

**Long term strategy, Bosnia and Herzegovina**

**Project BA 08-IB-FI-03**

# **MISSION REPORT**


**on**

## **3.1.4 Development of long term strategy II**

Mission carried out by  
Lars Thygesen and Kirsten Wismer  
Statistics Denmark

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		 <b>STATISTICS DENMARK</b>
		Statistics Denmark

**Authors' names, address, e-mail**

*Lars Thygesen and Kirsten Wismer*  
*Sejrøgade 11*  
*DK-2100 Copenhagen Ø*  
*Denmark*  
*Tel. +45 3917 3041*  
[\*lth@dst.dk\*](mailto:lth@dst.dk), [\*kwi@dst.dk\*](mailto:kwi@dst.dk)

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## List of Abbreviations

AGA	Adapted Global Assessment
BiH	Bosnia and Herzegovina
BHAS	Agency for Statistics of Bosnia and Herzegovina
CPI	Consumer Price Index
ESA	European System of National Accounts
FIS	Federal Institute of Statistics of the Federation of Bosnia and Herzegovina
ITA	Indirect Taxation Authority
LFS	Labour Force Survey
RSIS	Republika Srpska Institute for Statistics

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## 1. General comments

This mission report was prepared within the state and entity statistical institutions in Bosnia and Herzegovina. It was the *third* mission to be devoted to *topic 1* within Component 3 of the project concerning preparation of the long term development strategy for the BiH statistical system.

The purpose of the mission was:

- Obtained full agreement on the concept of a strategy document and specific deadlines for making the next version of the strategy
- Quality reports prototype for LFS and CPI fully agreed and ready for publication by the end of the year
- Successfully completed a consultation with users and stakeholders of state and entity statistics
- Access to administrative data (in particular VAT data) agreed

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 and 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 Statistics Denmark.

## 2. Assessment and results

The following results were achieved

- Continued work on common strategy on the basis of the draft strategy document. There was full agreement on the concept of the document, and specific deadlines for the next version was set to March 2013
- Further progress toward access to administrative data (in particular VAT data) was not achieved
- The common guidelines for the Quality report were agreed, and it is a common goal that the reports concerning LFS and CPI will be published on the three websites before the end of 2012. A presentation of 'Metadata for Users' was given by the MS Experts.
- A workshop with 9 users and stakeholders of state and entity statistics was held 26. September. Two presentations of 'European Statistics – Code of Practice' and 'Use of Administrative Sources for Statistics' were given by the MS Experts, and a presentation on strategy was given by FIS. The workshop allowed users and data providers to discuss needs for the development of statistics in Bosnia and Herzegovina.
- Meeting with Central Bank who expressed a need for more and better macro-economic statistics from the statistical institutions. Furthermore they expressed a need for a more firm policy towards data-providers in order to raise response rates and correct reporting.
- Meeting with Ministry of Finance who stated that official economic statistics are too late and of a too bad quality for direct use. Therefore they are using estimates produced by the Directorate of Economic Planning and ITA (unit for macroeconomic analyses). The Ministry is planning an EU-project concerning ESA2010, and they intended to ask the statistical division of the Central Bank to act as coordinator for this project.
- A presentation of 'Co-operation with users' was given by the MS Experts

## **2.1 Strategy 2020**

BHAS has in cooperation with FIS and RSIS developed the statistical program for 2013 – 2017 in parallel with the first draft on Strategy 2020. The strategy is developed on basis of the decisions made at the earlier missions of this project. On the first mission it was decided to build the strategy on the basis of approx. 10 priorities made on AGA and the European Code of Practice. Furthermore values, mission and vision have been agreed on the former missions.

After the approval of the mission and vision there has been a slight editorial change to the mission and vision. This was accepted by all three institutions. Furthermore all three institutions agreed that the first draft of the strategy presented on this mission is a good starting point. There was expressed general agreement with the paper, but also a common acknowledgement, that there still is work to be done. For example coordination of concepts need to be improved, the meeting frequency of coordination groups and agriculture statistics need to be discussed more. There are still expected inputs concerning metadata, dissemination and classification from the respective project groups.

