostic review carried out and in keeping with the mission and vision outlined, a proposal for a basic common directory has been put forward.

The definition of the common directory derives from the structure and content of the reference directory used for conducting the diagnostic review of the status of the directory of businesses and establishments in each country. The original inspiration came from the directories of the countries of the Andean Community.⁷ In his report to the workshop in Rio de Janeiro, the international consultant submitted a proposal for discussion based on seven sets of variables, both for businesses and for establishments. The discussion during the Rio de Janeiro workshop was very enriching and led to agreements on the denomination of units, content and coverage.

⁷ See Picard (2011).

Tables 6 and 7 present the variables of the basic common directory of businesses and establishments.

Table 6
BASIC COMMON DIRECTORY OF BUSINESSES

Variable	Definition
Identification	Identification number in the directory External identification number (for example, tax-payer's identification number (RUC or RUT) Trade name Legal form of the unit
Location	Address (including telephone, e-mail, fax, etc.)
Stratification	Code of principal activity Size (based on the number of employees or turnover)
Continuity	Number (in the directory or external number) of the legal units which were used in whole or in part for incorporation of the business Number (in the directory or external number) of the former legal unit of which the business may be considered to be the successor
Demography	Date of birth Start-up date Date of final termination of the activities of the business

Table 7
BASIC COMMON DIRECTORY OF ESTABLISHMENTS

Variable	Definition
Identification	Identification number of the local unit Trade name Identification number of the business on which the local unit depends Type of unit: ancillary, secondary or principal
Location	Address (including telephone, e-mail, fax, etc.)
Stratification	Code of principal activity Size (based on number of employees or turnover)
Continuity	Number (in the directory or external number) of the legal units which were used in whole or in part for incorporation of the business Number (in the directory or external number) of the former legal unit of which the business may be considered to be the successor
Demography	Date of birth Start-up date Date of final termination of the activities of the business

(i) *Directory units*

As regards the units in the directory, it was agreed to use the term businesses (for legally incorporated units) and establishments (for local units) since these concepts are in current use in most countries. In other words, there are three concepts with their own specificities: business, local unit and establishment. However, the practice in Latin America, as stated by most countries at the Rio de Janeiro workshop is to extend the use of the concept of establishment to what in the System of National Accounts 2008 (SNA 2008) (and also SNA 1993) corresponds more or less to a local unit. The discussion revealed that in the case of the directory of establishments, given the difficulties in obtaining separate information for each establishment according to a single code number for the principal activity, it was recognized that in many cases the units in this directory might be local units.

The above is certainly related to two different situations. On the one hand, the case of a local unit developing two or more productive activities (for example up to four-digit codes of the International Standard Industrial Classification of All Economic Activities (ISIC)) is less common and occurs mostly in large corporations. Perhaps it would be more appropriate for countries to indicate how widespread this phenomenon is in their countries both in terms of the number of units and in terms of the percentage of total value added. Moreover, as pointed out by several countries at the Rio de Janeiro Workshop, there is a practical difficulty in identifying these phenomena.

Because of the foregoing considerations, it was decided to maintain the common denominator of Directory of businesses and establishments rather than directory of businesses and local units, since the latter would imply in practice undertaking to create and maintain three registers: businesses, local units and establishments. Countries would find it difficult to commit to such an undertaking at this time and one possible option is that any country may of its own accord decide to create these three registers. The recommendation was that this issue be raised once again for discussion with additional background information under component 3 of the technical recommendations, where consideration can be given to how these difficulties are resolved by the more advanced countries as well as by those of the region.

The terms business, local unit and establishment will be as defined in the national accounts. In this regard, the definitions in the Glossary included in the final report of component 1 will be used as the frame of reference, without prejudice to the fact that countries may use any conceptual variant such as those of the System of National Accounts 2008, or those of ISIC rev.4. In any case, emphasis is placed on the need for each country to specify clearly any distinctions that may exist between the definitions of the variables used in its directory of businesses and establishments and those included in the above-mentioned Glossary. The System of National Accounts handbook sets out the following definitions:⁸

An enterprise is the view of an institutional unit as a producer of goods and services.

An establishment is an enterprise, or part of an enterprise, that is situated in a single location and in which only a single productive activity is carried out or in which the principal productive activity accounts for most of the value added.

⁸ See United Nations and others (2009, chapter 5).

(ii) *Variables*

For each variable, three dates will be provided: the effective date, the introduction date and the verification date. The first is useful for statistics and demography. The other two relate to the quality of the product provided to users of the directory (Picard, 2011).

Effective date. This is the date on which the value of a given type of variable present in the directory becomes effective or applicable. In accordance with the variables and sources for updating the information, the effective date may be an exact date (for example, if there is exact information on a change of address) or a year (often when there is a change in the principal activity, the only information available is the year in which the new activity became the principal one).

The date of introduction of the first or new value or of the first or new type of the variable in the directory. This date also applies to “date” variables. The closer the effective date, the better the quality of management of the directory.

The verification date refers to the most recent date of the value or of the type of variable.

