

**Task Force on the implementation of
NACE Rev. 2**

**Setting up an implementation plan for
NACE Rev. 2
in National Statistical Institutes**

Version 1.0

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Introduction

This document is the first of a set of four handbooks promoted by the Task Force “Implementation of NACE Rev. 2”. This handbook provides a general view of the implementation project and highlights the main problems. These problems will be deeper analysed in the other three handbooks:

- 2 Implementation of NACE Rev.2 in Business Registers
- 3 Handbook on methodological aspects related to sampling designs and weights estimations
- 4 Handbook on back-casting

The set of the four handbooks aims at providing colleagues of National Statistical Institutes with suggestions, common practices, “checking lists”, methodologies and similar tools which can be used during the complex project of the implementation of NACE Rev. 2.

The most important aim of this handbook is presenting an oversight of the many actions needed, in the first stage of the project. The last part of this book focusses on the drawing up of an implementation and a communication plan. A special chapter deals with “Adaptation of national legislation”. More specials may follow later on.

This handbook, as well as the others of the series, will be updated each time there is reason for that. The electronic version on the “Operation 2007” website will always be the actual one. Therefore, it is important to check from time to time if the version used still is the actual one.

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Acronyms

BR = Business Register

LCI = Labour Costs Index

NA = National Accounts

NACE+ = The national version of NACE

NSI = National Statistical Institute

SBS = Structural Business Statistics

STS = Short-Term Statistics

TFI = Task Force on Implementation of NACE Rev.2

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1. Projects and time path: schemes

The schemes presented in this paragraph try to summarise the main items in the implementation plan: in scheme 1 as part of one of the three projects and in scheme 2 in a timetable.

The planning of the national implementation (NACE+) is based on two dates that are fixed in time and given by the NACE-regulation:

2008: Implementation of NACE Rev.2 into Structural Business Statistics

2009: Implementation of NACE Rev.2 into Short-term Statistics and Labour Costs.

The rest of the national planning is the responsibility of each member state, which is totally free in it. Some reference dates have been included in the schemes and in this paper, but it should be stressed that these dates are only meant as examples, not more than that.

The three projects deal with the three main items to be considered at national level:

- the national version of the classification;
- the implementation in the Business Register;
- the implementation in the different statistical domains.

Scheme 1: The three Projects

• • Projects

Time path: main steps -- see scheme 2

The project plan for implementation -- see chapter 5

The communication plan -- see chapter 6

• • The national version-project

Planning and steps --see par 2.1

Is a national version needed? --see par 2.2

Which structure and coding? --see par. 2.3

Criteria to determine extra headings --see par. 2.4

Explanatory notes: translation and creation of a NACE National version -- see par. 2.5

Indexes: creation of alphabetical index and index by subclass -- see par. 2.6

Correspondence tables: old NACE+à new NACE+ --see par.2.7

Procedure: approval/ authorization by the Commission--see par.2.8

• • The Business Register-project: medio-2006• 2008

Filling the register with NACE Rev.2 (national version)

Scheme of classes and units that cannot be translated automatically (1:n, n:1)

MEDIO 2006: Strategy to get information for classes that cannot be translated automatically, see par. 3.1

Information within the NSI - see par 3.1.1

Information from external registers - see par 3.1.2

Information via surveys - see par 3.1.3

Information via probabilistic models - see par 3.1.4

• • **The Statistics-project: 1-1-2008• ±2011**

Implementation in statistics

A strategy on double reporting and dual coding -- see par.4.1

1-1-2007: A strategy on back casting -- see par.4.2

Regulation: from 1-1-2008

Implementation of NACE Rev.2 into Structural Business Statistics --see par.4.3

Regulation: from 1-1-2009

**Implementation of NACE Rev.2 into Short-term Statistics and Labour Costs Index
--see par. 4.4**

Draft-Regulation: 2011/2012

Implementation of NACE Rev.2 into National Accounts --see par.4.5

Scheme 2: Main steps and time path

When (dates are an example)	Milestone	• Next action	See: handbook Part 1: Setting up an implementation plan for NACE Rev.2 in National Statistical Institutes Part 2: Implementation in Business Registers Part 3: Handbook on methodological aspects related to sampling designs and weights estimations Part 4: Handbook on back-casting
Realized	NACE as base for NACE+	NSI à structure of NACE+	• Part 1
2006 between January and July	Structure of NACE+	• NSI à explanatory notes and indexes of NACE+ Correspondence tables old NACE+-new NACE+	• Part 1
2006		NSI à Strategy for recoding (population x source/method)	• Part 2
July 2006 à 2007		• Recoding via: - available internal info - external registers - probability matrices/models - surveys	• Part 2