Deadline for the next version was set to March 2013.

## **2.2 Access to administrative data (specially VAT and trade data)**

It is of crucial importance for the development of the BiH statistical system to activate an agreement made earlier between ITA and the three statistical institutions: The agreement is that ITA will deliver micro data on companies in BiH on 13 digit number to BHAS. BHAS will use the information for production of state statistics, and BHAS will deliver relevant micro data to the entities so that they can produce statistics for the entities.

The agreement has not yet been activated since the legal basis for BHAS and ITA was disputed. There has been prepared a new law which should give the two institutions the legal basis for the agreement, but BHAS does not know that status for this.

There had been arranged a meeting with the director of ITA. The purpose of the meeting was to get an update of the legal situation and to have a discussion of how ITA data can be an important pillar in the statistical production. These data will serve as an important data source in e.g. statistics of turnover, employment and foreign trade and they is also an important source for the business register and national accounts. In the first draft of the agenda, the meeting had been scheduled to Thursday, but later moved to Tuesday in agreement with the Director of BHAS. Unfortunately it turned out, that the Director of ITA was at meetings in Banja Luka, and therefore was not was able to attend the scheduled meeting.

Therefore it seems be very difficult to make further progress concerning ITA-data in this project.

## **2.3 Implementation of the European Statistics Code of Practice**

There had been made an impressive work on the self-assessment for the Statistics of Bosnia and Herzegovina and the future activities since the last mission. The entities had made their own document based on the draft from BHAS. Afterwards these papers had been consolidated by BHAS to one common paper.

Since then a partial agreement has been made concerning a standard daily time for the release of statistics to be made public. RSIS already publishes a release calendar on their web-site for RSIS-statistics and FIS will publish a release calendar for FIS-statistics in their annual work plan. BHAS will make a similar solution. These calendars will show the release dates, but there has not yet been solution concerning a common daily time for release.

The next subject concerned provision of budgets for common surveys. It was told, that in the statistical program for 2013 – 2017 it was anticipated, that this will be the case for specific surveys. In this way provision of budgets was expected to be a regular working mode in the future.

The last subject, which needed more discussions, was use of administrative sources. As mentioned earlier this problem is waiting for a legal solution to ensure

- full access for administrative data for all three statistical institutions
- access for researchers for micro data from all three statistical institutions
- introduction of the concept of official statistics/the statistical system of BiH.

The legal text has been drafted, but the status is unclear.

It was pointed out that all three institutions intend to implement the activities mentioned in the common document, and it is agreed to evaluate the document on yearly basis. Therefore it will be important to establish a mechanism to follow up on the document, and it was underscored that BHAS has to coordinate this process. Follow-up mechanism will be the subject in the next mission in December 2012.

## ***2.4 Quality Report for Statistical Surveys and metadata***

At the last mission a pilot report concerning LFS was discussed and for this mission a quality report concerning Consumer Price Index was prepared. All suggestions from the entities have been included in the document.

There is now full agreement between the three statistical institutions about the guidelines for quality reports for all statistical surveys. Furthermore there is an agreement that the goal is to publish the reports concerning LFS and CPI on all three websites before New Year.

It was furthermore agreed that in future there will be methodologically harmonized (agreed)” quality reports for common surveys published on the three web sites taking into account specificity of each of the three statistical institutions. For surveys only produced in one institutions quality reports will follow the common guidelines.

The MS Experts made an introduction concerning metadata in a user’s perspective. An organisation plan for the future work with metadata was introduced, and it was agreed on the meeting, that a similar organisation structure had been used in the work done with the two quality reports, and that an organisation structure of the future work with metadata shall be a part of the strategy.

## ***2.5 Workshop for users***

At the workshop, where 9 stakeholder were present, there was expressed a great satisfaction with the cooperation between stakeholder and FIS. Many of the stakeholders were both producers and users of statistics, so their relations with FIS were manifold. Several users stated a need for harmonisation.

