

TWINNING CONTRACT

BA 12 IB ST 01

Support to the State and Entity Statistical Institutions, phase VI



MISSION REPORT

on

Activity 1.7

Institutional sectors and implementation of ESA10 I

Mission carried out by
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1 February – 5 February 2016

Version: Final



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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
SBR	Statistical Business Register
NA	National Accounts

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 seventh mission to be devoted to national accounts within Component 1 of the project, and the second mission dealing with institutional sector classification.

The purposes of the mission were:

- Support in allocation of units to sectors and sub-sectors: Other than general government sector
- Preparation of guidelines for allocation of units in sectors and sub-sectors. Dealing with special cases
- Support in practical implementation of updated methodologies, incl. holding companies and head offices
- Linkages of institutional sectors with SBR

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 the stay in Bosnia-Herzegovina and which highly facilitated the work of the consultants.

The 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 Finland.

2. Assessment and results

Follow up from previous mission

Working group on Sector classification met twice to discuss the general government division into subsectors. The group presented the two proposals to general directors of statistical institutions. The progress on practical implementation of sector classification codes to business register was discussed. Statistics institutions have already classified units into sectors in NA but no sector classes are yet implemented in SBR.

General overview of sector classification, allocation to sector and statistical units.

The consultants presented general overview into sector classification and into methods with which classification is done both from ESA2010 point of view and also as an example from Finland. Finnish sector classification, including

national extensions, was also presented. For each sector and subsector practical decisions rules were presented by MS experts.

Manual for sector classification

It was suggested by the participants that classification manual should be put under work. The consultant pointed out that manual on the level as Finland has done it, is not enough in itself and more detailed rules should be added as part of the manual.

The experts suggested that there could be two different manuals for sector classification. One publicly available in more general level to help, for example researchers and other institutes utilizing sector classification, to form a general view of the sectors and subsectors implemented in the economy, perhaps a bit similar to the one that is publicly available on the Statistics Finland website.

Second manual would be for internal use only. This manual could be based on "the practical decision tree", meaning the practical solutions, decisions and common rules that are made by statistical institutions in BiH to allocate units between sectors and subsectors. Main purpose of the manual would be to help SBR and national accounts to identify how units are classified. This manual can be considered more essential to the participants. Preparing a draft version of this manual is one action point that is to be taken. Manual would be finalized after implementation to SBR is done.

Sector 11, Non-financial corporations and Sector 12, Financial corporations

General and relevant guidance concerning both non-financial and financial corporations sectors was introduced by MS experts. Overall comparison of sector classifications as revised in ESA 2010 and as in the previous version, in ESA 1995, was seen as less important. Borderline cases, like quasi-corporations and un-incorporated entities, holding companies, head offices and special purpose entities were covered up.

Sector 14, Households

"Decision tree" in ESA 2010 is quite straightforward when it comes to the household sector. The general concept of S14 was seen to be quite clear. Sub-sectoring of household sector was discussed and MS experts view was that implementing S14 at the aggregate level deserves greater attention than sub-sectoring.

Sector 15, Non-profit institutions serving households

Keypoints concerning non-profit institutions serving households were presented and discussed. It was recognized and considered to be clear that being a non-profit institution is not a sufficient criteria to be classified into S15. Participants and MS experts discussed about typical and borderline cases in this sector and a few examples were dealt with. Borderline cases, for which allocation between general government sector (S13) and S15 is a relevant issue, were brought up by participants. In these cases qualitative criteria is important to solve and MS experts and participants shared their views about these units. S13-S15 delineation was also seen as a part of next missions agenda.

Work check-list

MS experts presented a draft workplan for implementing sectors. Draft version of the workplan was seen as a useful starting point for the sector implementing process by participants. Workplan could be used as a work check-list or as an actual workplan, depending on the views of the statistic institutions.

It was considered that statistic institutions can have common practical rules for sector allocation at some level, but there is also a need for institution specific rules. Information or the structure of the information that is available for the practical sector implementation purposes can vary between statistic institutions in BiH. There are also borderline cases that are recognized only by one institution, because these are entity specific cases that doesn't exist in the whole area of BiH. It was suggested by MS experts to have common rules at the extent that is possible because common rules are useful for coherent and consistent sector classification.

Co-operation with Business register in Finland

Sector classification of Finnish Business register and co-operation in implementation of sector codes to SBR were presented by experts. Two working groups are operating in Statistics Finland focused in sector classification, the first one is focused on large cases and consists of members of different statistics and Bank of Finland. The second WG works on practical implementation of sector codes and consists of personnel from NA and SBR. The importance of quality control tables and checks was emphasized by MS experts.