December 2007 à	NACE Rev.2 in BR	Regulation: SBS should in 2009 provide data for reference year 2008 following NACE Rev.2	• Part 3 and 4
		Regulation: STS and LCI should in 2009 provide data for reference year 2009 following NACE Rev.2	• Part 3 and 4
		Draft regulation: National Accounts should in 2011 provide data for the accounting period 2010 following NACE Rev. 2	• Part 3 and 4

2. The national version of NACE Rev. 2

The NACE Regulation in its article 4 "National classifications of economic activities" allows the Member States to elaborate the economic statistics according to NACE Rev.2 or a national version derived there from. However, the information must be transmitted to Eurostat according to NACE Rev.2.

2.1 Planning and steps

If it is decided that a national version of NACE is useful, the following steps are necessary to be ready for implementing this NACE+:

		Scheme 3	
	when	milestone	next action
But first the decision has to be taken: NACE as such or NACE+.	Realized	NACE as base for NACE+	• NSI à structure of NACE+
	Mid 2006	Structure of NACE+	• NSI à explanatory notes and indexes of NACE+ and correspondence tables old NACE+-new NACE+
	Second half 2006	explanatory notes and indexes of NACE+ and correspondence tables old NACE+-new NACE+	

2.2 Is a national version needed?

The options for changing NACE into a national version are:

- A.- Creation of extra headings and levels, in practice a 5th digit level

B. Merging NACE-headings

A. Extra headings and levels, in practice a 5th digit level:

Possible reasons to consider a national subdivision are:

- firstly and mainly because some national needs (statistical or not) cannot be fulfilled by NACE Rev.2
- some economic activities can be of relevance for the economy of a specific country and deserve a specific category at a given level of the classification. For instance, the manufacture of olive oil has a high economic interest for the Mediterranean countries.

This demand for extra detail should be compared with the extra costs to be made by the BR, statistics and by additional response burden for implementation and for producing more detailed data in the future. An important role may play external registers that provide data to the BR. Questions to be answered are, if these external registers also will implement the national splits and if wishes they have for splits will be taken into account. This also depends on the criteria mentioned in paragraph 2.4.

If there are enough candidate-headings to be split, say more than ten, the creation of an extra level may be useful instead of only an individual split on some places.

Consequences:

- the code of the NACE+ needs an additional digit for the extra level. For headings without split this extra level is indicated by "0".

but

- by adding an extra level the splits are more explicitly integrated in the system of the NACE+ than some individual splits on some places without an official own level.

B. Merging NACE-headings

It is possible that, in one or more Member States, activities separated in NACE Rev. 2 are not performed by specialised units but often or predominantly combined in one unit. In that case, it would be impossible to produce data of an acceptable quality for separate NACE-headings. In the headings concerned, the activity will be mixed which would result in a low specialisation and coverage ratio, in other words: the NACE-categories will contain many secondary activities. If these headings are subdivisions of one heading of the next higher level, merging may be an option. It is up to the considerations of the member state and Eurostat to decide when this option is used, so to decide where in practice the border is drawn between useful data and data that give a wrong impression of reality. For the merging, **the Commission** will be required to give its permission, based on documented reasoning.

2.3 Which structure and coding?

In practice, national versions of NACE are based on the four digits of NACE with an additional 5th digit for national subdivisions. In this way, the NACE-level remains unaffected. So, the countries are unanimous on the structure, but not on the place and way to introduce a break in the five digits, maybe a point or a slash placed behind the four digit-level or after both: the two and four-digit level.

As far as known, one country uses the alphabet as part of the code. For other countries this means however technical difficulties, so they only use numbers.

Alternative additional groupings that are composed of two or more complete headings of the same NACE-level may be not integrated in NACE+ via an additional national heading or level. In other words: they are left out of the official NACE+ and presented as an alternative grouping. In practice

these groupings exist next to the official NACE+ and are, in an annex, described as the combination of for instance the classes x, y and z or listed separately in a database used for composing statistics.

2.4 Criteria to determine extra headings

First priority is to determine the criteria for acceptance of 5th digit headings (“subclasses”). In practice there are plenty wishes for additional subdivisions. However, they are not free; each split is costly and requires allocation of resources, especially when statistics will be based on that split. Therefore, there should be minimum-requirements a candidate-subclass should fulfil.

