

## **Project Fiche – IPA National programmes / Component I**

### **1 IDENTIFICATION**

<b>Project Title</b>	Support to the State and Entity Statistical Institutions, phase VI
<b>CRIS Decision number</b>	2012/23589
<b>Project no.</b>	3
<b>MIPD Sector Code</b>	1. Public Administration Reform
<b>ELARG Statistical Code</b>	03.18. Ability to assume the obligations of membership (CCs)/ approximation of European standards (PCCs). Statistics
<b>DAC Sector code</b>	16062 Statistical capacity building
<b>Total cost</b>	EUR 2 100 000
<b>EU contribution</b>	EUR 2 000 000
<b>Management mode</b>	Centralised
<b>EU Delegation in charge</b>	Delegation of the European Union to Bosnia and Herzegovina
<b>Implementation management</b>	Delegation of the European Union to Bosnia and Herzegovina
<b>Implementing modality</b>	Stand alone project
<b>Project implementation type</b>	C01 – Project type intervention
<b>Zone benefiting from the action(s)</b>	Bosnia and Herzegovina

### **2 RATIONALE**

#### **2.1 PROJECT CONTEXT: ISSUES TO BE TACKLED AND NEEDS ADDRESSED**

For future development of Bosnia and Herzegovina and achieving one of the main goals, the accession to EU, the volume and quality of the data, especially for the state level should be improved.

It is necessary to simultaneously develop statistical domains. It is a continuous process that must be conducted both in the entity institutions (Institute for Statistics of Federation of Bosnia and Herzegovina /**FIS**; Institute for Statistics of Republika Srpska/**RSIS**) and the Agency for Statistics of BiH/**BHAS**, which is responsible for the production of statistics at the state level.

Therefore, for a number of years, BH statistics have planned and implemented complex national projects, which comprise several different components. This approach is a demanding one since it mobilises the majority of human resources/capacities in statistical institutions, but is necessary if we want to harmonize statistics with the EU standards and to catch up with other countries in the region.

The most important precondition for a successful implementation of the project is a good cooperation between statistical institutions and availability of existing data sources from other institutions, without any limitation (both to the statistical institutions in the entities and at the state level.)

## **2.2 LINK WITH MIPD AND NATIONAL SECTOR STRATEGIES**

### Link with 2011-2013 MIPD

Chapter 3.2. Public Administration Reform, 3.2.3. Sector Objectives for EU support over the next three years: *“Enable the statistical system to produce and disseminate reliable statistical data in line with international and European standards in particular for national accounts and statistics in all accession-relevant areas. Indicators: Enhanced capacities of the statistical institutions; Reliable statistical data produced and disseminated; Agricultural census accomplished;”*

With regard to the Central Bank of Bosnia and Herzegovina (CBBH) and therefore the financial account component of the proposed intervention, the following quote from the same chapter is relevant: *“Adopt and implement the legal framework for public procurement and public financial management in compliance with EU standards”. Indicator: Budget and financial control measures strengthened.”*

The following is listed within the Commission’s Key Priorities for IPA 2012-2013:

*“PAR – capacity building for statistics; to strengthen the capacity as well as co-operation between the State-level (BHAS) and Entity Statistical Institutes and with other agencies, such as ITA”.*

### Link with national sector strategies:

The adopted statistical programme of BiH for the period 2009 – 2012 defines the following areas as a priority for the work:

- *National accounts: to work on introduction of institutional sectors/sectorisation and preparation for quarterly accounts.*
- *Short-term statistics on enterprises: Setting-up an overall frame and production of short-term statistics data on economic cycles in accordance with the EC regulations (1165/98; 586/2001; 588/2001 and 1158/2005)*
- *Agriculture statistics: to prepare for agriculture census*

As for CBBH, there is an Action Plan: Road Map to EU integration as based on CARDS 2006 Needs Analysis Report by ECB/Eurosystem: *„Recommendation # B9: Government Finance Statistics (GFS) - “...Development of financial accounts tables for GFS in course of the implementation of financial accounts statistics for BiH, or as a first step in the implementation of financial accounts for all sectors.”*

## **2.3 LINK WITH ACCESSION PARTNERSHIP (AP) / EUROPEAN PARTNERSHIP (EP) / STABILISATION AND ASSOCIATION AGREEMENTS (SAA) / ANNUAL PROGRESS REPORT**

Progress report 2011 – “4.2.8. Statistics....