(iii) *Coverage*

The basic common directory will contain all the legal units or bodies corporate (companies, non-profit institutions, etc.), all State units or regional or local administration units that produce goods or services and that employ five or more persons. Persons and companies of the informal sector are excluded from the common directory. It is agreed that this issue should be included as a topic for research under the technical recommendations of component 3 of the project.

In terms of the activity sectors, only the following sectors are excluded: section A (agriculture, forestry and fishing); section T (activities of households as employers; undifferentiated goods- and services-producing activities of households for own use); section U (activities of extraterritorial organizations and bodies).

(c) **Strategic objectives**

The establishment of strategic objectives is a key stage in the process of characterization of the desired future situation. This stage is linked directly to the mission, depends on the expected outcome for a given period, predetermines the principal directions of the strategies or courses of action and sets the global framework for establishing the required resources.

The strategic objectives must respond to users’ expectations and seek to find a solution to the critical problems, identify bottlenecks or the main constraints to obtaining the desired results.

Considering the main requirements and challenges resulting from the diagnostic review, and bearing in mind the mission and vision for the future described above, the project participants agreed on the following five strategic objectives:

Strategic objective 1. To give a high priority to the directory of businesses and establishments within the national statistical system and on the agenda of decision makers in order to ensure that the resources needed for its development, upgrading and update are available on a sustainable basis.

This objective is a top priority insofar as the production of the directory depends on the medium- and long-term sustainability of all the processes of preparation and upgrading. This objective must automatically be part of the institutional efforts and actions in order to ensure that the national statistics office can fulfil its leadership role within the national statistical system and that this role and the importance of official statistics in public policymaking are given due visibility. In order to achieve this objective, it is crucial to organize various dissemination and advocacy activities to demonstrate the positive impact that a directory of this kind, based on the highest standards, can have on the quality and timeliness of the countries' official statistics, hence, on the design and implementation of public policies based on empirical evidence.

Strategic objective 2. To generate and adopt a basic common directory of businesses and establishments using a common set of up-to-date attributes of integral units, variables and coverage.

As the wording suggests, the aim is to develop and maintain a directory of businesses and establishments that contains basic common elements such as the attributes of integral units, variables and coverage to which the eleven countries have pledged. In addition, each country is free to incorporate other variables, new sectors of activity or new units. In practice, there are several countries which already have a basic set of attributes and which identify new challenges in their national strategies, especially in relation to the incorporation of new variables such as that of groups of businesses or continuity data or the incorporation of other economic sectors, such as agriculture or the expansion of coverage to include units consisting of persons. This may be observed in the national strategies shown below.

Strategic objective 3. To promote the development of an appropriate legal framework which confers on the statistics offices the function of creating and managing the directory and the necessary authority to access administrative records.

This is another objective of the utmost importance since it is geared to centralizing the function of developing and maintaining a central directory of businesses and establishments in the country in the national statistics office, thereby avoiding duplication of efforts by a variety of institutions. It will facilitate management of the directory especially in terms of improving the coverage and quality of the data insofar as the national statistics office will have tools for an easy and timely access to sources of administrative records.

Strategic objective 4. To ensure that the directory of businesses and establishments is the indispensable reference for producers of economic statistics and for persons that conduct analyses and studies on the actual business situation.

The uses of the directory are multiple and varied. First and foremost, it is a tool used to prepare and coordinate business sampling frames and sample surveys as a basis for extrapolating estimates of business populations. However, its potential for use is significantly broader, as the experience of the more developed countries demonstrates. It can also be used:

- For avoiding duplications and omissions in compiling information on companies;
- As a source of information for the statistical analysis of the population of businesses and their demography;

- As a tool for dissemination of a central reference register that provides lists of businesses with standardized identification data (name, address) and a series of criteria for classification by size and activity;
- As a tool for tapping into administrative data (EUROSTAT, 2010).

Thus, the directory must become the reference par excellence for all those involved in statistical compilation or who conduct studies and research. The dissemination of their potential and of the experience of countries both in the region and beyond will contribute in a very significant way to this objective. The more these producers and researchers use the directory, the more it will be valued within the national statistical system.

Strategic objective 5. To promote the development and adoption by the countries of a common framework for quality management of the processes as well as the end product.

Improving data quality is one of the most crucial requirements in national diagnostic assessments as major users in the country will be deterred from using the directory if the quality is poor, especially in relation to some variables or to coverage. Hence the need to take steps to substantially upgrade the directories; having a quality management system that incorporates the tools needed for improving both processes and the final outcome will be fundamental in this regard. This process of developing a shared quality management system must include the various initiatives developed both in the region and beyond, such as the regional code of good practice in statistics for Latin America and the Caribbean of the Statistical Conference of the Americas and the policies and quality frameworks prepared by subregional coordination mechanisms such as the Andean Community and the Southern Common Market (MERCOSUR).