First decision is to determine whether the classification will be built only for statistical use or also for administrative use. Other criteria may concern the size and number of units in the subclass, the level of homogeneity of activities classified in the subclass, the intensity of use of it outside NSI, user needs, of course the criteria of NACE itself, as well as the balance in the classification (on a given level and between levels).

After inventory of the wishes and agreement on the criteria, the weight of the individual criteria and the way using them has to be decided on. The more subclasses a country can afford in statistics the more relaxed will the permission be given to additional subclasses.

2.5 Explanatory notes

After building the structure of NACE+ the instruments to use it have to be developed, like the explanatory notes and the indexes.

The explanatory notes give the most complete description of the content of a NACE-category. More than the index they indicate the thinking behind a class by mentioning the criteria used and drawing the boundaries between categories.

On NACE level the explanatory notes are given by Eurostat, first in English. So to turn them in the national version two actions are necessary:

- translate the NACE-explanatory notes or wait for the translation of Eurostat, a choice to be made by the member state.
- add the explanatory notes of the extra splits for the NACE+.

Much efficiency can be achieved by contacting countries with the same language and divide the translation work (if done by the country itself). This can even apply to the NACE+ subclasses, because in practice they often are the same for several countries.

2.6 Indexes

Good indexes are the key to the everyday use of NACE. They contain terms and short descriptions in alphabetical order for the whole NACE+, or sorted for each heading. They are meant to find the NACE-code on a quick and easy way when an activity-description is given, for instance by a responding enterprise. The index may be published in a booklet, but also be the base for a sophisticated automatic coding tool. The old indexes have to be rebuilt for the new NACE+ by the member states themselves. This means that several countries have to do the same job, especially if they share the language. Here too, co-operation may result in profit for all parties.

The Task Force on the Implementation of NACE Rev.2 can offer a platform to co-ordinate this co-operation: for instance by making an overview of all national subclasses and an inventory of indexes and languages in which these are available.

2.7 Correspondence tables

Once the new NACE+ has been developed, the final correspondence tables can be made and the numbers of units added. This is important input for the planning of the capacity needed for the implementation of NACE+ in the BR and the discussion on the sources that will be used for that. The correspondence tables are also the base for the transition codes that some countries use (see par. 4.1.2).

Another important aim of these tables is to inform the users of NACE, on basis of expected number of units to be recoded, more precisely how the revision affects time series.

2.8 Procedure: approval/ authorization by the Commission

Article 4 of the Regulation establishing NACE Rev.2 describes the possibilities of adaptation of NACE Rev.2 to national needs:

Article 4

National classifications of economic activities

1. Member States' statistics presented according to economic activities shall be produced using NACE Rev.2 or a national classification derived therefrom.
2. The national classification may introduce additional headings and levels and different coding may used. Each of the levels, except for the highest, shall consist of either the same headings as the corresponding NACE Rev. 2 level or headings constituting an exact breakdown thereof.
3. Member States shall forward to the Commission, for its approval prior to their publication, the drafts defining or modifying their national classification. The Commission shall check the conformity of these drafts with paragraph 2 within two months. The Commission shall transmit the approved national classification to the other Member States for information. The Member States' national classification shall include a table of correspondences between the national classification and NACE Rev.2
4. In the event of incompatibility between certain NACE Rev.2 headings and the national economic structure, the Commission may authorize a Member State to use an aggregation of NACE Rev.2 headings in a specific sector.

To obtain such authorization, the Member State concerned must provide the Commission with all the necessary information to consider its request. The Commission shall decide within three months.

However, notwithstanding the provision of paragraph 2, this authorization shall not entitle the Member State concerned to subdivide the aggregated headings in a way different from NACE Rev. 2

Therefore, the Commission might authorize the merging and keeps controlling if the merge stays necessary. It is not allowed to merge and to make another split. In line with Article 3 (but not explicitly mentioned): information to other Member States and publication of a table of correspondence is useful.

3. Implementation of NACE+ in the Business Register *(discussed in detail in handbook 2)*

(discussed in detail in handbook 2)

3.1 Defining 1:n- and n:m- classes and the strategy to get information

Implementation in the BR starts with an inventory of the actual work that has to be done. The units that cannot automatically be transformed from the old to the new national version of NACE cause an important part of that. Therefore, the first action will be:

- List all classes and their number of units with 1:n- and n:m-relations, so classes that need additional information to give them the new NACE+-code.
- Choose for each class or group of related classes one (or a combination) of the following possible sources balancing costs and benefits of the several methods.

