

TWINNING CONTRACT

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Support to the reform of the statistics system in Bosnia and Herzegovina



MISSION REPORT

**Activity 2.B.5:
Improving quality by increasing use of administrative data III**

Component 2: Business Statistics

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List of Abbreviations

AD	Administrative Data
BHAS	Agency for Statistics of Bosnia and Herzegovina
BiH	Bosnia and Herzegovina
CBBH	Central Bank of Bosnia and Herzegovina
EC	European Commission
E&I	Error Editing and Data Imputation
EU	European Union
FBiH	Federation of Bosnia and Herzegovina
FIA	Federal Intelligence Agency
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 EU Twinning Project "Support to the reform of the statistics system in Bosnia and Herzegovina". It was the third mission to be devoted to Improving quality by increasing use of administrative data (AD) within Component 2.B.5 of the project.

The purposes of the mission were:

- Follow up from the previous mission
- Increased use of administrative data in official statistics
- Meet potential data providers to discuss on providing more Administrative Data (AD)

The consultants would like to express 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 consultant.

This views and observations stated in this report are those of the consultant and do not necessarily correspond to the views of EU, BHAS, FIS, RSIS, CBBH, Statistics Denmark, INSEE, Statistics Finland and Croatian Bureau of Statistics.

2. Status at the beginning of the project

- The BC entities had expressed relevance of the need for additional twinning support on how to increase the use of AD for Statistical Production. This component was designed to meet this request.

3. Status of project results

- Benefits and challenges with increased use of AD in statistical production in general and in Bosnia and Herzegovina (BiH) in particular were presented and discussed.
- AD already used and potential data sources were mapped and are presented in Annex 2:
 - o Current AD usage was more extensive than anticipated
 - o Further adoption of AD usage was implemented during this Twinning Project (e.g. the SBS component Financial Statements)
 - o Potential further adoption was identified and is anticipated to carry through to statistical production
- A roadmap for the increased use of AD in statistical production was not prepared as it goes beyond the scope of twinning. BC experts did receive much advice on how this could be further developed at the organizational level. This was supported by both short-term and medium to long term recommendations by the Member State (MS) Expert's
- Danish and Finnish experiences on the negotiation process for gaining access to AD sources were delivered
- How to convince reluctant data providers to share their data was supplied with additional emphasis on the Federal Intelligence Agency (FIA)
- Discussion on agreements as examples or models were introduced as possible input on further development of data agreements implemented in BiH
- Danish and Finnish presentations and examples of error editing and data imputation (E&I) for AD were presented - both on a theoretical level and with specific examples
- Meeting with Data Providers were not arranged. This was attributed to provider reluctance. One such meeting was arranged during the first mission of component 2.2 with FIA.

4. Recommendations for the future (short and long term)

- **Legislation:** A fundamental yet recurring issue during the missions has been un-clarity in the Legislative Mandate for Unit Level access to Administrative Data (AD). Translated texts of the Statistical Laws at both entity levels as well as the national level are included as annexes.
- Possible reasons that FIS has not succeeded to gain access to Financial Records are a) security issues b) financial compensation for data and/or c) un-clarity of conflicting laws with regards the Legislative Mandate for access.
 - FIS has been commendable in its approach and efforts to gaining access to FIA AD and has followed good practice. FIA has thus far remained uncooperative. Negotiations with FIA are deadlocked.
 - Negotiations for accessing AD are clearly not as simple as it is in countries with an established history of AD usage for Statistical Production.
- In most MS countries this scenario would call for a judicial interpretation and decision - possibly by legal authority - to clarify the Legislative mandate.
 - The MS experts strongly recommend FIS starts legal clarification to obtain a legal opinion on their legislative mandate to request unit level AD data from FIA.
 - If the legal opinion is in favor of a statistical mandate, FIA would be demanded to supply asked for AD and the BC Statistical Entities would have a strong legal precedence that might be used should any further AD suppliers not be cooperative.
 - All future amendments to the Statistics Law(s) should be explicit about this legislative mandate for full access to all AD in BiH.
 - This is further complicated by the local environment. There are in fact three Laws (for each entity and a national Statistics Law. These should either be combined or aligned with each other regarding structure and access to AD.
 - In an effort to enhance cooperation between FIA and FIS, one specific aim could be to work towards cooperation by seeking an interim agreement to obtain “partial data” for SBS-financial records micro-data, namely those entities with under 20 staff which is currently used for statistical production using AD by all statistical entities. This should clearly be defined as an interim goal to get both parties accustomed to working together and enhance mutual trust.
 - Additionally, statistical services in return should be investigated to identify how cooperation could directly also benefit FIA (what FIS products or services could interest them).
- **National Strategy for using administrative data in statistical production**
 - The MS Experts recommend that the statistical producing institutions set up a transversal working group aimed at strengthening the use of administrative data in the production of high quality official statistics.
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 - The tasks for the working group should include ensuring, monitoring, reporting progress, coordinating and cooperating between all statistical entities subject to existing laws. This could include management level and relevant AD suppliers (*e.g. ITA, Federation, RS Financial Agencies, etc...*)
 - Based on the existing uses of administrative data in the statistical institutions as well as the potential opportunities for uses identified in this component (see appendix), the task force can develop input into a national strategy for the further improvement of administrative data usage in statistical production.
 - As part of a national strategy, the task force should also point out areas where, through the exchange of experience, methods and concrete technical solutions, the statistical producing institutions can achieve greater synergy and efficiency through collaboration .