Sector codes in Finnish SBR exist in the most detailed level in which the sectors are implemented. National Accounts summarize sectors up to the relevant aggregate level depending on their needs.

Preparations for next activities

The next mission Activity 1.8 Institutional sectors and implementation of ESA2010 II is expected to take place on 11-15.4.2016. The exact timing is to be confirmed. The mission would focus on support to all remaining issues concerning ESA2010 methodology and its implementation. Follow-up of ESA2010 related work from activity 1.4 and other sector classification issues will also be on the agenda.

3. Conclusions and recommendations

Action	Deadline	Responsible person
Reach a common agreement on sector and subsectors (excluding S13 subsectors) classification levels that are to be implemented	Spring 2016	BHAS, FIS, RSIS, CBBH
Reach a common agreement on general government (S13) subsectors		
Decide and agree on common parts of rules, that are possible to use in all entities	Spring 2016	BHAS, FIS, RSIS
Plan and agree on organization responsibilities (National Accounts, Business Register)	Spring 2016	BHAS, FIS, RSIS
Continue on practical implementation of sector classes for units to Business Register, utilizing the points in the work check-list as applicable	By Activity 1.9	BHAS, FIS, RSIS
Preparation of draft version of manual for sector classification	By Activity 1.9	BHAS, FIS, RSIS

Annex 1. Terms of Reference

EU Twinning Project BA-12-IB-ST-01
Terms of Reference

Component 1: National Accounts

01th February – 05th February 2015

Banja Luka, Voljka Mladenovića 12 d, – Republika Srpska Institute of Statistics

Activity

1.7 Institutional sectors and implementation of ESA10 I

Benchmarks

- Delimitation of market and non-market producers according to the ESA 2010 criteria completed by 8th project quarter
- Staff in three statistical institutions trained to implement SNA 2008/ESA 2010 by 8th project quarter
- Guidelines for implementation of institutional sectors according to SNA 2008/ESA 2010 available by 8th project quarter

Purpose of activity

The expected activities are:

- Support in allocation of units to sectors and sub-sectors: Other than general government sector
- Preparation of guidelines for allocation of units in sectors and sub-sectors. Dealing with special cases
- Support in practical implementation of updated methodologies, incl. holding companies and head offices
- Linkages of institutional sectors with SBR

Expected output

- Guidelines for classification of units
- Decisions on the classification of major units

Annex 2. Persons met

Agency for Statistics of BiH (BHAS)

Edina Kozić, Head of National Accounts Department

Vanja Erak, Junior Officer

Azur Đapo, Senior Officer

Institute for Statistics of Federation of BiH (FIS)

Nisveta Džebo, Assistant Director for Economic Statistics

Nermina Ibrišević-Ademović, Head of National Accounts Department

Zlatka Tukić, Senior Adviser

Šejla Šehović-Karšić, Senior Adviser

Institute for Statistics of Republika Srpska (RSIS)

Jelena Đokić, Assistant Director in Sector for National Accounts, Registers and Sampling

Rada Radanović, Head of National Accounts Department

Dijana Maleš, Senior Associate

Žana Alagić, Senior Associate

Jadranka Luburić, Senior Associate

Milka Ciganović, Senior Associate

Dragana Kunovac, Senior Associate

Nataša Teinović, Senior Associate, SBR

Central bank of Bosnia and Herzegovina

Snežana Janjić, Head of the Department for Monetary and Financial statistics

SBR representatives from BHAS and FIS were present through videolink connection on Thursday.

Twinning Project Administration

Søren Leth-Sørensen, RTA

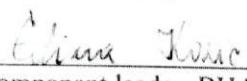
Djemka Šahinpašić, RTA Assistant

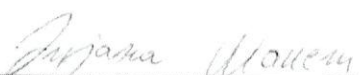
Interpreter: Haris Imamović


Signatures


For the approval of the contents of this report, representatives from BHAS, FIS and RSIS as well as experts and the RTA sign here:

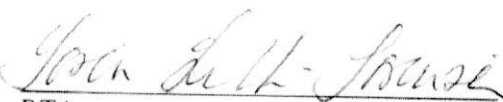
Date: 5th February 2016


Component leader, BHAS


Component leader, RSIS


MS Expert


Component leader, FIS


RTA


MS Expert