

TWINNING CONTRACT

BA 12 IB ST 01

Support to the State and Entity Statistical Institutions, phase VI



MISSION REPORT

on

Activity 2.1.8

Follow-up on achievements and recommendations for the future.
Updating of 5-years plan.

Mission carried out by
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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. Executive summary

The main conclusion on this mission is that SBR is developed and improved during the Twinning contract period and the use of the register has increased in the same period.

2. Assessment and results of the final mission

The experts and the SBR teams have been through all items on the agenda. The results of the discussion on the Items on the agenda are reported under heading 3.

Other topics, the experts informed about the registration of response burden in Denmark.

3. Assessment and results of the whole component

SBR 5-year development plan

Status at the beginning of the project:

- SBR was in operation and there were users
- The cooperation with users could be improved
- The survey side was partly used
- The first mission carried out an updated 5-year plan

Status of project results:

- There have been many improvements in the SBR throughout the Twinning period of two years
- The updated 5-year development plan gives a short status on each point, It is attached as an annex to this report.

Summary of the updates to the 5 year development plan

1. DEFINED AND CREATED SBR QUALITY INDICATORS

- There has not been a random survey to test the quality of SBR. There has been Focus has been on improving the quality within areas where problems were well known. The Methodology department works on quality standards and inputs to a quality report.

2. QUALITY OF SBR DATA IMPROVED AND MEASURED THROUGH OTHER STATISTICAL SURVEYS

- There is a good cooperation with users and data are improved through the use of SBR
- SBR is developing each year and new topics are prioritized. Once in the future it will be necessary to prioritize the improvement of the existing content of the SBR through a dialogue with users in a common forum and of course together with the management.
- The use of SBR and the survey side has been improved

3. IMPROVED QUALITY OF DATA ON ENTREPRENEURS/CRAFTS

- Data on entrepreneurs have been improved a lot.
- For the time being entrepreneurs are surveyed by SBS and NA

4. REGULAR PROCEDURES OF UPDATING OF THE SBR DATA FROM ADMINISTRATIVE SOURCES ARE INTRODUCED

- There is an ongoing process to find new sources. Two new sources have been implemented and for a third source the initial contacts have been made.

5. IMPROVED METHODOLOGY AND INTRODUCTION OF NEW SBR FEATURES IN ORDER TO MEET THE NEEDS OF USERS AND HARMONIZATION WITH THE EU REGULATIONS

- There has been a lot of focus on some of these items, Institutional Sector code, Business demography and Enterprise Groups, and they are highlighted separately in this report
- The SBR is now familiar with EU recommendations regarding institutional sector codes.
- Due to lack of time item 5.2 “Harmonization and preparation of Rolebook for Statistical Business Register of BiH, which is to be harmonized with EU Recommendations manual for BR” has not yet been finished.

6. EXPANSION OF SBR SYSTEM (IT)

- The IT-system is improved and ready to implement sector codes.
- An initial data model for enterprise groups has been developed.
- SBR needs to be improved on Enterprise level to enable the storing of information about demographic events obtained from the Business Demography

7. DATA DISSEMINATION

- Input provided for the annual publication "BiH in figures".

Business Demography

Status at the beginning of the project

Business demography was a new topic in BiH at the beginning of the project component, so no work had been carried out on it prior to the project.

Status of the project results

Two benchmarks were defined for this topic

- Methodology for linking SBR with the compilation of SBS business demography characteristics available by 4th project quarter:

Achieved: A final version of the business demography methodology has been drafted together with the SBS department. It now has to be adopted and translated. It is expected to be finalized by the end of the project.

- SBR is ready to be used for analysis of business demography by 8th project quarter:

Achieved: As a result of the work during the project it is now confirmed that the SBR contains demography data from the Tax administration, annual financial statements and statistical data from which it is possible to establish whether a unit is active or not.

Trial runs and preparation activities have been carried out together with SBS – as a result of which there are preliminary data on business demography.

Sustainability of the achievements

Several missions have been carried out on Business Demography and a lot of progress has been made. The work on Business Demography is in general considered to be sustainable. The methodology is nearly in place, trial runs have been carried, data is available in the SBR and the work process has been described. In regard to the latter there are, however, some discussions about the division of labour between SBR and SBS.