(d) Strategies at the regional level

Set out below is a set of strategies to be applied jointly by all countries and designed to support the countries in their objective of developing their directories of businesses and establishments in keeping with the agreed guidelines and standards and bearing in mind the time constraints and limited resources within which the national statistics offices have to operate in undertaking activities that are regional in scope. For this reason, the study is confined to a limited number of proposed strategies and activities. The discussion at the Bogota workshop helped to narrow down and improve this proposal and to confirm the feasibility of carrying out this set of proposals jointly in the region in such a way as to finally agree on a limited number of measures that could realistically be carried out by the countries.

In this regard, emphasis has been placed on those activities that can be carried out or initiated within the framework, and with the resources, of component 3 (Regional technical recommendations for directories of businesses and establishments) or component 4 (Training and technical assistance plan for directories of businesses and establishments) and which give preference to horizontal cooperation arrangements.

The regional strategies and proposed activities are described below on the basis of each of the five agreed strategic objectives.

Strategic objective 1. To give a high priority to the directory of businesses and establishments within the national statistical system and on the agenda of decision makers in order to ensure that the resources needed for its development, upgrading and update are available on a sustainable basis.

Strategy 1. Demonstrate the importance of the directory for the production and quality of economic statistics, hence for the decision-making process in public policymaking.

Activities:

- Design and carry out a regional programme of activities to show the relevance of the directory and its impact on the quality of economic statistics and the calculation of important national indicators (gross domestic product (GDP)) and for studies and research relating to entrepreneurship, small and medium-sized enterprises, among other topics. This programme will include an explanatory text on the uses and relevance of the directories of businesses and establishments for approval by the highest authority of the national statistics offices. Examples of how the data in the directory can be useful for the specific purposes of some ministries or regional and local governments should also be included.

Strategy 2. Forge partnerships and sign agreements for joint action with other regional stakeholders for advocacy on the importance of the directories.

Activities:

- Design and draw up an agreed programme of work in conjunction with various organizations interested in the development of updated, quality directories, for example, the Centre for Latin American Monetary Studies (CEMLA), the Inter-American Development Bank (IDB), subregional mechanisms or chambers of commerce.
- Propose setting up a permanent working group on the directories within the Statistical Conference of the Americas to assume leadership for promoting and implementing the Regional strategy and action plan.

Strategic objective 2. To generate and adopt a basic common directory of businesses and establishments using a common set of up-to-date attributes of integral units, variables and coverage.

Strategy 1. Establish regional indicators and standards to be observed by all the countries in managing the directories of businesses and establishments.

Activities:

- Prepare —within the framework of component 3 of this project— a compendium of recommendations and best practices for management of the directories of businesses and establishments by the national statistics offices. This compendium should include recommendations and best practices in the following areas:

- Structure, staff required and relationships between the directory of businesses and establishments and other units
- Search for, and treatment of new sources for constructing and updating the directory
- Managing relations with register providers
- Managing relations with directory users
- Quality management (to be developed in Strategic objective 5)
- Management of the dissemination of the directory

Strategy 2. Assist countries in the implementation of the common basic directory of businesses and establishments through a regional technical assistance and training programme.

Activities:

- Prepare a regional training and skills-building programme (under component 4 of this project). Consideration should be given, among other things, to designing a distance training course on managing directories, which can be accessed via Internet.
- Conduct a horizontal technical cooperation programme. This activity includes setting up a network of national experts and steps for identifying and managing possible international sources of financing for horizontal cooperation and the functioning of the network of national experts. It is proposed that this task be undertaken by the working group on the directories of businesses and establishments to be created by the Statistical Conference of the Americas.
- Entrusting the Knowledge Transfer Network with the development and maintenance of an Internet platform which will operate as a bank of relevant documentation from the different countries and other international experiences and as a constant means of exchange of queries and experiences by experts from the different countries. This instrument will be developed as part of the activities under component 4.

Strategy 3. Support the adoption of the International Standard Industrial Classification of All Economic Activities (ISIC) rev 4 for the classification of the activities of the units of the directories of businesses and establishments and cooperate in improving the comparability of the national classifiers of economic activities in the countries.

Activities:

- Identify and disseminate best practices of the countries on the adoption of ISIC Rev 4.
- Prepare a document on the degree of comparability of national classifiers of economic activity and on recommendations for improving comparability between participating countries.

Strategy 4. Promote ongoing cooperation between the national statistics office, the inland revenue service and social security services and other data suppliers and the relevant users with a view to the continuous update of the directory of businesses and establishments and for detecting and satisfying users' requirements on a timely basis.

Activities:

- Establishing and convening periodically an inter-agency committee between the national statistics office responsible for management of the directory, the inland revenue service and the social security service and other data suppliers and relevant users in order to ensure the continuous update of the directory of businesses and establishments and to detecting and satisfy users' requirements on a timely basis.

Strategy 5. Promote institution-building and budget sustainability of the tasks relating to the directory of businesses and establishments within the statistics offices.

Activities:

- Strengthen the capacity for handling directory-related work by establishing a dedicated unit, section or department with clear terms of reference within the organization chart of the statistics offices.
- Draw up a human resources recruitment, training and skills-building programme.
- Prepare an estimate of the financial resources required and the sources of financing for setting up the common basic directory.