*...The statistical business register is in operation. However, it is incomplete due to limited access to relevant administrative data sources.*

*Limited progress can be reported in the area of macroeconomic statistics. ...Quarterly national accounts cannot be developed until the relevant short-term indicators are produced and the requisite cooperation between all parties involved is in place.*

*...Sector statistics such as national accounts, business and agricultural statistics remain to be improved.*

*...Closer cooperation between the BHAS and the Entity Statistical Institutes and also between the BHAS and the relevant State-level agencies remains essential. Implementation of the BHAS development plan will be a key factor in this.”*

## **2.4 PROBLEM ANALYSIS**

Statistical institutions in BiH share the same or similar problems: insufficient human resources, budget restrictions, junior staff insufficiently trained for independent work. Faster harmonisation of BiH statistics with EU standards and the production of a larger number of indicators cannot be expected without external support.

In order to improve BiH statistics in general, it is necessary to obtain continuous training of the staff and further development and improvement of methodologies. The harmonisation with European standards is a demanding and challenging process. It is needed in all statistical domains but the selected areas are considered the most relevant in all three statistical institutions. Further development of Business Statistics is considered especially important, as it is also a precondition for the improvement of the National Accounts.

This project, in addition, includes ESSPROS – European System of Integrated Social Protection Statistics, relevant for the social statistics.

A Twinning project is regarded as the appropriate type of assistance for further harmonisation and development of BH Statistics in the areas of national accounts, business statistics, financial accounts and ESSPROS, while a service contract/technical assistance is considered more efficient for the preparation for the Agriculture census. We have outlined below which problems the project will address in its different components.

### **I – Problems to be addressed through Twinning assistance:**

#### Component 1- National Accounts

Due to the lack of basic preconditions (basic statistical data) the National Accounts are still at the beginning of the implementation of the international methodologies. Therefore, proposed activities are very important for the further development of NA statistics.

1 a) Introduction of sectors and sub-sectors of BiH economy according to the SNA 2008/ESA 2010

National Accounts statistics in BiH is focused on the compilation of macroeconomic indicators for the overall economy at the annual level. Aiming to improve macroeconomic indicators for BiH, on its way towards harmonisation of statistics with SNA/ESA principles, it is necessary to group related institutional units into institutional sectors, which will create preconditions for the development of the Annual Sector Accounts and, after that, also as a benchmark for the production of Quarterly Sector Accounts. The importance of the sectorisation in each economy, and thus also in Bosnia and Herzegovina, lies in the fact that only in this way the preconditions for complete monitoring of non-financial transactions by each economic sector can be created. Thus, valuable information for structural analysis of economic trends can be obtained, and then strategic directions towards planning the development of economy, as a whole and its separate parts, can be defined.

Additionally, BiH has not linked the issue of defining institutional sectors with the Statistical Business Register yet and with this activity, SBR will be significantly improved.

1 b) Training of staff for implementation of the SNA 2008 and ESA 2010 methodologies

The development of the National Accounts in Bosnia and Herzegovina, in line with the concepts and recommendations of international methodologies (System of National Accounts SNA 93 and European System of Accounts ESA 95) has started in 1996. Until now, the statistical institutions in BiH have not fully implemented the recommendations of SNA 93/ESA 95.

In the new methodologies - SNA 2008/ ESA 2010, some substantial changes occurred. For that reason, implementation and application of new methodologies (SNA 2008/ ESA 2010) are very challenging processes for which adequate training should be provided for statisticians from all three BH statistical institutions. A special attention should be paid to the following areas: the scope of the transactions included the production boundary; concepts of assets, capital formation and consumption of fixed capital.

The staff is expected to be trained in relation to the (1) theoretical aspects of the SNA 2008/ESA 2010 recommendations and in (2) practical application/implementation.

Component 2- Business Statistics (BS)

In the statistical system of BiH, business statistics have not yet been developed in line with all relevant EU requirements and regulations. Therefore, it is not possible to see the overall structure and monitor the movements of economic parameters and the development of the market economy in BiH on the basis of the existing business statistics data. Harmonisation of existing and introduction of new statistics with the aim of producing internationally comparable variables and indicators will provide a basis for creating adequate economic policies in BiH, with special reference to the development of the small and medium enterprises.

Further development and improvement of business statistics methodologies is essential for production of new indicators in line with European and international standards (with respect

to data quality, scope, coverage, and comparability and transmission issues), and to ensure the sustainability of results and prerequisite for development of macroeconomic statistics.

Considering the fact that the area of business statistics production is very broad and complex, the next IPA support should be divided into three sub-components:

2 a) – Improvement of Statistical Business Register (SBR)

2 b) – Development of Structural Business Statistics (SBS)

2 c) – Development of Short Term Statistics (STS)

The legal bases (Council Regulations) differ for these three areas but they are connected, problems addressed through these sub-components are briefly outlined below:

2 a) – Statistical Business Register (SBR)

A comprehensive and reliable SBR is fundamentally important for surveys in both SBS and STS.

SBR should be improved to become a reliable base for preparation of statistical surveys, the main source of information for analysis of the business population and a tool for mobilisation of administrative data.

