

# TWINNING CONTRACT

BA 15 IPA SR 01 17

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



## MISSION REPORT

### Activity 2.2.5:

**Follow-up on achievements and recommendations for the future.  
Further work on companies reporting burden**

### Component 2: Business Statistics

### Sub-component 2.2: Structural Business Statistics

Mission carried out by

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## List of Abbreviations

BC	Beneficiary Country
BD	Brcko District
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
FIA	Financial–intelligence Agency
FIS	Institute for Statistics of Federation of Bosnia and Herzegovina
ITA	Indirect Taxation Authority
MS	EU Member State
RSIS	Institute for Statistics of Republika Srpska
RTA	Resident Twinning Adviser
ToR	Terms of Reference
SBS	Structural Business Statistics
SBR	Statistical Business Registry
STE	Short Term Expert

## 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 fifth and final mission to be devoted to Structural Business Statistics (SBS) within Component 2. Business Statistics.

The purposes of the mission were:

- Follow up from the previous mission
- Finalization of quality report
- Finalization of methodology
- Clarification of outstanding issues
- Identification and sustainability of achievements and project results
- Identification of needs for additional support
- Discussions and recommendations for future work

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 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, CBBH, Statistics Denmark, INSEE, Statistics Finland and Croatian Bureau of Statistics.

## 2. Status at the beginning of the project

- The BC has expressed the desire to move forward with AD usage in SBS production and twinning assistance had been identified in an earlier twinning project. The component was designed to meet these objectives in a practical way.

## 3. Status of project results

- The mandatory result of the component was met as was most benchmarks as outlined in the ToR.
- The only partially incomplete benchmark (due to an external factor) was FIS access to FIA financial statements.
- The final mission of this component was delayed to allow agreement on this. Achieving this objective has now been moved forward.

Annual financial statements are submitted to financial agencies at entity levels and Brcko District (BD). RSIS and the BHAS branch office in BD have gained access to accounting data from financial agencies, but FIS does not have access to accounting data from The Financial Intelligence Agency of FBiH (FIA). Until this issue is resolved, FIS uses a Statistical Annex of financial statements developed by national accounts to produce SBS data. According to the instructions of the Federal Ministry of Finance, statistical unit - enterprises are obliged to submit the completed a Statistical Annex together with financial statements to FIA.

Analysis of available AD from the aspect of needs of SBS variables showed that most of the variables can be calculated from AD and from the existing survey on investment.

For 2016 as a reference year, calculation of SBS variables for enterprises was experimentally compiled on the basis of AD and other available data. The calculation was compared with data obtained from the SBS survey for 2016. Particular attention was paid to the analysis of enterprises with less than 20

persons employed. Differences in turnover were minimal while in other variables differences ranged up to 10%. Based on this analyzes, SBS production was changed for 2017 using survey for enterprises with more than 20 persons employed and AD and other data for smaller enterprises.

The burden on reporting units was calculated for 2016 and 2017. The analysis of the burden on the respondents and the effect of the burden reduction using AD SBS production was performed. The new methodology has significantly reduced burden from 2017.

The BiH SBS Quality Report and Methodological Document have been updated in line with these changes.

#### **4. Sustainability of the achievements**

BiH has moved forwards with AD in SBS production with the objective of reducing the response burden and cost of conducting surveys. This has also reduced the workload on The Statistical Institutions. AD usage has also had a direct positive effect on response rates. No foreseeable obstacles can be identified on sustainability of the achievements.

#### **5. Recommendations for the future (short and long term)**

- Further assistance is recommended in the production of variables for section K (Financial and Insurance activities). As is common in most EU countries, this possibly could be achieved through cooperation with the Central Bank. Possible benefits should be investigated. (next step item, twinning)
- Support to FIS should be continued in their efforts to gain access to AD (financial reports) from FIA, taking into account their Institutional mandate. (next step item)
- FRIBS implementation will create a lot of changes to SBS production in terms of subject matters as well as from a technical point of view. BiH statistics should actively participate in international co-operation to benefit from actions carried out simultaneously in all EU related countries.
- IT staffing resources is a common bottleneck in many countries, BiH is no exception. Strengthening these resources is important to modern statistical production.

#### **6. Identification of needs for additional support**

- Support in the preparation of section K and the remaining series (regional and multi-annual) that have not as yet been produced.
- Support in implementing changes to SBS production resulting from FRIB's
- Support FIS with access to FIA financial reports

#### **7. Outstanding issues**

FIS has yet to regulate the data exchange with FIA but has achieved a work around using the Statistical Annex.

**Annex 1. Terms of Reference****Terms of Reference****EU Twinning Project BA 15 IPA ST 01 17****Component 2: Business Statistics****Sub-component 2.2: Structural Business Statistics****11-14 February 2020****Hosting Institution: BHAS, Zelenih beretki 26, Sarajevo**

**Activity 2.2.5: Follow-up on achievements and recommendations for the future.  
Further work on companies reporting burden**

**1. Mandatory result and benchmarks for the component**

Mandatory result:

- Use of administrative data for producing structural business statistics established by 8<sup>th</sup> project quarter

Benchmarks:

- Inventory of existing administrative data source for the compilation of structural business statistics variables prepared by 1st project quarter
- Agreement with provider/s of administrative data sources made by 8th project quarter
- First structural business statistics variables based on administrative data produced by 8th project quarter
- Burden of reporting units calculated by 8th project quarter
- Updated methodological document on structural business statistics developed by 8th project quarter
- Quality report for Structural business statistics developed by 8th project quarter

**2. Purpose of the activity**

- Follow up from the previous mission
- Finalization of quality report
- Finalization of methodology
- Clarification of outstanding issues
- Identification and sustainability of achievements and project results
- Identification of needs for additional support
- Discussions and recommendations for future work

**3. Expected output of the activity**

- Quality report developed
- SBS methodology finalised
- Achieved results of the respective component analysed and assessed
- Sustainability of the achievements

- Identification of needs for additional support
- Outstanding issues
- Recommendations for future work made (exit strategy)

#### **4. Participants**

##### **Agency for Statistics of BiH (BHAS)**

- Bojana Cicovic, Specialist in Business Statistics Department
- Vesna Šehovac, IT specialist

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

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