Strategic objective 3. To promote the development of an appropriate legal framework which confers on the statistics offices the function of creating and managing the directory and the necessary authority to access administrative records.

Strategy 1. Assist with the development and improvement of the legal powers and administrative instruments of the statistics offices for developing and managing the directory.

Activities:

- Prepare a model for legal change that facilitates access to, and use of, administrative records by national statistics offices. The central elements of this model may be developed under component 3 of this project, in the light of the experiences and best practices of the countries of this and other regions (ECE, 2007).
 - appropriate definition in the statistics legislation of what is understood by the term “statistical use of data” of the registers or “statistical purpose” for use of such registers.
 - reserving for the sole use of the statistics office the power to establish a directory of businesses and establishments with unrestricted access to the different register sources.
 - full access to all administrative records, including tax registers, at the unit level.
 - link between data-protection laws and access to administrative records, especially in terms of the use of identifiers and linkage of data from different administrative records.
 - data can flow from the agencies that are sources of records to the national statistics institutes, but the data collected by these institutes should not be provided to the tax services or similar agencies;
 - Importance of having a tax-payer's ID number.

- Promote the adoption of a recommendation by the Statistical Conference of the Americas and by the United Nations Statistical Commission on the need for a legal framework for the production and update of the directories of businesses and establishments by the national statistics office.
- Prepare a study on best practices in terms of providing access by statistics offices to administrative records for statistical purposes.

Strategy 2. Promote the existence and use of a single registration number for businesses for use in all public institutions.

Activities:

- Prepare a study on the experiences existing in the countries, the benefits of having a single register of businesses, and recommendations for the countries.

Strategy 3. Agree regional protocols of confidentiality and data security for the directory of businesses and establishments.

Activities:

- Design protocols and draw up a compendium of best practices to reconcile absolute respect for the statistical confidentiality of microdata and the use of these data for research and study purposes.
- Disseminate and promote adoption of the protocols

Strategic objective 4. To ensure that the directory of businesses and establishments is the indispensable reference for producers of economic statistics and for persons that conduct analyses and studies on the actual business situation.

Strategy 1. Promote use of the directory of businesses and establishments as the indispensable reference tool for designing and coordinating surveys and for preparing economic statistics and for analysing and conducting studies on the actual business situation.

Activities:

- Prepare and disseminate a regional status report on the development of some variables of the directory of businesses and establishments in the 11 countries and others that wish to participate.
- Prepare an annual status report on the directory of businesses and establishments (Country Annual Report at the Economic Commission for Europe (ECE)) to cover the following topics: organization and coverage or population of the directory of businesses and establishments, progress and developments in the previous year and plans for the future.

Strategy 2. Promote knowledge and use of the directory of businesses and establishments in order to improve the quality and availability of economic statistics in the countries of the region.

- Establish a regional observatory to monitor the directories of businesses and establishments using a digital platform that will allow access to data that may be disseminated in the directories of the 11 countries and any others that may wish to participate.
- Establish a cooperation agreement with the Statistical Office of the European Communities (EUROSTAT) for the transfer of knowledge and practical experience on business demography and other topics of interest to the region.
- Carry out a pilot test with various countries on business demography.

Strategic objective 5. To promote the development and adoption by the countries of a common framework for quality management of the processes as well as the end product.

Strategy 1. Establish for the directory of businesses and establishments a quality management framework shared by all countries.

Activities:

- Prepare a compendium and promote its adoption and implementation by the countries. The quality management framework represents an integral approach and is more than just a set of indicators. It should contain guidelines on the following topics:
 - The concept of quality and quality assurance
 - Procedures and standards for documentation
 - Method for controlling input quality
 - Method for controlling the quality of processes, including the definition of indicators for key operations (matching indicators, merging, editing, updating)
 - Definition of indicators of the quality of the end product supplied to users.
 - Surveys on the quality of data in the directory and user surveys
 - Procedures for implementing new versions of classifiers.
- Design of a self-evaluation questionnaire for the directory managers in each country to be filled in every three years.
- Based on their results, preparation of a peer assessment programme between statistics offices of the directories of businesses and establishments in each country. The results will serve as inputs for horizontal technical cooperation activities.

Strategy 2. Disseminate on a regular basis quality indicators for the directory of businesses and establishments.

- Design, and promote the implementation of, a regional survey of users of the directories of businesses and establishments.
- Publish indicators relating to the level and assess quality over time (coverage, accuracy of the classification of the activity, number of employees and turnover; regular updating of the data and so forth).

Strategy 3. Improve the quality of administrative records.

Activities:

- Coordinate and develop a regional programme for updating administrative records using external sources.

3. Regional action plan

Table 8 sets out the activities linked to each regional strategy with the corresponding performance indicators, and information on the officer-in-charge and funding. Table 9 shows the schedule of activities.