The integration of recommendations from the EU Regulations is a continuous process. Therefore, development of SBR requires long and permanent work and should be continued through IPA 2012.

The activities under Component 1 a) (Introduction of sectors and sub-sectors of BiH economy according to the SNA 2008/ESA 2010) are related to the further development of SBR as well. It is foreseen that in the Business Register each institutional unit/business unit will be recorded according to the relevant sector.

2 b) - Structural Business Statistics (SBS)

The SBS subcomponent is aimed to establish a comprehensive framework for collection, compilation, transmission and evaluation of structural business statistics covering the whole population of the business economy according to the EU SBS Regulation. In recent years, some progress was made in this area and it resulted in the production of SBS variables and indicators for certain activities grouped and defined in Annexes I-IV of SBS Regulation. The implementation of the first regular SBS surveys started in April 2011.

Given the great complexity and broad scope of economic activities, it is essential to extend the support to BiH statistical institutions on the further development of SBS through IPA 2012. The intention is to compile structural statistics for the economic activities clustered in detailed modules on business services (as defined in Annex VIII) and business demography (as defined in Annex IX) of SBS Regulations.

2 c) - Short Term Statistics (STS)

The STS are highly demanded by a number of users for economic analyses. A large part of the STS in BiH are still not developed according to the EU STS regulations.

The entity statistical institutes are producing a certain number of short-term indicators that are not suitable for simple aggregation and production of the BiH level STS results. It means that both, harmonization (of methodological issues for indicators produced from existing surveys) and development of new STS indicators are necessary through this proposed IPA 2012 project. Development and regular production of STS indicators on construction costs and building permits (Annex B of STS) is very important for external and internal users.

### Component 3 - Financial Accounts (proposed by Central Bank of Bosnia and Herzegovina /CBBH)

The CBBH is the state level monetary institution participating in national statistics, with the responsibility for Financial Accounts statistics. The lack of EU harmonized Financial Accounts statistics production requires additional efforts in the process of approximation and, later on, full harmonisation with the EU statistics standards, which itself is a lengthy and complex preparation. The activities foreseen in this IPA 2012 project will prepare statistical methodologies and align practices used in CBBH with the EU and ESCB statistical standards and methodologies.

### Component 4 – European System of Integrated Social Protection Statistics/ESSPROS

Statistical institutions in Bosnia and Herzegovina, within the framework of social protection, publish data on all forms of social welfare benefits, measures and services, as well as data on institutions of social protection and data on employees of these institutions. However, in order to monitor trends and functioning of the system of social protection, it is necessary to implement the ESSPROS. It provides a unique opportunity for comparison of the social benefits that countries provide to the households and their financing. It consists of the Core system and a certain number of modules. For the implementation of this activity, it is necessary to have data and other needed support from all stakeholders.

## **II – Problems to be addressed by a service contract – Agriculture statistics:**

The preparation of an Agricultural Census will be covered by technical assistance, addressing the following set of problems:

The agriculture sector is one of the most important sectors of BiH's economy. It is characterised by a large number of small agricultural holdings that still significantly contribute to the GDP of BiH. The sector has significant development potentials especially in terms of adequate restructuring and modernization. Although the precise number of agricultural households is not known, statistical institutions in Bosnia and Herzegovina estimate that a significant part of BiH's population live in rural, agricultural areas. The lack of reliable and exact agricultural - and also cadastre - data makes the design of development policies and strategies especially difficult, if not impossible.

The last Agricultural Census in Bosnia and Herzegovina was carried out in 1960. Lack of information in the domains of structural statistics, land use, farm structure, agro-environment indicators, input consumptions, etc., is a cause of limited data sources for decision-making and defining good policy and strategy for the agricultural sector. The Agricultural Census will

provide a set of structural data on farms in BiH; a farm typology will be carried out and the sample (a complete list of farms) for sample-based agricultural surveys will be obtained.

Therefore, the need for a properly planned Agricultural Census, with good quality implementation and in line with international standards (EC Regulation 1166/08), becomes obvious and necessary.

The ideal would be to have an agricultural census conducted one year after the Population Census, which will provide a list of farms. This list will serve as a frame for conducting the agricultural census.

Since statistical institutions staff have no experience in conducting a full-scale agricultural census as an overall, complex and expensive survey, the assistance through IPA 2012 is required during the several phases of the Census:

1st phase – before a full-scale agricultural census,

2nd phase – during the implementation of the agricultural census and

3rd phase – after the agricultural census has been conducted.