Recommendations for the future (short and long term)

It is recommended that the quality work which is carried out in the context of the work with the Business Demography statistic is fed back to SBR. This is to ensure consistency and also to ensure that the SBR will benefit from the results of the work on Business Demography. In order to achieve this it is necessary to develop an IT solution that will enable the saving of events on Enterprise level in the SBR.

Another way to improve the quality is to analyse the quality of data about demographic events obtained from administrative sources (e.g. the tax authorities).

Following that, but probably in a more long term perspective, it would be recommendable to work for an improvement in the quality of administrative data (specifically addresses). This will require a close cooperation with the owners of the data and will also depend on there being a common interest in the improvement of quality. It is also recommended, as a more long term goal, that the issue of entrepreneurs/natural persons who owns more than one Enterprise is analysed further.

Clarification of outstanding issues

The groundworks have been laid for Business Demography. The one outstanding issue is that there has to be agreement on the division of labour between SBR and SBS. A recommendation for this has been made by the MS experts in mission 2.2.6.

Institutional sector codes

Status at the beginning of the project

Institutional sector codes have not previously been incorporated into the SBR, so the work had to start from scratch.

Status of the project results

One benchmark was defined for this topic

- Institutional sectors code assigned to the SBR units by 8th project quarter

Partly achieved: The institutional sector codes are ready to be implemented in the SBR, but still awaits the adoption of common rules from NA. The technical solution is ready so that the sector codes can be implemented in SBR, and the permanent lists from all three institutions have been integrated. But for the institutional sector codes to be finally implemented it is necessary to finalize and adopt the common rules for the automatic updating of sector codes if there are changes in legal form, activity code, ownership, and capital share. It is also necessary that the rules for the (manual) updating of sector codes in cases of changes on the permanent list are described. Both of these tasks are to be carried out by National Accounts.

Sustainability of the achievements

The work is considered sustainable as the technical solution has already been prepared and the final implementation just awaits the finalisation of the rules for updating.

Recommendations for the future (short and long term)

It is recommended that the institutional sector codes are made available to the users via the user interface.

Clarification of outstanding issues

For SBR there are no outstanding issues.

Enterprise groups

Status at the beginning of the project

The implementation of Enterprise groups in the SBR is a new topic in BiH, so no work had been carried out on this prior to the project.

Status of the project results

One benchmark was defined for this topic

- Methodology for enterprise groups in SBR available by 8th project quarter

Partially achieved: The methodology has been prepared and is available in a first version, but will be subject to updates as the work goes on. BHAS has drafted a methodology document which describes definitions, requirements and data sources. This document was presented and discussed during mission 2.1.5. In the course of that mission the method for creating enterprise groups and the data model was elaborated. This is included in mission report 2.1.5 as an annex. Together these documents constitute the first version of the methodology. The final version which will be harmonized between BHAS, FIS, RSIS is expected to be finalized by the end of the project.

An initial analysis of data sources has been carried out. And a first version of the data model has been developed.

Sustainability of the achievements

The goal of the topic has been partially completed and the work that has been done is a good starting point for the implementation of Enterprise Groups in the SBR.

Recommendations for the future (short and long term)

It is recommended to start the work by using one data source (pr. entity), i.e. APIF and Tax authorities accepting that there may be quality issues.

It may be necessary to use additional sources from the Central Bank to obtain information on foreign links. Whilst the inclusion of several sources may improve quality, there is also a risk that the merging of data will make the process slower, more cumbersome and error prone. A way to deal with the quality issues related to sources is to describe the nature of the quality issues and also describe which solutions there are if such solutions are possible and necessary.

In the short term, it is also recommended that the algorithm for the creation of enterprise groups is tested on a small subset of data or maybe on an artificially created dataset.

In the short term, and maybe even in the longer term as well, any quality improvement work should prioritise the large Enterprise Groups.

In the longer (or medium) term, it is recommended that analyses are carried out to test the possibility of using other sources such as FATS, FDI etc. It is also important to develop an interface where users can access information about Enterprise Groups. In the long run it should also be made possible to interact with the European Group Register (EGR), e.g. to carry out validation of units in EGR IS and to exchange information on Enterprise Groups.

