

TWINNING CONTRACT

BA 12 IB ST 01

Support to the State and Entity Statistical Institutions, phase VI



MISSION REPORT

on

Activity 3.2

Data collection I (monetary financial institutions, and securities and shares)

Mission carried out by
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Expert contact information

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List of Abbreviations

BHAS	Agency for Statistics of Bosnia and Herzegovina
BiH	Bosnia and Herzegovina
CBBH	Central Bank of Bosnia and Herzegovina
EC	European Commission
EU	European Union
FBiH	Federation of Bosnia and Herzegovina
FIS	Institute for Statistics of Federation of Bosnia and Herzegovina
MS	EU Member State
RSIS	Institute for Statistics of Republika Srpska
RTA	Resident Twinning Adviser
TOR	Terms of Reference

1. General comments

This mission report was prepared within the Twinning Project "Support to the State and Entity Statistical Institutions, phase VI". It was the second mission to be devoted to assessment of the current situation on financial accounts and review of data sources within Component 3 of the project.

The purposes of the mission were:

- Detailed analysis of data for sectors (2013 and 2014)
- General government (S.13)
- Financial sector (S.12)
- Rest of the world (S.2)

- Specific focus on insurance, securities and shares and an IT system to compile financial accounts.
- Strengthening of data sources for the Financial Accounts
- Treatment of missing data

The consultants would like to express their thanks to all officials and individuals met for the kind support and valuable information which they received during their stay in Bosnia-Herzegovina and which highly facilitated the work of the consultants.

This views and observations stated in this report are those of the consultants and do not necessarily correspond to the views of EU, BHAS, FIS, RSIS or Statistics Denmark.

2. Assessment and results

Since the first meeting CBBH has been working with GFS-data and therefore the focus has primarily been with the general government sector.

At this mission main focus has been on a first draft of the insurance sector and an IT system for compiling financial accounts.

It was discussed how much time should be used on checking data considering the limited resources that all institutions face. The consultants talked about the tendency in Denmark to focus more on the larger companies, to get very good data from them, and then focus less on the smaller companies.

Insurance sector

In CBBH information about the insurance sector are already collected. In one of the sessions of the mission 3 types of data was presented. First of all the standard report (SR4) was analyzed. This report contained data for the whole insurance sector. Second balance sheets and finally income statements were examined. These however did not contain the all companies and was not reported in one standard.

On the basis of the standard report a first version of financial accounts balances for the insurance sector was created.

Also other data sources from the financial supervisory authority where briefly looked at for possible supplementing sources. There however the challenge was that there were two types

of standards, one for Republica Srbska and one for Federation of Bosnia and Herzegovina. It was discussed how these sources could help compiling flows for the insurance sector.

Financial accounts in general

As previous discussed some sectors have more valid data than others. The consultants therefore suggested beginning with compiling the sectors, where CBBH already have a lot of information on the balances. That is general government (S.13), most of the financial sector (S.12) and the rest of the world (S.2). Hereafter a first version of non-financial corporations (S.11) and households including Non-profit institutions serving households (S.14+S.15) can be made from counterpart information. The suggestion would be to start with one digit instruments and only non-consolidated balances.

IT-systems

There was a meeting held with the IT staff from CBBH, where the Danish oracle-based compilation system was presented. The CBBH will talk internally more about how to take the further steps in creating a system to compile financial accounts. Until now only Excel has been used for financial account compilation, which has its limitations over time, but is very good for making an initial system.

In Denmark the IT staffs are only involved in the development of the compilation system of the financial accounts, and do not have any part in the production at any point. In CBBH the IT staffs is involved in parts of the production of financial accounts.

3. Conclusions and recommendations

It is the consultants' opinion that the CBBH already have a lot of good sources for most of the financial sectors.

The consultants recommend that the CBBH should start with compiling some initial financial accounts balance sheets for the financial sectors, where data are already available, and should focus on a one digit instrument level and only the non-consolidated balances.

To get started with compiling a full set of financial accounts the consultants also recommend to use the Excel sheets from Denmark or something like it in the beginning, while the discussion about a future system continues.

Action	Deadline	Responsible person
Bridge the input data to financial accounts level for the financial sectors, where the CBBH already have input data – the same way as it was done for the insurance sector	Beginning of February 2016	Amir Hadžiomeragić, Ervin Zolić
Finalize balance data for the government sector for 2013 and 2014	Beginning of December 2015	Amir Hadžiomeragić, Ervin Zolić

Annex 1. Terms of Reference

<p>EU Twinning Project BA-12-IB-ST-01 <u>Terms of Reference</u></p> <p>Component 3: Financial Accounts 24 – 28 August 2015 CBBH, Sarajevo, Mehmeda Spahe 5, 5th floor</p>
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Activity

- 3.2 Data collection I (monetary financial institutions, and securities and shares)

Benchmarks

- Annual pilot data collected by 5th project quarter
- Methodology for compilation of Financial Account for BiH based on ESA2010 prepared by 8th project quarter
- Financial Accounts for BiH prepared by 8th project quarter

Purpose of activity

The expected activities are:

- Detailed analysis of data for sectors (2013 and 2014)
- General government (S.13)
- Financial sector (S.12)
- Rest of the world (S.2)
- Specific focus on insurance, securities and shares and an IT system to compile Financial accounts.
- Strengthening of data sources for the Financial Accounts
- Treatment of missing data
- Plan for pilot data collection

Expected output

- Plan for collection of data and ideas for an IT system to compile financial accounts.

List of Participants**MS Experts**

Katja Møller Hjelvang, Statistics Denmark

Birthe Olsen, Statistics Denmark

Central Bank of Bosnia and Herzegovina (CBBH)

Ervin Zolić, Head of GFS and FA Unit

Milica Krajišnik, Senior Officer

Amila Delić, Senior Officer

Bojan Klačar, Junior Officer

Twinning Project Administration

Søren Leth-Sørensen, RTA

Djemka Šahinpašić, RTA Assistant

Agenda

Location: Sarajevo, CBBH, Mehmeda Spahe, 5th floor

Time	Day	Place	Event	Purpose / Detail of event
9:00-15:30	Monday		Workshop with BC Experts	Welcome and Introduction Detailed analysis of data for sectors (2013 and 2014) General government (S.13) -BC participant and MS experts
8:30-15:30	Tuesday, morning and afternoon		Workshop with BC Experts	Financial sector (S.12) Rest of the world (S.2) -BC participant and MS experts
	Wednesday, morning		Workshop with BC Experts	Specific focus on insurance, securities and shares and an IT system to compile Financial accounts
8:30-15:30	Wednesday, afternoon		Workshop with BC Experts	Strengthening of data sources for the Financial Accounts -BC participants and MS experts
8:30-15:30	Thursday, morning		Workshop with BC Experts	Treatment of missing data Plan for pilot data collection -BC participants and MS experts
	Thursday, afternoon		Workshop with BC Experts	-MS experts to prepare summary report -MS experts
8:30-11:00	Friday, morning		Meeting with BC Experts	Summary Report Presentation of results, Agreement on report. Implications for the next activities (missions) -BC participants and MS experts

Annex 2. Persons met

CBBH:

Amila Delic

Milica Krajisnik

Bojan Klacar

Ervin Zolic

Amir Hadziomeragic

Bojan Savić

Adnan Dželihodžić

RTA Team:

Søren Leth-Sørensen

Djemka Sahinpasic