(a) Matrix of activities

Thirty activities are proposed under the Regional Action Plan. Of these, six do not entail any financial cost and 24 require funding. It is proposed that 13 of the 24 activities that require financing be undertaken under components 3 and 4, which will ensure their financing. For the remaining activities, it is recommended that a project be designed that ensures their financing and continuity of the Regional Action Plan up to 2016.

(b) Schedule

Table 9 presents the schedule of planned activities. In this schedule, it is assumed that the activities financed under the project on the regional statistical framework for the directories of businesses and establishments will be completed by the end of 2013 and that all the proposed activities should be finalized by the end of 2016.

Table 8
ACTION PLAN SETTING OUT THE ACTIVITIES, PERFORMANCE INDICATORS, OFFICERS-IN-CHARGE AND FUNDING

Strategic objective	Strategy	Activity	Performance Indicator	Officer-in-charge	Funding
SO1. To give a high priority to the directory of businesses and establishments within the national statistical system and on the agenda of decision makers	S1. Demonstrate the importance of the directory for the production and quality of economic statistics, hence for the decision-making process in public policymaking S2. Forge partnerships and sign agreements for joint action with other regional stakeholders for advocacy of the importance of the directories.	(a) Design and carry out a dissemination programme to show the relevance and impact of the directory	✓ Programme designed and adopted by the countries ✓ Dissemination text edited	Countries and consultants – component 3 of the project	Component 3 of the directory project
		(a) Design and draw up an agreed programme of work in conjunction with various organizations (CEMLA, IDB), subregional mechanisms or chambers of commerce	✓ Programme designed ✓ Institutions contacted and programme agreed	Countries and consultants – component 3 of the project	Component 3 of the directory project
		(b) Propose setting up a working group on the directories within the Statistical Conference of the Americas	✓ Terms of reference of the working group drawn up ✓ Working group approved and set up	ECLAC and countries	Zero cost
SO2. To generate and adopt a basic common directory of businesses and establishments using a common set of up-to-date attributes of integral units, variables and coverage	S1. Establish regional indicators and standards to be observed by all the countries in managing the directories of businesses and establishments S2. Assist countries with the implementation of the common basic directory through regional technical assistance and training programmes	(a) Preparation of a compendium of recommendations and best practices for management of the directories of businesses and establishments	✓ Compendium prepared	Consultant	Component 3 of the directory project
		(a) Prepare a regional training and skills-building programme	✓ Regional programme prepared, adopted and implemented	Countries and consultants - component 4 of the project	Component 4 of the directory project
		(b) Conduct a horizontal technical cooperation programme	✓ Horizontal technical cooperation programme prepared and implemented	Countries and consultants- component 3 of the project	Component 3 of the directory project
		(c) Develop and maintain an Internet platform for the Knowledge Transfer Network of the Statistical Conference of the Americas	✓ Platform in operation	Knowledge Transfer Network	Component 3 of the directory project and the Knowledge Transfer Network

Strategic objective	Strategy	Activity	Performance indicator	Officer-in-charge	Funding
	S3. Support the adoption of ISIC (Rev. 4) for the classification of the activities of the units of the directories of businesses and establishments and cooperate in improving the comparability of the national classifiers of the economic activities in the countries	(a) Identify and disseminate best practices of the countries on the adoption of ISIC (Rev. 4) (b) Prepare a document on the degree of comparability of national classifiers of economic activity and on recommendations for improving comparability between participating countries	✓ Document prepared and disseminated ✓ Document prepared and disseminated	Countries	Zero cost
	S4. Promote ongoing cooperation between the national statistics office, the inland revenue service and social security services and other data suppliers and the relevant users with a view to the continuous update of the directory of businesses and establishments and for detecting and satisfying users' requirements on a timely basis.	(a) Establishing and convening periodically an inter-agency committee between the national statistics office responsible for management of the directory, the inland revenue service and the social security service and other data suppliers and relevant users in order to ensure the continuous update of the directory of businesses and establishments and to detect and satisfy users' requirements on a timely basis	✓ Inter-agency committee set up and functioning	Countries	Zero cost
	S5. Promote institution-building and budget sustainability of the tasks relating to the directory of businesses and establishments within the statistics offices	(a) Strengthen the capacity for handling directory-related work by establishing a dedicated unit, section or department with clear terms of reference within the organization chart of the statistics offices (b) Draw up a human resources recruitment, training and skills-building programme. (c) Prepare an estimate of the financial resources required and sources of financing for setting up the common basic directory	✓ Creation of a unit within the directory of businesses and establishments ✓ Programme prepared ✓ Programme prepared	Countries Countries Countries	To be estimated To be estimated To be estimated