## **2.5 LINKED ACTIVITIES AND DONOR COORDINATION**

The whole project (and especially components business statistics and agriculture) was planned based on previous and current activities (that should be conducted within the IPA 2008 project for statistics)

The proposed project is a continuation of the activities implemented earlier (through **CARDS 2005 Twinning Project** (BA05-IB-ST-01) finalised in November 2008 and **Twinning Light Project** (BA08-IB-ST-01-TL) finished in May 2010.

The Master Plan for the development of National Accounts in BiH, prepared within the CARDS 2005 Twinning project, has set institutional *sectorisation* and delimitation of market public institutional units from the non-market ones, as one of its prioritised objectives and with IPA 2012 it is planned to achieve it.

In addition, this project directly builds up on the activities of the **IPA 2008 Twinning** project, which has three components and one is dedicated to Business statistics. Considering the complexity of this area (business statistics), it should be continued after the project finalisation in 2013, and IPA 2012 will make it possible.

In the area of agriculture, the activities are connected with the **IPA 2007 Project - Strengthening and harmonisation of the BiH agriculture and rural sectors information system** (a main beneficiary is Ministry of Foreign Trade and Economic Relations) ended in October 2011. Within one component of this Project, some activities related to the preparation of harmonised agriculture census, were implemented

Other donor activities planned in the statistical sector of BiH, such as National project funded by SIDA (phase III) has been planned with the aim to avoid overlapping and to be

complementary and cover the areas not foreseen in the IPA project such as environment statistics, labor statistics, statistical methodology and general capacity building.

As for the **financial statistics** component, the project is a follow-up of previous assistance under IPA 2008: The ECB& Eurosystem Project for the CBBH (completed in September 2011) in the Closure Report recommends: "It is important to bear in mind that substantial further efforts will be required in the future in many areas of statistics and thus not only by the CBBH, but also other relevant stakeholders in BiH aiming at progressive strengthening of capacity."

## **2.6 LESSONS LEARNED**

Through implementation of previous projects, the following conclusions have been reached: the EU acquis in statistics requires knowledge and full understanding for adoption and implementation of complex methodologies; it is a continuous and long lasting process; the best results are provided by projects which have clearly defined objectives.

Considering their complexity, all projects require available human capacities and accurate planning of internal resources; cooperation within the BH statistical system (between the three institutes) and with other stakeholders and data providers has to be good and efficient. Coordination role of the Agency has to be clearly defined and accepted both by local statistical institutions and external partners and necessary preconditions for implementation of the project activities should be fulfilled.

**CBBH experience in conducting** previous projects demonstrated the ability of CBBH staff to acquire knowledge relatively easily when working with Eurosystem experts and an ability for transposition of knowledge and standards in central banking within the CBBH. A prerequisite is the high level of commitment and local ownership which leads to sustainable results.

## **3 DESCRIPTION**

### **3.1 OVERALL OBJECTIVE OF THE PROJECT**

To increase the volume and enable production of harmonised statistical data in/for BiH

### **3.2 SPECIFIC OBJECTIVE(S) OF THE PROJECT**

Strengthening the BiH statistical system by improving and developing institutional capacities in the areas of National accounts, Business statistics, Financial Accounts Agriculture statistics and Social statistics

### **3.3 RESULTS**

A – Results to be delivered by twinning assistance:

Component 1- National accounts

Result 1: National accounts improved by introduction of sectors and sub-sectors of BiH economy in line with SNA 2008/ESA 2010

## Component 2 - Business Statistics

Result 2.1 Statistical Business Register/SBR further improved in line with EU SBR Regulation,

Result 2.2 Structural Business Statistics/SBS further developed in line with EU standards

Result 2.3 Short Term Statistics/STS further developed

## Component 3 - Financial Accounts (CBBH)

Result 3 Preparations for implementation of Financial Account statistics in line with the EU standards fully completed.

## Component 4 - ESSPROS

Result 4 ESSPROS Pilot survey has been conducted and assessed in BiH

### B – Result to be achieved through a service contract:

Result 5 Agricultural census successfully conducted and results disseminated

## **3.4 MAIN ACTIVITIES**

### Twinning support:

#### Activities to achieve Result 1:

- Introduction of sectors and sub-sectors of BiH economy according to the SNA 2008/ESA 2010
- Support in allocation of units to sectors and sub-sectors (practical solving of dilemmas and giving recommendation regarding application of criteria for grouping units)
- Preparation of guidelines for allocation of units in sectors and sub-sectors
- Training of the staff for implementation of the SNA 2008 and ESA 2010 methodologies
- Support in practical implementation of new methodologies
- Development of methodology

#### Activities to achieve Result 2.1:

- Analysis of the current situation
- Support in preparation of methodology and practical guidelines to be used for determining and allocating “institutional sector” codes to all SBR units and for standard updating.
- Support in preparation of methodology and practical guidelines to be used for construction, observation and updating of the “enterprise group” characteristics in SBR.