Scheme 4						
(Dis-)advantages (roughly)	Quality	Up-to-date	Completeness	Burden Respondent	Costs: Work	Costs: Money
• <i>within the NSI</i>	+	?	?	++	+	+
• <i>external registers</i>	?	?	?	+	+	+
• <i>surveys integral</i>	++	++	++	--	--	--
• <i>surveys sample</i>	+	++	-	-	-	-
• <i>probabilistic</i>	±	?	+	++	+	+

The sources as such can also be used in several ways. All these choices are briefly indicated in the following paragraphs and in more detail described in the second handbook, *Implementation of NACE Rev. 2 in business registers*.

3.1.1 Information within the NSI

To start with an inventory of usable information available within the NSI should give insight in the opportunities. Sources are:

- the statistics, for instance PRODCOM-information from SBS.
- the data in the BR, for instance the existing NACE+ 5th digits, the activity descriptions (if registered), names of firms etc.
- proper knowledge of NSI-experts.

3.1.2 Information from external registers

Several external registers may feed the BR. In general (semi-)governmental bodies are the regular sources.

Additional information may be taken from the yellow pages or other databases, for instance from umbrella-organizations. Here again the comparison of the cost versus the benefit expected is

important, but difficult to value for the soft benefits, like for instance the quality, the freshness, completeness etc.

Next to this: the information has to fit or to be translated into NACE+ and into the statistical units without too much forcing. And what's more: the units or parts of units in the external register have to be identified and connected to those in the BR.

3.1.3 Information via surveys

When surveys are chosen as a source more choices have to follow:

- 1) The medium to be used (oral, written, electronic);
- 2) The use of a cut-off size measured in turnover or persons working;
- 3) The use of samples;
- 4) Joining in an existing survey, for instance SBS, or use a separate survey;
- 5) The use of one general questionnaire or specific questions for NACE-groups or classes;
- 6) The use of open questions or closed questions (which makes optical reading possible).

3.1.4 Information via probabilistic models

By means of probabilistic models it is possible to classify groups of units for which there isn't enough information for individual classification. Not the code is known for an individual unit, but the chance to have a code. The models may be based on:

Information based on a sample survey: sample based models,

Information based on another kind of research: research based models,

Information for units which didn't respond based on information from units which did respond: response based models.

4. Implementation of NACE+ in statistics

(discussed in detail in handbooks 3 and 4)

4.1 A strategy on double reporting and dual coding

4.1.1 Double reporting

Starting point are the first reference years for NACE Rev. 2 as agreed on EU-level. These years also have to be described for NACE Rev. 1.1. Following the draft-NACE Regulation these first reference years are:

- for SBS 2008,
- for STS and LCI 2009,

So the dual coding in the BR should at least be effective in 2008.

4.1.2 Dual coding in the Business Register

At least for 2008 the BR should be able to provide for each unit NACE Rev.1.1- and NACE Rev.2-codes. To prevent the necessity of determining two times a code for the same unit, the NACE Rev.1.1 and NACE Rev.2 could be integrated into a temporary transition code. This transition code contains the smallest building blocks for the old and new NACE+ (*for further explanation: see the “handbook on implementation of NACE Rev.2 in Business Registers”*).

4.2 A strategy on back casting

Important users of statistics, like the European Central Bank, emphasize that the first NACE Rev.2-reference year should be accompanied by time series of NACE Rev.2 data for previous years. So back casting is a “must”.

A common European view still has to be determined on how long back-casting can provide data with acceptable quality.

4.3 Implementation of NACE Rev.2 into Structural Business Statistics

The NACE-regulation mentions 2008 as first NACE Rev.2 reference year for the SBS. That means that at the end of 2008 or at the beginning of 2009, the population will be determined. The provisional data will be ready end 2009 and the final data mid 2010. For reference year 2008 will be double reported following old and new NACE to enable the construction of time series.

At the end of 2007, beginning of 2008, the BR of most Member States already contains the NACE Rev.2 codes. This enables already to draw on that moment for old and new NACE for SBS-description on 2007. So, it is possible to implement new NACE into SBS one year earlier. This offers NA, with one-year longer experience, a firmer base for their introduction of NACE Rev. 2. Alternatively, this additional year may also be used to make the switch in NA one year earlier. All this is worth considering.

4.4 Implementation of NACE Rev.2 into Short-term Statistics and Labour Costs index

The NACE Regulation mentions the first delivery dates for STS and LCI.

In the field of STS, the monthly data in NACE Rev 2 will have a first delivery date of March 2009 for the reference period of January 2009; for quarterly data, the first reference period to be delivered in NACE Rev 2 is the first quarter 2009.