Clarification of outstanding issues

The question of how to create an input data set for the creation of Enterprise Groups encompassing all three statistical institutions (BHAS, FIS, RSIS) should be agreed on.

Annex 1. Terms of Reference

EU Twinning Project BA-12-IB-ST-01

Terms of Reference

Component: 2.1. Statistical Business Register

28.11. – 02.12.2016.

Agency for Statistics of BiH, Zelenih beretki 26, Sarajevo

Activity 2.1.8

Follow-up on achievements and recommendations for the future. Updating of 5-years plan.

Benchmarks

- 5-year development plan updated by 1st project quarter and by 8th project quarter
- Methodology for linking SBR with the compilation of SBS business demography characteristics available by 4th project quarter
- Methodology for enterprise groups in SBR available by 8th project quarter
- Institutional sectors code assigned to the SBR units by 8th project quarter
- SBR is ready to be used for analysis of business demography by 8th project quarter

Purpose of activity

The expected activities are:

- To give an update regarding 5-year development plan
- To discuss how to regularly use surveys to improve SBR
- To discuss the status regarding the component at the beginning of the project
- To discuss the status of the project results
- To prepare recommendations regarding the sustainability of the achievements
- To prepare recommendations for future work of BHAS/FIS/RSIS after the project finishes
- To identify outstanding issues and needs for further support, if any

Expected output

- 5-year development plan updated
- Instructions for regular use of surveys to improve SBR prepared
- SBR component follow up (for each topic in the component):
 - ✓ Status at the beginning of the project
 - ✓ Status of the project results
 - ✓ Sustainability of the achievements
 - ✓ Recommendations for the future (short and long term)
 - ✓ Clarification of outstanding issues

Summary and detailed mission report

Annex 2. Persons met

BHAS:

Dzenita Mustafić	Specialist for SBR (Coordinator for SBR Component, BHAS)
Mevlija Odobasić	Senior Advisor for SBR
Branislava Cvijetić	Senior Advisor for IT
Senija Fačić	Head of Branch Office in Brčko District

FIS:

Enisa Rastić	Head of Unit for SBR (Coordinator for SBR Component, FIS)
Envera Hurić	Senior Official for SBR
Amar Bisić	

RSIS:

Nataša Teinović	Senior Official for SBR
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RTA Team:

Søren Leth-Sørensen
Djemka Sahinpasic

Annex 3. 5 –year develop plan updated

Sæt excel ind

Annex 4. 5 – Registration on response burden I SD



Response burden

Mission 2.1.8 SBR

What is response burden?

Actual burden + experienced burden = response burden

Actual burden = number of minutes or hours it takes to complete a questionnaire

Experienced burden = irritation of having to deal with a questionnaire.

How do we measure and monitor response burden ?

- AMVAB = activity based measurement of administrative burdens of enterprises (SCM).
 - Based on a small sample of enterprises.
 - Measurement of time used to collect information and to complete the questionnaire
 - Time spent x average wage for staff completing the survey = AMVAB value.
 - Each statistic has an AMVAB value
 - AMVAB is carried out by the Danish Business Authority
- → Actual response burden

Optional surveys

- Attached to e-questionnaire
- Collect information regularly and continuously
- Address experienced and actual burden
- Identify areas where the questionnaire can be improved

How to deal with response burden

1. Minimize the number of questionnaires (or questions).
 1. E.g. make sure that there is a limit to how many surveys smaller businesses participate in
2. Make the questionnaires more user friendly
 1. Clear definitions
 2. Include soft and hard constraints
3. Using nudging or rewards
 1. Offer something (e.g. data) in return for participation

Management of participation in surveys

Rule about maximum participation (3-6-9 rule)

Enterprises with less than 10 employees may not be selected for more than three surveys.

Enterprises with 10-19 employees may not be selected for more than 6 surveys.

Enterprises with less than 20-49 employees may not be selected for more than 9 surveys.

How do we monitor this?

How do we measure and monitor response burden ?

- AMVAB (SCM standard cost method)
- Optional surveys evaluating the questionnaire
- Management of number of surveys the small enterprises can participate in

Management of participation