Strategic objective	Strategy	Activity	Performance indicator	Officer-in-charge	Funding
SO3. To promote the development of an appropriate legal framework which confers on the statistics offices the function of creating and managing the directory and the necessary authority to access administrative registers.	S1. Assist with the development and improvement of the legal powers and administrative instruments of the statistics offices for developing and managing the directory	(a) Prepare a model for legal change that facilitates access to, and use of, the administrative records.	✓ Legal model drawn up and agreed	Countries and consultants—Component 3 of the project	Component 3 of the directory of businesses and establishments
		(b) Promote the adoption of a recommendation by the Statistical Conference of the Americas and the United Nations Statistical Commission on the need for a legal framework for the production and update of the directories by the national statistics office	✓ Recommendation drawn up, agreed and approved	ECLAC and countries	Zero cost
		(c) Prepare a study on best practices for access by the statistical offices to the administrative records for statistical purposes	✓ Study carried out	Countries and consultants—Component 3 of the project	Component 3 of the directory project
		S2. Promote the existence and use of a single registration number for businesses for use in all public institutions.	✓ Study carried out	Countries and consultants—Component 3 of the project	Component 3 of the directory project
		S3. Agree regional protocols of confidentiality and data security for the directory of businesses and establishments	✓ Protocols designed ✓ Compendium prepared	Countries and consultants—Component 3 of the project	Component 3 of the directory project
SO4. To ensure that the directory of businesses and establishments is the indispensable reference for producers of economic statistics and for persons that conduct analyses and studies on the actual business situation	S1 Promote use of the directory of businesses and establishments as the indispensable reference tool for designing and coordinating surveys and for preparing economic statistics and for analysing and conducting studies on the actual business situation.	(a) Prepare and disseminate a regional status report on the development of some variables in the directories of the 11 countries and others that wish to join the group	✓ Report prepared	Working group directory-ECLAC-EUROSTAT	Pending
		(b) Produce an annual status report on the directory (ECE Annual Country Report)	✓ Report prepared	Working group directory-ECLAC-EUROSTAT	Pending
			✓ Dissemination programme designed	Countries	Zero cost

Strategic objective	Strategy	Activity	Performance indicator	Officer-in-charge	Funding
SO5. To promote the development and adoption by the countries of a common framework for quality management of the processes as well as the end product	S2. Promote knowledge and use of the directory of businesses and establishments in order to improve the quality and availability of economic statistics in the countries of the region	(a) Establish a regional observatory to monitor the directories of businesses and establishments using a digital platform that will allow access to data that may be disseminated in the directories of the 11 countries and any others that may wish to participate.	✓ Observatory project prepared ✓ Observatory in operation	Knowledge Transfer Network-ECLAC	Component 4 of the directory project and Knowledge Transfer Network
		(b) Establish a cooperation agreement with the Statistical Office of the European Communities (EUROSTAT) for the transfer of knowledge and practical experience on business demography and other topics of interest to the region	✓ Draft agreement prepared ✓ Agreement signed and being implemented	Directory working group-ECLAC	Zero cost
		(c) Carry out a pilot test with various countries on business demography	✓ Pilot test designed ✓ Pilot test carried out and assessed	Directory working group-EUROSTAT-ECLAC	To be estimated
SO5. To promote the development and adoption by the countries of a common framework for quality management of the processes as well as the end product	S1. Establish for the directory of businesses and establishments a quality management framework shared by all countries	(a) Prepare a compendium and promote its adoption and implementation by the countries.	✓ Compendium prepared	Countries and consultants—Component 3 of the project	Component 3 of the directory project
		(b) Design of a self-evaluation questionnaire for the directory managers in each country to be filled in every three years	✓ Questionnaire designed ✓ Questionnaire implemented ✓ Results assessed	Directory working group-ECLAC-EUROSTAT	To be estimated
		(c) Preparation of a peer assessment programme between statistical offices that manage the directories in each country.	✓ Programme designed and agreed ✓ Programme in operation	Directory working group-ECLAC-EUROSTAT	To be estimated
	S2. Disseminate on a regular basis quality indicators for the directory of businesses and establishments	(a) Design, and promote the implementation of, a regional survey of users of the directories;	✓ Survey designed ✓ Survey applied and results disseminated	Directory working group-ECLAC-EUROSTAT	To be estimated
		(b) Publish indicators relating to the level and assess quality over time	✓ Indicators agreed ✓ Indicators published	Directory working group-ECLAC-EUROSTAT	To be estimated
	S.3. Improve the quality of administrative records	(a) Coordinate and develop a regional programme for updating administrative records using external sources	✓ Programme designed ✓ Programme in operation	Directory working group-ECLAC-Offices of providers of registers	To be estimated

Table 9

SCHEDULE OF ACTIVITIES

Strategic objectives	Strategies	2012	2013	2014	2015	2016
SO1. To give a high priority to the directory of businesses and establishments within the national statistical system and on the agenda of decision makers	<p>S1. Demonstrate the importance of the directory for the production and quality of economic statistics, hence for the decision-making process in public policymaking</p> <p>S2. Forge partnerships and sign agreements for joint action with other regional stakeholders for advocacy of the importance of the directories.</p>					
SO2. To generate and adopt a basic common directory of businesses and establishments using a common set of up-to-date attributes of integral units, variables and coverage	<p>S1. Establish regional indicators and standards to be observed by all the countries in managing the directories of businesses and establishments</p> <p>S.2. Assist countries with the implementation of the common basic directory through a regional technical assistance and training programme</p> <p>S3. Support the adoption of ISIC (Rev.4) for the classification of the activities of the units of the directories of businesses and establishments and cooperate in improving the comparability of the national classifiers of economic activities in the countries</p> <p>S4. Promote ongoing cooperation between the national statistics office, the inland revenue service and social security services and other data suppliers and the relevant users</p> <p>S5. Promote institution-building and budget sustainability of the tasks relating to the directory of businesses and establishments within the statistics offices</p>					