Length and details of back cast data to be delivered with the first transmission in NACE Rev. 2 will be determined through comitology in a Commission Regulation.

In the field of the LCI, the data shall for the first time be compiled according to NACE Rev 2 for the first quarter of 2009, and thereafter for each quarter (ending on 31 March, 30 June, 30 September and 31 December of each year). The Member States shall make back data from the first quarter of 2000 to the fourth quarter of 2008 available. The back data has to be provided for each of the NACE Rev 2 sections B to N and for the labour cost items mentioned in article 4(1) of regulation (EC) N° 450/2003.

In practice this means that 2008 is the first year that NACE Rev 2 shall be used for all sources used to calculate the LCI. Member States should not deliver NACE Rev 2 based statistics to Eurostat before the indicated period. NACE Rev 1 based statistics should be secured up and include the delivery of 2008 quarter 4.

4.5 Implementation of NACE Rev.2 into National Accounts

National Accounts will start with the description based on NACE Rev. 2 in 2011. In that year time series should be presented for the new NACE starting from 2010 backwards. It is worth noting that both annual and quarterly accounts must change.

5. The project plan for the implementation of NACE Rev. 2

The implementation of NACE Rev.2 is a complex operation. In fact the number of work packages involved and the number of different people required carrying them out, causes such a high degree of complexity that it is too much for one project. The most appropriate way to manage this complexity is to consider the operation as a program consisting of individual but related projects.

Three distinct groups of activities that comprise their own project can be distinguished:

- The creation of the national version of NACE Rev.2 with the subdivisions for national use: “*the NACE+ group*”,
- The switch-over in the BR: “*the Register group*”,
- The co-ordinated simultaneous switchover in statistics to NACE Rev.2 and the control of the quality of time series: “*the Statistics group.*”

Each project is described in a separate project plan. That project plan describes the way the project *objective* is reached, including *processes and schedule* as well as *organization and resources*.

Next to this, a communication plan should be developed which describes the overall communications-approach and provides guidance for all communication activities. This plan will be dealt with in chapter 6.

Each project plan starts with a description of the objective in a feasible way: “SMART”: (Specific, Measurable, Attainable/Achievable, Realistic and Time bound). Then processes and schedule as well as organization and resources will be described, and finally the communication plan as a separate plan.

5.1 Objectives

Objective of the NACE+ group:

-The national version of NACE Rev.2, with the subdivisions for national use, will be finalised by dd/mm/2006.

- Explicit criteria will be developed which fit within NACE and which are precise and clear enough to make the quality of the classification measurable.

Objective of the Register group:

- A register that contains from dd/mm/2008 onwards local units, enterprises and groups of enterprises, possibly other statistical units (kind-of-activity units) and legal units classified to the old and the new NACE+ for at least the reference year 2008.

- A more or less detailed specification of the minimum quality (can be given in a percentage of accurate classified units per NACE+-class and/or size of the units).

Objective of the Statistics group:

- A co-ordinated switchover causing as little damage as possible to the continuity of statistics that use NACE+, so:

- implementation of the new NACE+ in all statistics following a time table which is conform Eurostat regulations and co-ordinated for the statistics which are mutually related.

- definition of the statistics, periods and variables that have to be double described on a certain level of the old and of the new NACE+

- definition of the number of years data will be back casted specified for each statistic, study of possible methods.
- the division of tasks and exchange of information between the NSI-departments.

5.2 Processes and schedule

To maintain appropriate allocation of time to the overall conduct of the project realistic time scheduling is vital. That starts with an overall time path as shown in scheme 5.

à **Items printed in font stile bold and red are regulated by Eurostat, so fixed points in time.**

à *Items printed in font stile regular italic are a national choice.*

When	Milestone	• Next action NSI
Realized	NACE as base for NACE+	• Structure of NACE+
<i>2006 Between January and July</i>	<i>Structure of NACE+</i>	<i>• explanatory notes and indexes of NACE+ • Correspondence tables old NACE+-new NACE+</i>
<i>2006</i>		<i>• Strategy for recoding (population x source/method)</i>
<i>July 2006à End 2007</i>	<i>explanatory notes and indexes of NACE+ Correspondence tables old NACE+-new NACE+ Strategy for recoding (population x source/method)</i>	<i>• Recoding via: - questionnaires - available info - external registers - samples - probability</i>
<i>December 2007à</i>	Recoded Register	• 2009à SBS data for reference year 2008 to NACE Rev.2
		• 2009à STS and labour data for reference year 2009 to NACE Rev.2
		• 2011à NA data for accounting period 2010 to NACE Rev.2