- Support in preparation of methodology and practical guidelines to be used for setting up, regular collecting and updating of necessary data in the SBR for compilation of SBS “business demography” characteristics.
- Training of statisticians

#### Activities to achieve Result 2.2:

- Analysis of the data source for compilation of structural variables for business services (Annex VIII SBS) and business demography characteristics (Annex IX SBS).
- Preparation of methodological materials
- Analysis of experimental surveys results and preparation of regular surveys
- Preparation of methodological materials and practical guidelines
- Training of statisticians

#### Activities to achieve Result 2.3:

- Preparation of methodological materials for compilation of the Construction Cost indices; setting up the surveys (sources); conducting the surveys, analyses of the results
- Preparation of methodological materials for compilation of the Building permits in Construction; setting up the surveys/sources; conducting surveys and analyses of results
- Training of statisticians

#### Activities to achieve Result 3:

- Analysis of the data source for compilation of financial accounts
- Preparation of methodological materials for compilation of financial accounts
- Development of full sequence of financial account tables
- Production and analysis of pilot data set for BiH financial accounts
- Support in development of IT application and training of staff

#### Activities to achieve Result 4:

- Analysis of the social protection system in BiH
- Identification and classification of social protection schemes
- Theoretical and practical training of the statistical staff
- Preparation of methodological material
- Support in preparation and implementation of Pilot survey
- Data processing and analysis of the pilot Survey results.

#### Service contract

#### Activities to achieve Result 5:

##### First phase:

- Analysis, assessment and up-date of all data resources
- Training of staff and support in preparation of various documentation relevant for the AC

- Support in preparation of all census methodology documentation (guidelines, questionnaires, activity plan, training material...)
- Support and training of methodologists and IT staff in use of IT tools
- Printing of census material training of enumerators, controllers and supervisors

Second phase:

- Support and ad hoc assistance to census bureaus during field work

Third phase:

- Training of staff and support in dissemination activities (preparation and publishing of preliminary data on AC, publishing summary data of AC, first and second volume; data for transmission to Eurostat)
- Dissemination of census results

### **3.5 ASSESSMENT OF PROJECT IMPACT, CATALYTIC EFFECT AND CROSS BORDER IMPACT**

All stakeholders, both suppliers of data to the Statistical system and users of statistical information will benefit from project results.

The larger amount of data and improved quality of statistics will be significant for the government sector, academia, private sector and society in general.

The improvement in the areas of Business Statistics, Agriculture Statistics and Social Statistics will influence the quality of Macroeconomic Statistics and fulfilment of requirements and priorities set before BH statistics.

### **3.6 SUSTAINABILITY**

The development of reliable statistics is inseparable from the close cooperation with (administrative) data sources at all levels. The sustainability of project results will be ensured if a close cooperation between statistical institutions in BIH is established and permanently maintained, and if administrative data sources are available to the statistical institutions without any restrictions.

### **3.7 ASSUMPTIONS AND PRE-CONDITIONS**

Necessary prerequisites that should be fulfilled for successful work are listed below:

#### In National Accounts:

Updated Business register (active and passive units separated, updated list of entrepreneurs available) ready for the implementation of institutional sectors.

Full cooperation between among all involved partners established (the state and Entity statistical institutes, CBBH and ministries of finance at the state and entity levels)

#### In Business Statistics

Following data sources available for statistics:

For the state level: VAT base – ALICE – (holder: Indirect Taxation Authority);

For the entity level : Single system for registration, control and collection of taxes and contributions (holders: in FBiH Taxation Authority and in RS Taxation Authority);

Single register of financial reports (holders: in FBiH FIA/Sarajevo and in RS AFIP).

SBR available and developed in accordance with current EU legislation.

#### In Financial Accounts

No conditionality and sequencing in the Central Bank of Bosnia and Herzegovina. However, external risks in terms of political instability causing inadequate pace of the process of BiH integration process to the EU might have implications for the implementation of the CBBH programme.

Regardless of the dynamics of Bosnia and Herzegovina pace towards European integrations, the Central Bank of Bosnia and Herzegovina is committed to increase its standards, overall practice and work in accordance to the standards existing in EUROSTAT and central banks members of the European System of Central Banks/Eurosystem.

#### For ESSPROS

Close cooperation with relevant institutions established and existing data available to the statistics

#### In Agriculture

Census of Population, Households and Dwellings conducted

Relevant legislation adopted

Budget for Agricultural Census available

## **4 IMPLEMENTATION ISSUES**

The assistance will be implemented in the centralised management mode in accordance with PRAG rules.