Strategic objectives	Strategies	2012	2013	2014	2015	2016
SO3. To promote the development of an appropriate legal framework which confers on the statistical offices the function of creating and managing the directory and the necessary authority to access administrative records	<p>S1. Assist with the development and improvement of the legal powers and administrative instruments of the statistics offices for developing and managing the directory</p> <p>S2. Promote the existence and use of a single registration number for businesses for use in all public institutions</p> <p>S3. Agree regional protocols of confidentiality and data security for the directory of businesses and establishments</p>					
SO4. To ensure that the directory of businesses and establishments is the indispensable reference for producers of economic statistics and for persons who conduct analyses and studies on the actual business situation	<p>S1. Promote use of the directory of businesses and establishments as the indispensable reference tool for designing and coordinating surveys and for preparing economic statistics and for analysing and conducting studies on the actual business situation</p> <p>S2. Promote knowledge and use of the directory of businesses and establishments in order to improve the quality and availability of economic statistics in the countries of the region</p>					
SO5. To promote the development and adoption by the countries of a common framework for quality management of the processes as well as the end product	<p>S1. Establish for the directory of businesses and establishments a quality management framework shared by all countries</p> <p>S2. Disseminate on a regular basis quality indicators for the directory of businesses and establishments</p> <p>S3. Improve the quality of administrative records</p>					

4. Governance and monitoring

The operating plan of the project relating to the directory of businesses and establishments provides for management of the project by means of a mechanism consisting of three levels:

- (a) An Advisory Committee. The functions of the Advisory Committee are to adopt the plan of work prepared by the executing agency as well as the tentative schedule of meetings, and to analyse, harmonize, integrate and adopt the subregional diagnostic reports, the strategy and action plan for implementing the subregional strategy. In addition, the Advisory Committee will monitor the situation to ensure that the activities contemplated in the present operating plan are being carried out.
- (b) A Technical Council. Each country has designated a focal point whose role will be: (i) to coordinate the project activities at the national level with any other bodies which may be participating; (ii) to act as a liaison between the project coordinator and the agency that he or she represents; (iii) to deal with the project consultants, and other officials of the agency as appropriate, and provide all the information they required to carry out their work; (iv) to review, and express an opinion on, the technical inputs submitted for consideration by the participating agencies; (v) to attend subregional meetings and events of the Advisory Committee; and (vi) to keep the respective authorities updated on the development of the project and transmit their comments, concerns and suggestions with a view to achieving the objective of the project.
- (c) A Secretariat. This is the body responsible for the coordination of the project and is made up of the executing agency, the Latin American Faculty of Social Sciences (FLACSO-Chile), the leading country of the relevant component, the technical adviser for the project (ECLAC) and the Inter-American Development Bank (IDB).

This mechanism for governance of the project will operate for the duration of the project, which will be funded under the IDB Regional Public Goods Program and completed, according to estimates, towards the end of 2013. However, as observed in the table 9,, the activities to be carried out will continue up to 2016, so that some thought should be given from now to ensuring the continuity and governance of the project.

The basic proposal is to set up a working group in keeping with the practice of the Statistical Conference of the Americas of ECLAC. First of all, it will mean choosing its members. In principle, these could be the same 11 participating countries, even though new countries could also be incorporated. One country would be designated as coordinator and a technical secretariat would be appointed. The working group's programme of activities would consist of all those activities of the project which have not been fulfilled when the project comes to an end, along with any others that may be included.

Furthermore, it would be appropriate to consider drawing up a project for obtaining funding for the execution of the activities of the Regional Strategy and Action Plan beyond 2013. Since the Project on the regional statistical framework for the directories of businesses and establishments is classed as pre-investment and receives funding under the Regional Public Goods Program, one option would be to apply for further funding from IDB itself in order to execute the activities planned for 2014-2016.

5. Critical factors for success

As set out in the analytical model, identification of the critical factors for success is a crucial phase in preparing the regional and national dimensions of the strategy and action plan. Listed below are some of the factors that could become serious constraints to implementation of the project if they are not properly addressed. The main outcomes if the critical factors for success are not met are examined and possible courses of action for mitigating these risks are presented. These critical factors for success of the project are expected to be present in all countries, although specific circumstances may lead to the existence of other factors which may take precedence over those identified in this document.

(a) National ownership of the Regional Strategy and Action Plan.