Next step is to distinguish and describe in detail the individual processes in this schedule: sets of activities leading to a product. The rough demarcation is done by dividing the program into the three projects and a special point of interest (communication), but within this there are many separate processes. See scheme 6:

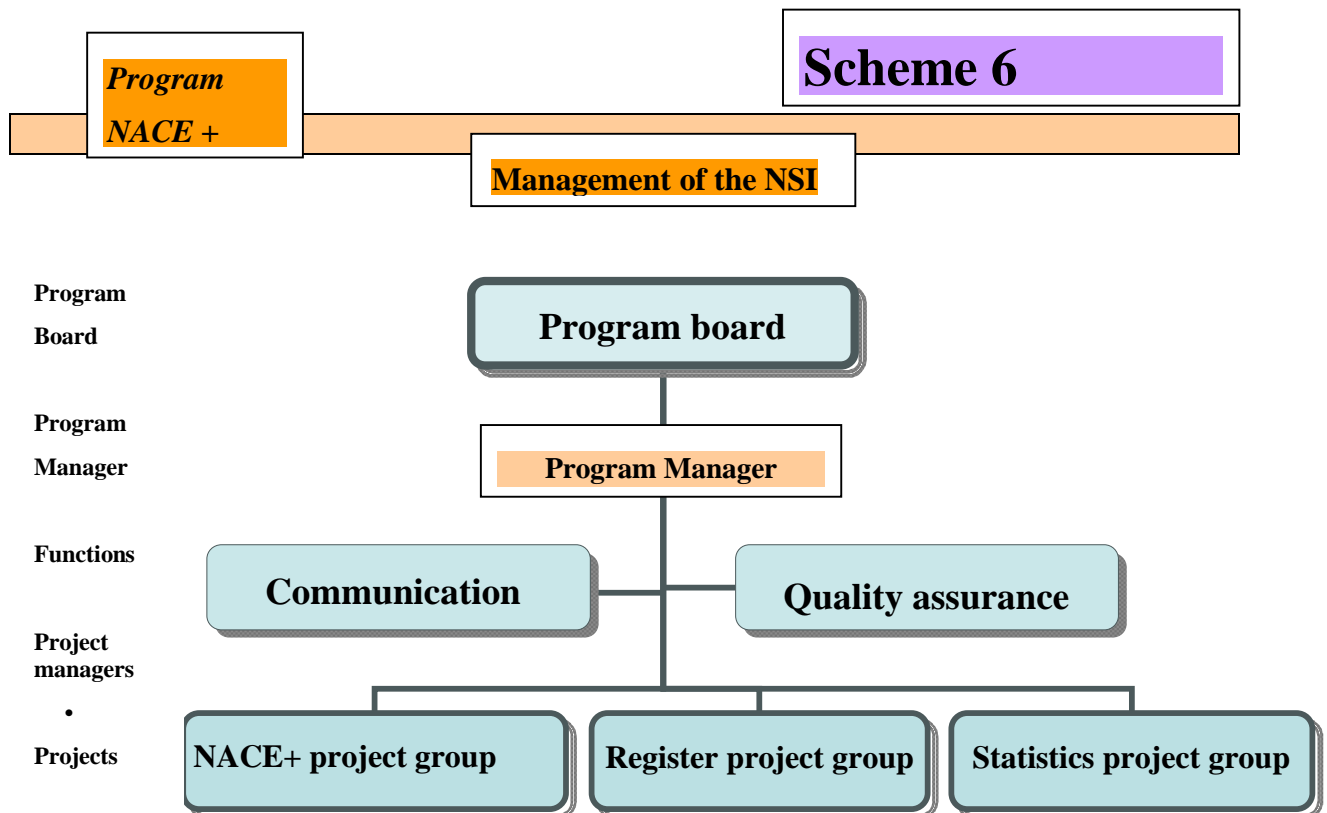
Scheme 6

<i>Project</i>	<i>Action</i>	<i>When</i>	<i>Product</i>
NACE+ group	N1	Realised	• NACE as base for NACE+
NACE+ group	N2	2006	• <i>List of criteria to accept fifth digits</i>
NACE+ group	N3	2006	• <i>Inventory of need for national subdivisions</i>
NACE+ group	N4: Based on N1+N2+N3	2006 <i>Between January and July</i>	• <i>Structure of NACE+</i>
NACE+ Group	Based on N4: N5 N6 N7	2006 <i>Between January and July</i>	<ul style="list-style-type: none"> • <i>Explanatory notes</i> • <i>Indexes</i> • <i>Correspondence tables old NACE+-new NACE+</i>
NACE+ Group	Based on N4: N8	<i>July 2006 à</i>	• <i>Procedure: approval/ authorization by the Commission of NACE+.</i>
Register group	Based on N7: R1 R2	<i>January 2006 à July 2006 à December 2007</i>	<ul style="list-style-type: none"> • <i>Table: population by 1:n- and n:m-class</i> • <i>Inventory of sources for recoding each class</i> <ul style="list-style-type: none"> - <i>available info within NSI</i> - <i>external registers</i> - <i>probability</i> - <i>surveys (separate projects)</i>
Register group	Based on R1 and R2: R3	<i>January 2006 à</i>	<i>Inventory of available info within NSI</i>
Register group	Based on R1 and R2: R4		<i>Inventory of external registers</i>
Register group	Based on R1 and R2: R5		<i>Probability: Models</i>
Register group	Based on R1 and R2: R6		<i>Probability: Transition Matrices</i>
Register group	Based on R1 and R2: R7		<i>Information from Surveys</i>
Register group	R8	<i>July 2007</i>	<i>Strategy for dual coding in the register</i>
Register group	Total result of R.	<i>December 2007</i>	<i>Recoded Register</i>
Statistics group	S1	<i>December 2006</i>	<i>Time schedule for implementation into each statistic</i>

Statistics group	S2	December 2006	Strategy for back-casting: period and methods
Statistics group	S3	December 2006	Strategy for double reporting: period and methods
Statistics group	S4	December 2007	Logistic planning of data flows following old and new NACE-structure
Statistics group	Result: S5	September 2009 à	SBS-data over 2008 to NACE Rev.2
Statistics group	Result: S6	January 2009 à	STS and LCI data over 2009 to NACE Rev.2
Statistics group	Result: S7	2011	NA data to NACE Rev.2

5.3 Organization structure

The organization structure defines the relations between the three projects and between the projects and the program managing board. The program scheme:



- **The management of the NSI**

The management of the NSI is responsible for the incorporation of the program in the strategic planning of the NSI and the connection with the overall objectives of the organization.

- **The Program Board**