There is a need for harmonisation in the official business statistics between the entities and the state level. Users needed to be able to combine statistics from the different levels, and found it difficult in certain areas. Statistics on food production and financial institutions were mentioned as examples.

Some participants also felt a need for harmonisation between the official statistics from the statistical institutions and the statistics made on administrative sources made by stakeholders. There is a need for a tighter cooperation with other producers of statistics, but this underlines also the need for a better access to administrative sources. If the statistical institutions had a better access to administrative information they could harmonise these with the surveys.

## ***2.6 Meeting with the Central Bank, statistic department***

The Central Bank of Bosnia and Herzegovina is a producer of official statistics, but also an important user. They pointed out, that there is in the country a too little attention to the need for statistics and that there is too little acknowledgement of the statistical demand from EU.

The Central Bank is responsible for monetary and financial statistics, balance of payments and government statistics. All statistical activity is based on registers in the Central Bank. They do not see this as a quality problem, since they have knowledge of all units concerning their surveys. But they expressed a strong interest in cooperation with the statistical institution concerning a central business register. They thought this would raise the quality of the register.

In preparing the quarterly balance of payment the Central Bank use the available official statistics. The most important is the trade statistics for the state level, though they expressed doubt of the quality. They pointed out, that the official statistical producers should have full access with full documentation to the administrative trade data, e.g. from customs. Without this it is not possible to make quality statistics on aggregated data – only full micro data with identifiers gives the possibility to edit the data correct.

In other fields they need to do their own surveys – in total 6. They thought that surveys concerning the financial institutions are part of their task, but they conducted also surveys concerning transport, telecom, services and tourism. They felt that these surveys should be part of the work plan in the statistical system of BiH. Furthermore they were concerned about the low response rate in official statistics, and asked for a more consequent line towards data providers. There is actually the possibility for fining private companies for non-response, but the entity statistical offices has not yet used this paragraph.

The Central Bank is also producer of general government statistics. Compared with other statistical systems this is a very unique arrangement, and the Central Bank did not feel that it should be part of their portfolio, but they needed the data. Since it was not produced in the statistical institutions they had been responsible for this for 9 years. They expressed big frustration concerning the basic data they received from the public institutions in all three levels. They need full access on detailed level for the accounting data, but they received only a few aggregated data.

As users they underlined a tremendous need for more and better macro-economic official statistics – e.g. National accounts, prices, trade statistics, and labour market statistics. They acknowledged that there had been an improvement in the last years, but they felt that there is a long way to go. They mentioned the publication of two GDP's as a tremendous problem – one based on the production side and one based on the expenditure side, with a great and growing deviation between them. Furthermore they mentioned a need for an easy access for time series.

## **2.7 Meeting with the State Ministry of Finance, unit of financial reporting**

The Ministry of Finance is not a direct user of data from BHAS, since the needed data for budgeting are not timely. These economic data are published with one year's delay, which is too long for the use of the ministry.

Therefore the ministry is using data from the Directorate for Economic Planning and the unit for macro-economic analyses in ITA.

The Directorate for Economic Planning makes estimates for the macroeconomic key indicators for last year plus the three following years. They are building their surveys on the available data from BHAS, on other indicators and economic models. The representative at the meeting was not aware of the publication of the estimates and the methods for producing them. She mentioned also the quality problems in the official macroeconomic statistics as a severe problem- especially the big difference between the two GDP-figures – both published by BHAS.

The unit for macro-economic analyses in ITA produces estimates for revenues and expenditure for the overall administration in BiH. There was not either here knowledge of transparency in the production of these data.

The State Ministry of Finance has been engaged in an EU-project concerning ESA95, and we were informed of a new EU-project concerning ESA2010. The ministry is the responsible unit in BiH, and they intended to make the statistical office in the Central Bank the coordinator of the project. They assured that all stakeholders will be included in the project. Since ESA2010 is the European manual for national accounts and since the statistical institutes are responsible for producing this statistics, it seems as a strange organisation of the project.