The first and most fundamental condition for the process in question is the active participation of all major actors, namely,

- Senior officials of the statistical office which constructs and develops the directory of businesses and establishments and the experts of the unit that manage it;
- Senior officials and experts of the user institutions of the directory;
- Senior officials and experts of the institutions that provide the administrative records.

In certain phases, the participation of government authorities responsible for statistical policy and budgetary matters will also be necessary.

This factor is clearly vital for the success of the project. If there is no commitment on the part of the authorities of the national statistical office, it implies that not all of the information necessary for designing the relevant project components will be available and it will be difficult to take the necessary decisions and obtain the required resources for implementing the project. The project design provides for this risk and for that reason an Advisory Committee has been set up with the participation of a high-level authority of the institution, in some cases the director him/herself. An important mitigating factor is the need for the technical experts participating in the project to keep the authorities of the statistical office constantly informed and for the director to participate if possible in the final workshop to validate the Regional Strategy and Action Plan.

(b) Alignment of this project with the overall institutional strategy

Closely linked to the above factor is the need to ensure that the project is compatible with the overall institutional strategy or its strategic plan. If this project is not taken into consideration in the strategic plan, clearly, the directories of businesses and establishments will be given a low priority by directors or will be totally disregarded.

Once again, mitigating this risk means transmitting a constant flow of information on the preparation of the strategy and action plan for the directory of businesses and establishment and ensuring active participation at the highest level possible on the board of directors responsible for the project.

(c) Difficulties in amending or lifting legal restrictions on the implementation of the Regional strategy and action plan within a reasonable space of time.

In this eventuality does occur, it would imply that it has not been possible to carry out substantial parts of the project, especially those geared to preparing and promoting the adoption of a legal framework that assigns to the statistical offices the role of setting up and managing the directory and the necessary authority to access and use the administrative records for statistical purposes.

In such a case, the main mitigating factors would have to do with activities relating to Strategy 1 of Strategic objective 1 (Demonstrate the importance of the directory for the production and quality of economic statistics, hence for the decision-makers in public policymakers).

(d) Resistance of the different actors in the national statistical system to the strategies and action plans envisaged

Various components of the national statistical system may be useful in developing or improving the directory of businesses and establishments. Foremost of these are the central banks, which prepare the country's national accounts. It is important to maintain close cooperation between the statistical office and the central bank as user so that the directory of businesses and establishments can fulfil the requirements for an intensive use thereof by the relevant accountants. Such cooperation will be extremely beneficial for the directory managers insofar as they will receive an active and appropriate feedback from the central bank. It is vital to be able to rely on the cooperation of the institutes that manage the administrative records (in particular, tax and social security records), which will be needed as a source for the directory.

The way to ensure mutually beneficial cooperation ties with these other institutions and overcome mistrust and reluctance is by establishing constant communications and setting up working groups and forging inter-agency agreements. These should be undertaken as important activities in the programme of work of the managers of the directory of businesses and establishments.

(e) Reluctance of the different stakeholders from outside the national statistical system in relation to the envisaged strategies and action plans.

Basically, this has to do with the degree of collaboration provided by two types of stakeholders: data providers and administrative records and the users of the directories. Experience to date at the national level shows that generally speaking, there has been a good relationship and cooperation by the providers (tax authorities, social security offices, customs etc.). For their part, users collaborated well in the first phase of the diagnostic review and it is to be hoped that they will participate even more in the coming phases. To achieve this, every effort must be made to provide the major users (central banks, decision-makers in the public and private sector, academics and so forth) with ongoing information on how the project being implemented by the national statistical offices is progressing.

(f) The existence of human teams in sufficient quantity and with the competence to carry out the different action plans.

Clearly, the lack of competent human resources is the main impediment for executing the project, since it will be difficult to carry out the range of fundamental activities for improving the directory of businesses and establishments, such as identifying and exploiting new records that can serve as sources and setting up quality checks throughout the process of constructing and updating the directory.

Thus, the new requirements in terms of human resource competencies must be duly identified to facilitate a well-founded and justifiable presentation of the new requirements to the governing bodies of the statistical offices so that these can be brought to the attention of the national budgetary authorities with a view to obtaining the necessary resources.

(g) Sufficient financing for executing the plan of action

In terms of the regional dimension of the Action Plan and as indicated above, sufficient financing is available for carrying out a significant proportion of the activities envisaged. However, a further set of important activities will be left pending until beyond 2013, so that efforts must be made from now to seek additional resources. One option would be to prepare a project for submission to IDB, requesting the latter to finance activities in the period 2014-2016.

At the national level, countries may be facing different constraints that make it difficult to work out in detail the cost of the different activities being proposed. The idea is to be able to have an estimate of the amount of additional financing that will be needed from the fiscal budget in order to carry out this project. In some cases, the additional financing required may exceed the scope of the public budget and thus the funding may be difficult to obtain. Identifying external sources of financing internationally may offer a solution or it may be possible to set up partnerships and cooperation agreements with other public institutions that stand to benefit from the development and improvement of the directory, such as the central banks or tax and social security institutions, which may have better quality data for identifying businesses that can be divulged without infringing statistical confidentiality.

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