## 4.1 INDICATIVE BUDGET

### Indicative Project budget (amounts in EUR)<sup>1</sup>

PROJECT TITLE			SOURCES OF FUNDING									
			TOTAL EXPENDITURE	IPA CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
	IB (1)	INV (1)	EUR (a)=(b)+(c)+(d)	EUR (b)	% (2)	Total EUR (c)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/Local EUR (y)	IFIs EUR (z)	EUR (d)	% (2)
Activity 1	x											
contract 1.1			1 000 000	1 000 000	100							-
contract 1.2			100 000			100 000	100					-
Activity 2	x											
contract 2.1			1 000 000	1 000 000	100							-
TOTAL IB			2 100 000									
TOTAL INV												
<b>TOTAL PROJECT</b>			<b>2 100 000</b>	<b>2 000 000</b>	<b>95</b>	<b>100 000</b>	<b>5</b>					

<sup>1</sup> Under centralised mode of implementation of IPA assistance the co-financing is implemented as parallel co-financing.

## 4.2 INDICATIVE IMPLEMENTATION SCHEDULE (PERIODS BROKEN DOWN BY QUARTER)

Contracts	Start of Tendering/ Call for proposals	Signature of contract	Project Completion
Contract 1	Q1/2013	Q1/2014	Q1/2016
Contract 2	Q3/2013	Q1/2014	Q3/2015

## 4.3 CROSS CUTTING ISSUES

### 4.3.1 *Equal Opportunities and non discrimination*

The project is a technical intervention aiming at strengthening administrative capacities with a view to EU accession. Equal opportunity principles and practices in ensuring equitable gender participation and non-discrimination within the project will be guaranteed.

### 4.3.2 *Environment and climate change*

The project is a technical intervention aimed at strengthening administrative capacities with a view to EU accession; it will not lead to any negative environmental effects.

### 4.3.3 *Minorities and vulnerable groups*

Participation in the project activities will be guaranteed on the basis of equal access regardless of racial or ethnic origin, religion or belief, disability, sex or sexual orientation.

### 4.3.4 *Civil Society/Stakeholders involvement*

Relevant partners were included in preparation of project proposal and fully support implementation of all listed activities, including consultation meetings with civil society and the donor community.

## ANNEXES

### Documents to be annexed to the Project fiche

1. Log frame
2. Description of Institutional Framework
3. Reference list of relevant laws and regulations only where relevant
4. Details per EU funded contract(\*) where applicable
5. Project visibility activities

## ANNEX 1: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche		Project title and number		3 Support to the State and Entity Statistical Institutions, phase VI	
		Contracting period expires Three years following the date of the conclusion of the Financing Agreement		Execution period expires Two years following the contracting expiry date	
		Total budget	EUR 2 100 000		
		IPA budget:	EUR 2 000 000		
<b>Overall objective</b>	<b>Objectively verifiable indicators (OVI)</b>	<b>Sources of Verification</b>			
To increase the volume and enable production of harmonised statistical data in/for the BiH	Statistical institutions produce and publish more data (on NA, business statistics, agriculture and social statistics)	Reports to Eurostat			
<b>Specific objective</b>	<b>Objectively verifiable indicators (OVI)</b>	<b>Sources of Verification</b>		<b>Assumptions</b>	
Strengthening the BiH statistical system by improving and developing of institutional capacities in the areas of National accounts, Business statistics, Financial Accounts, Agriculture statistics and Social statistics	<ul style="list-style-type: none"> <li>- Increased number of indicators (SBS, STS, Financial Accounts Statistics) produced according to the EU standards</li> <li>- Agriculture census conducted according to the EU and FAO recommendations</li> </ul>	Web, publications		Enhanced cooperation established between all stakeholders relevant for statistical production	
<b>Results</b>	<b>Objectively verifiable indicators (OVI)</b>	<b>Sources of Verification</b>		<b>Assumptions</b>	
<b>1 National accounts</b> National accounts improved by introduction of sectors and sub-sectors of BiH economy in line with SNA 2008/ESA 2010	<ul style="list-style-type: none"> <li>Guidelines for sectorization in use</li> <li>Statistical Business Register (SBR) in three statistical institutions improved and updated accordingly</li> <li>Delimitation of market and non-market producers according to the ESA 2010 criteria completed</li> <li>Staff in all three statistical institutions trained to implement SNA 2008/ESA 2010 recommendations</li> <li>Methodology for implementation SNA 2008/ESA 2010 recommendations available</li> </ul>	<ul style="list-style-type: none"> <li>Web, publications</li> <li>Updated SBR (with information about belonging sector and sub-sector) available in three statistical institutions (on line application)</li> <li>Data on NA disseminated on web and in the publications</li> </ul>		<b>In National Accounts:</b> <ul style="list-style-type: none"> <li>Updated Business register (active and passive units separated, updated list of entrepreneurs available) ready for the implementation of institutional sectors.</li> <li>Full cooperation among all involved partners established (the state and Entity statistical institutes, CBBH and ministries of finance at the state and entity levels)</li> </ul>	
<b>2. Business Statistics</b> 2.1. <b>Statistical Business Register/SBR</b> further improved in line with EU SBR Regulation  2.2. <b>Structural Business Statistics/SBS</b> further developed in line with EU standards	<ul style="list-style-type: none"> <li>Supplemented methodology for improvement of SBR available</li> <li>Information on Enterprise Groups (EG) units available in SBR.</li> <li>Institutional sectors code assigned to the SBR units.</li> <li>Analysis of Business Demography (BD) possible</li> <li>Supporting methodological documentation developed</li> </ul> <ul style="list-style-type: none"> <li>Methodologies for SBS Business Services and Business Demography available.</li> </ul>	<ul style="list-style-type: none"> <li>Business register in use by NA and as a sample frame for all BS surveys</li> <li>Web, publications</li> <li>Reports</li> <li>Methodology for SBR published</li> </ul> <ul style="list-style-type: none"> <li>Methodologies on SBS statistics published on web, in publication</li> </ul>		<b>In Business statistics</b> <ul style="list-style-type: none"> <li>SBR available and developed in accordance with current EU legislation.</li> <li>Following data sources available for statistics: For the state level: VAT base – ALICE – (holder: Indirect Taxation Authority); For the entity level : Single system for registration, control and collection of taxes and contributions (holders: in FBiH Taxation Authority and in RS Taxation Authority);</li> </ul>	