## **3. Conclusions and recommendations**

### **3.1 Quality framework and quality reports:**

- *Common document "Implementation of COP in the statistical institutions of Bosnia and Herzegovina" agreed between all 3 institutes; all parties are satisfied. Only questions relating to access to administrative sources are pending*
- *Agreed on prototype of quality report for CPI*

### **3.2 Strategy**

- *Draft Strategy document agreed by all 3 institutes*
  - *User Meeting was successful with good attention. Users will provide feed-back for the strategy*

### **3.3 Metadata**

- *Common metadata model agreed*
- *Organisation model agreed*

### **3.4 Access to input data**

- *Statistics Institutes must have full access to administrative sources, i.e. micro data with identifiers*

- VAT and customs are of special importance.
- Statistics institutes should use their authority to sanction non-reporting of enterprises
- The statistics institutes should develop common data reporters policy as part of the strategy, incl. reduction of response burden

### **3.5 Statistics should be recognised by users**

- National accounts and key statistics should be the responsibility of the Statistics Institutes
  - Should not be produced in parallel in several organisations
  - An integrated system of national accounts must be developed (3 approaches, one GDP)
  - BHAS must play a key role in EU project on ESA 2010 (State Ministry of Finance is at present the counterpart)

## **4. Actions before next activity Dec 2012**

- Define indicators for follow-up on
  - Strategy
  - Work Plan
- Propose organisation of follow-up
- How to involve the organisations and stakeholders

## **5. Next activity**

- Next activity will be 12-14 June 2013 in Sarajevo
  - Organise meeting with ITA

### **5.1 Main points for agenda**

- Finalising and launching common strategy
- Quality reports progress
- Access to VAT and customs data

## **6. Expected actions before last mission**

### **6.1 Long term strategy for statistics in BiH**

- BHAS, FIS and RSIS agree on final draft strategy
  - Including feed-back from users and data providers
- Forward to Danish experts for comments by March 2013

### **6.2 Quality**

- Publish existing QRs before new year
- Prepare and publish a few QRs on full population statistics
- Prepare a plan for finalising more QRs

### **6.3 Cooperation with users**

- Prepare user conference on strategy
- Proposal for User committees

### **6.4 Use of administrative sources**

- This is a top priority
- Prepare policy paper on the use of VAT data in statistics of BiH:
  - Scope

- *Confidentiality*
  - *With support from Central Bank*
- *Prepare meeting with ITA*

## Annex 1. Terms of Reference

**Long term strategy**  
**24<sup>th</sup> to 28<sup>th</sup> of September 2012**  
**Terms of Reference - Activity 3.1.4**  
**EU Twinning Project BA 08-IB-FI-03**  
**Institute for Statistics of Federation of BiH, Zelenih beretki 26,**  
**Sarajevo**

Component 3	Institutional Capacity
	3.1. Long term strategy
	3.1.1 Visibility of project and high level workshop on strategic management; initial assessment of current situation in relation to CoP -Final
	3.1.2 Resource management and work plans
	3.1.3 Development of long term strategy
	<b>3.1.4 Development of long term strategy II</b>
	3.1.5 European statistical system – training course
	3.1.6 Follow-up on the work done in the project including the long-term strategy
	3.2. Metadata and classification system development
	3.3. Promotion of dissemination

### **3.1. Benchmark**

Development Strategy (up to 10 years) of the Bosnia and Herzegovina official statistics system developed and discussed within the system by 8<sup>th</sup> project quarter.

### **3.1.4. Activity**

Development of long term strategy II

### **Purpose of activity**

The expected activities are:

- Continued work on common strategy on the basis Draft strategy document
- Quality reports progress
- Workshop with users and stakeholders of state and entity statistics
- Access to administrative data (in particular VAT data)
- Visit to Central Bank and Ministry of Finance

<b>Expected output</b>
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- Obtained full agreement on the concept of a strategy document and specific deadlines for making the next version of the strategy
- Quality reports prototype for LFS and CPI fully agreed and ready for publication by the end of the year
- Successfully completed a consultation with users and stakeholders of state and entity statistics
- Access to administrative data (in particular VAT data) agreed