The Program Board is responsible for the results of the program and the provision of sufficient means to realize these. The proposals and results of the projects will be presented to the Program Board for approval. The Program Board reports to the management of the NSI.

The Program Board performs a key role. It is important that the basic roles of all parties concerned are represented: in this case, on one hand the users, and on the other hand the suppliers of the output. The users are represented by the departments that use the classification for producing statistics; the suppliers by the classification section. In this program, the BR is both a user and supplier. The BR uses the NACE+-system and its tools, but also supplies units with a NACE+-code to statistics.

- **Quality Assurance**

Quality Assurance is responsible for monitoring the quality of the program and its output, independently from the Program Manager. Quality Assurance takes care that the program is controlled and executed following the planning. Next to this, the value added in respect of the organization objectives is monitored. Too much focussing on one point is prevented and the function of the product in the program is assured.

Quality Assurance reports to the Program Board. The way the quality of the program and its output will be assured will be described in a plan. A practical possibility is to realize Quality Assurance of the output of a project group by another project group within this program. The advantages are the already existing know how concerning the project and the exchange of information as a “by-product”.

- **Program Manager**

The Program Board charges the Program Manager with the responsibility and competence to control the day-to-day situation of the program. The Program Manager decides within the limits specified by the Program Board. The most important responsibility of the Program Manager is the assurance that the program will yield the desired products within the planned deadlines and means, and following the quality level agreed. The Program Manager reports to the Program Board.

- **Project groups**

As already mentioned: the three project groups delineate the three groups of activities that are part of the program:

- The “*NACE+ group*”
- The “*Register group*”
- The “*Statistics group*”

A Project Manager manages these Project Groups. The Project Manager decides within the limits specified by the Program Manager. He reports to the Program Manager; the members of the Project Groups report to the Project Managers.

This organisation looks very formal and official. But the Program has such a high degree of complexity, mistakes may have such a negative impact on other parts of the program, there are so

many influences and borders between all activities and steps, that it will be worthwhile to do it this way just to keep the program manageable.

5.4 Resources

The resources to fulfil the programme are limited. Resources include *work force, equipment, and information*. A resource planning is meant to allocate the resources knowing their constraints and requirements.

First, the resources have to be specified:

For *work force*: which skills and expertise?