2.3. <b>Short Term Statistics/STS</b> further developed	New SBS variables on Business Services and Business Demography compiled and available. Supporting methodological documentation developed Methodology developed STS indicators on construction costs and building permits, produced and compiled by Q4 2015;  New STS methodologies available	New SBS variables on web, in applications  Construction cost indices, and building permits data on web, in publications  Methodologies on STS Construction Statistics published (web, publications)	Single register of financial reports (holders: in FBiH FIA/Sarajevo and in RS AFIP).
<b>3. Financial Accounts (CBBH)</b>  Preparations for implementation of Financial Account statistics in line with the EU standards fully completed	Methodology for compilation of financial account data for BiH based on ESA2010 prepared;  Annual pilot data compiled and disseminated on financial accounts for BiH by the end of the project;	Web, publications  Methodology (or manual) for compilation of financial account data for BiH based on ESA2010 available  A set of reporting templates for each different sector as defined under ESA2010 developed and available	Full inter-institutional cooperation between all relevant stakeholders in BiH and relevant data available to the CBBH
<b>4. ESSPROS</b> ESSPROS Pilot survey is conducted and assessed in BiH	Analysis of local settings conducted and links with other statistics and national accounts statistics defined ESSPROS methodologies available Results of pilot survey available in Q3 2015; More data on social protection available	Web, publications	Close cooperation with relevant institutions established and existing data available to the statistics.
<b>5 Agriculture</b>  Agricultural census successfully conducted and results disseminated	All necessary preparations in place in Q2 2014 to conduct a full-scale agricultural census (I phase); All instruments for conducting agriculture census prepared in line with EU and FAO recommendations finalised in Q2 2014;  Agricultural census conducted successfully (II – phase) in 2014;  The results of the Agricultural Census disseminated (III phase) and sent to Eurostat in 2015 (preliminary results);	web, publications      web, publications, reports	Census of Population, Households and dwellings conducted Census Legislation adopted Budget for Agriculture Census available
<b>Activities to achieve results</b>	<b>Means / contracts</b>	<b>Costs</b>	<b>Assumptions</b>
Activities to achieve Result 1  Introduction of sectors and sub-sectors of BiH economy according to the SNA 2008/ESA 2010 Support in allocation of units to sectors and sub-sectors (practical solving of dilemmas and giving recommendation regarding application of criteria for grouping units) Preparation of guidelines for allocation of units in	Twinning  Duration of NA – 24 months LTE for sectorization	Twinning Covenant for 4 components total EUR 1000 000	

<p>sectors and sub-sectors  Training of the staff for implementation of the SNA 2008 and ESA 2010 methodologies  Support in practical implementation of new methodologies  Development of methodology (list of required methodological material, timetable of activities...)</p>	<p>Pool of STEs for NA</p>		
<p>Activities to achieve Result 2.1</p> <p>Analysis of the current situation  Support in preparation of methodology and practical guidelines to be used for determining and allocating “institutional sector” codes to all SBR units and for standard updating.  Support in preparation of methodology and practical guidelines to be used for construction, observation and updating of the “enterprise group” characteristics in SBR.  Support in preparation of methodology and practical guidelines to be used for setting up, regular collecting and updating of necessary data in the SBR for compilation of SBS “business demography” characteristics.  Training of statisticians</p> <p>Activities to achieve Result 2.2:</p> <p>Analysis of the data source for compilation of structural variables for business services (Annex VIII SBS) and business demography characteristics (Annex IX SBS).  Preparation of methodological materials  Analysis of experimental surveys results and preparation of regular ones  Preparation of methodological materials and practical guidelines  Training of statisticians</p> <p>Activities to achieve Result 2.3:</p> <p>Preparation of methodological materials for compilation of the Construction Cost indices; setting</p>	<p>Twinning, 24 months</p> <p>LTE for SBR  Pool of STEs for BS</p> <p>Twinning  Pool for STEs for SBS</p> <p>Pool of STEs for STS</p>		