## Annex 2. Programme for the mission

Agenda				
Time	Day	Place	Event	Purpose / Detail of event
13:00 - 15:30	Monday, afternoon	FIS	Meeting with the BC Component Leader and BC Experts	Agreement about priorities that will form the main contents of the strategy, Agreement of the contents of the first draft on the strategy; BHAS; RSIS; FIS; Project Participants (DK)
9:00 - 15:30	Tuesday, morning	FIS	Workshop with BC Experts	Presentation and discussion of joint document of statistical institutions in BiH: Implementation of European Statistics Code of Practice in BiH statistical system Assessment of current situation and future activities; Agreement on the „Quality report of the statistical survey - methodological guidelines for the preparation “; and prototype LFS QR; BHAS; RSIS; FIS
	Tuesday, afternoon	FIS	Workshop with BC Experts	Presentation of findings and discussion on (potential) administrative sources of the statistics institutions in B&H; BHAS; RSIS; FIS
9:00 - 15:30	Wednesday, morning	FIS	Meetings with users	Meeting with users to identify and clarify areas to be included in the strategy with a short presentation CoP i Quality Report of statistical surveys; BHAS; RSIS; FIS; Project Participants (DK)
	Wednesday, afternoon	FIS	Workshop with BC Experts	Short presentation by Director Lars Thygesen - use of administrative data in the statistical production and the question of confidentiality; presentation on Metadata; BHAS; RSIS; FIS Project Participants (DK)
9:00-15:30	Thursday, morning	MFT CBBH	Visit to CBBH and Ministry of Finance and Treasury	Visit - meetings with representatives of CBBH and representatives Ministry of Finance and Treasury; BHAS; RSIS; FIS; Project Participants (DK)

	Thursday, afternoon	FIS	Meeting with the BC Component Leader and BC Experts	Short presentation by Kirsten Wismer on Cooperation with users. Next mission-Which topics? What to do for the next mission? Possible suggestions; BHAS; RSIS; FIS; Lars Thygesen, Kirsten Wismer (DK)
<b>9:00-13:00</b>	Friday, morning	FIS	Meeting with BC Project Leader and Experts	Presentation of results, Agreement on report. Implications for the next activities (missions); Lars Thygesen, Kirsten Wismer (DK)

## Annex 3. Persons met

not confirmed, but we expect the presence of the following persons
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### Experts

**Mr. Lars Thygesen**, Director, Statistics Denmark (MS Component Leader)

**Ms. Kirsten Wismer**, Director, Statistics Denmark

### Agency for Statistics of BiH

**Mr. Zdenko Milinović**, Director Agency for statistics of B&H

**Mr. Edin Šabanović**, Assistant Director-Sector for Statistical Methodology, Standards, Planning, Quality and Coordination

**Mr. Sulejman Hasanović**, Head of Department for applications and database management

**Mr. Enes Hadžiefendić**, Head of Department for Statistical Methodology, Standards, Planning, Quality and Coordination

### Institute for Statistics of Federation of BiH (FIS)

**Ms. Hidajeta Bajramovic**, Director

**Ms. Galiba Karačić**, General Secretary FIS

**Ms. Munira Zahiragić**, Director Adviser

**Ms. Hidajeta Čolović**, Assistant Director -Sector for Social Services Statistics

### Institute for Statistics of Republika Srpska (RSIS)

**Dr Radmila Čičković**, Direktor

**Mr. Radosav Savanovic**, Deputy Director

**Ms. Jelena Đokić**, Assistant Director- Sector for National account, Registry and Sampling

**Ms. Bogdana Radić**, Assistant Director -Sector for statistics of population, education, justice and social statistics

**Mr. Radoslav Latinčić**, Assistant Director -Sector for Information Technology and Journalism

### Twinning Project Administration 00 (387) 33/911-992

**Bente Dyrberg**, RTA, 00 (387) 66/657-967

**Đemka Šahinpašić**, RTA Assistant, 00 (387) 63/721-104

Lejla Efendić, **Interpreter**