- The Roadmap of current and potential uses of AD have been outlined in Annex 2. It is recommended that this be used as background material for the workings of the task force and reviewed/updated on a regular basis
- The task force should arrange 'inter statistical institutional' one day workshops for relevant staffs on specific topics in the use of AD
- A final goal of the task force would be to coordinate the preparation and follow up on institutional annual work plans based on the strategy.
- **Cooperation and Data Exchange Agreements**
 - Agreements are in substance and principle quite similar when comparing those made in BiH and MS's. The MS Experts suggest common templates for AD agreements (legal unit) to ensure each agreement is complete and in line with organizational standards. Expansion of AD usage will result in the number of agreements also growing. MS experiences lead the MS Experts to recommend centralised management in each statistical institution of these agreements.
 - Contact details of both the supplier and delivery end of the contract should be as a separate annex (unlike the examples shown) to simplify possible redistribution of these contracts without annexes (transparency & The General Data Protection Regulation (GDPR)).
 - Taking into account the unique BC environment, extending cooperation with regards sharing received AD between the statistical entities should be considered. Future AD agreements might contain a clause on data sharing between the statistical institutions. In case of disagreement with data providers, this clause might be waived.
- **Centralised information acquisition units**
 - The MS Experts recommend centralised information acquisition units for they ensure uniformity, control and efficiency. If centralized information acquisition is carried out at the statistical entity level, they should have the same stages and functions at all statistical entity levels and should be developed and enhanced in cooperation between these entities (unified methodology, common data-editing and imputation)
- **Development and harmonization of editing- and imputation methods and techniques**
 - Cooperation and joint activities should be encouraged in all E&I activities between all statistical entities to ensure common procedures. This would have a positive effect on resources and development costs. It could be another task of the above-mentioned task force and be worked on in inter institutional one day workshops.
- **External communication and advocacy on use of AD**
 - Progress on achieved results in quality improvements (making better data and statistics) should be communicated and advocated widely and effectively (in statistical communication channels, press releases, news articles, international conferences etc.).
 - It should be investigated whether there are specific target groups where specific strategic communication efforts would be especially beneficial.
- **Long term strategic recommendations include:**
 - Available AD data sources should be used where possible to replace or diminish survey based statistical production for their positive effects on reduction of respondents burden, and efficiency of statistical production
 - Micro data access should always be favoured over aggregated data when using AD

5. Identification of needs for additional support

- Twinning support should be continued for:
 - Further advancements in the use of AD in BiH
 - In the harmonization of AD statistical production processes for BiH statistical entities
 - In the continued alignment of AD statistical production in BiH with EU best practices
- There may be a future need for legal assistance in relation to a possible revision of the statistical legislation in BiH

6. Outstanding issues

- Legal mandate clarification for all statistical entities with regards relevant AD suppliers
- Easy access to AD for all BC statistical institutions
- Access to privately held data (including Big Data)
- Assuring the deepening of cooperation and coordination between BC statistical entities and their partners/data suppliers

Annexes

- Annex 1. Terms of Reference
- Annex 2. AD already used and potential data sources
- Annex 3. Statistical Laws translated as provided by the three statistical entities