For *equipment*: what capacity, kind of software, tools for coding etc.

For *information*: the content, quality, completeness, how up to date and how to the point.

The costs for the resources are measured in money and in time. So money and time are no resources as such, they are a way to measure the resources. Next to this, the costs have to be weighted to make them comparable. The weights reflect the priorities and posteriorities that may differ between NSI's. For instance: in many countries the administrative burden caused by authorities are a hot issue that makes it relatively expensive to collect data by questionnaires.

Plan when, how much (costs, time), what (skills, capacity) and where in the process (project, task) to get the right man in time on the right place, or the right information etc.

6. The communication plan

The results of the implementation of NACE Rev. 2 influence many organisations and people. They have to take measures: adapt classifications, change codes, be aware that time series are broken, adapt software, provide information etc. etc. These actions have to be prepared in time, so proactive communication is important on all aspects of the project. The Program Manager must make sure that team members, customers and stakeholders have the information they need to do their jobs. Communication is also a vital way to manage expectations about how the project is going and who needs to be doing what. That is where a communication plan is for.

Too much information makes people drown before they see the point, informing too early makes people forget before they need it. The purpose is to offer each stakeholder made-to-order information, not too early and not too much, just in time at the moment they have to come into action.

This planning varies for different kinds of stakeholders. So the first relevant question: who are the consumers of the information?

Roughly spoken they can be divided into:

- **Statisticians** of NSI
- External registers which are **sources** of the BR
- External registers which are **no sources** of the BR
- **Users** of statistics, possibly via **trade organisations**
- **Data-providing** enterprises, possibly via **trade organisations**

Each stakeholder has specific communication needs concerning the timing and the content. Base for an overall communication plan could be the following scheme:

Scheme 7

Time	Target group	Medium	Kind of information	Goal	
During the whole Program	All, but tailored for each group	Web site	à All, but tailored for each group	Informing	
	All	All	à General information	Informing	
• 2000 à mid 2006	NSI-statisticians, Users of statistics	Orally Written	β à Expertise on organisation of activities and wishes for subdivisions	Draft NACE+, Explanatory notes, indexes...	
	2005 à start 2008	NSI-statisticians	All	à Effects of changes in NACE, from general to level of individual unit. On back casting and double reporting methods that can be used.	Guarantee a smooth transition on NACE Rev.2
	2005 à start 2008	Registers which are sources for BR	All, incl. data files	β à Effects of changes in NACE, from general to level of individual unit	To enable sources to revise; To exchange data based on NACE Rev.2
	2007 à	Registers (no sources for BR)	Written Electronic	à Effects of changes in NACE, from general to (possibly) level of individual unit	Implementation of NACE Rev.2
	Mid 2007 à 2012	Users of statistics	Written Electronic	à General information	Draw attention to the revision
	Start 2008 à 2012	Users of statistics	Written Electronic	Quantitative information on changes	Possibility to make time series.

à = supply of information

β à = exchange of information

7. Other implementation issues: Adaptation of National Legislation

One of the preconditions for implementing the new NACE Rev.2 is the new NACE Regulation and the adaptation of the various European statistical laws. But in many cases European statistical legislation consists of so called framework regulations which only define the characteristics, the level of detail and the quality standards of the data to be sent to Eurostat.

According to the principle of subsidiarity it is left to the Member States how they comply with this duty. Therefore in many cases the statistical surveys themselves essentially depend on national statistical laws which also might refer to NACE or a national version of it. A written consultation among the Member States has shown that in 13 Member States an adaptation of the national legislation will be required before NACE Rev.2 could be implemented.

How the adaptations have to be engineered depends on the special conditions in the Member States. The requirements for the adaptation of national legislation could be of direct or indirect nature.

Direct requirements for adapting national statistical laws occur when NACE or a national version of it is cited in the laws themselves. When legal acts or parts of it refer to special Parts of the NACE they have to be adapted to the new coding .

Indirect requirements might occur when Groups of respondents or samples have to be changed because of the changing structure of the classification.

Furthermore in some Member States NACE is not only used for statistical purposes but also for other legal procedures; e. g. taxation regulations or subsidies/financial assistances may refer to certain NACE categories (which in turn might have a feed back on data collection procedures).

In some Member States enterprises and government institutions have to be informed about changing conditions for the respondents of the surveys one year before the measures are implemented.

In all cases provisions for the adaptation of the national statistical laws and the information obligations have to be taken into account in the national implementation plans. Especially the additional time need of the process of legislation has to be considered.