<p>up the surveys (sources); conducting the surveys, analyses of the results</p> <p>Preparation of methodological materials for compilation of the Building permits in Construction; setting up the surveys/sources; conducting surveys and analyses of results</p> <p>Training of statisticians</p>			
<p>Activities to achieve Result 3:</p> <p>Analysis of the data source for compilation of financial accounts</p> <p>Preparation of methodological materials for compilation of financial accounts</p> <p>Development of full sequence of financial account tables</p> <p>Production and analysis of pilot data set for BiH financial accounts</p> <p>Support in development of IT application and training of staff</p>	<p>Twinning</p> <p>Financial Accounts statistics CBBH</p> <p>Duration – 24 months</p> <p>Pool of STEs experts for financial statistics</p>	<p>Financial Accounts statistics CBBH</p>	<p>Adequate training of the CBBH staff continued</p>
<p>Activities to achieve Result 4:</p> <p>Analysis of the social protection system in BiH and Identification and classification of social protection schemes</p> <p>Theoretical and practical training of the statistical staff</p> <p>Preparation of methodological material</p> <p>Support in preparation and implementation of Pilot survey</p> <p>Data processing and analysis of the pilot Survey results.</p>	<p>Twinning, 24 months</p> <p>LTE expert for social statistics</p> <p>STE expert for social statistics</p>		
<p>Activities to achieve Result 5</p> <p>First phase</p> <p>Analysis, assessment and up-date of all data resources</p> <p>Training of staff and support in preparation of various documentation relevant for the AC</p> <p>Support in preparation of all census methodology documentation (guidelines, questionnaires, activity plan, training material...)</p> <p>Support and training of methodologists and IT staff</p>	<p>Service contract Agriculture- duration 18 months:</p> <p>1 LTE for agriculture statistics (12 months).</p> <p>Pool of Short Term Experts: (6-9 months)</p>	<p>Service contract for agriculture total EUR 1 000 000</p> <p>Co-financing EUR 100 000</p>	

<p>in use of IT tools          Printing of census material, training of enumerators, controllers and supervisors</p> <p>Second phase          Support and ad hoc assistance to census bureaus during field work</p> <p>Third phase          Training of staff and support in dissemination activities (preparation and publishing of preliminary data on AC, publishing summary data of AC, first and second volume; data for transmission to Eurostat)</p> <p>Dissemination of census results</p>			
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## **ANNEX 2: Description of Institutional Framework**

The project will be implemented under the management and supervision of the Project Steering Committee (PSC) that will review progress, give guidance and meet at a frequency that is deemed necessary (quarterly unless otherwise decided) and/or use other means of communication. The Project Steering Committee shall ensure the proper development and coherence of the project implementation, validation of methodology and results, planning the time schedule of the project. The PSC is responsible for approving the project progress reports.

The PSC structure is expected to consist of representatives of all participating beneficiary institutions - stakeholders, a representative of the DEU, resident twinning adviser.

### **Stakeholders analysis**

A number of other institutions will be relevant for implementation of the project activities. They have different stakeholders' roles: as suppliers of data to the statistical system, as users of statistical information, both as a suppliers of data and users of statistical information. Since the entity statistical institutes directly cooperate with relevant institutions at the entity level and since those institutions are not entirely the same in both entities, the list of stakeholders for statistics is long. The most important are the following institutions:

**BiH State level:** Indirect Taxation Authority, Agency for Insurance of BiH, Central Bank of Bosnia and Herzegovina, Ministry of Foreign Trade and Economic Relations (MOFTER)

Directorate for Economic Planning (DEP), Foreign Investment Promotion Agency (FIPA)

Ministry of Civil Affairs of BiH

**Entity level – RS:** APIF - Agency for Financial Intermediation, IT and Financial Services

Ministry of Finance, Tax Administration, Ministry of Refugees and Displaced Persons, Ministry of Health and Social Welfare, Public Health Institute, Health Centre Banja Luka,

Ministry of Labour and Veterans, Pension and Disability Insurance Fund, Public Fund for Child Protection, Centres for Social Welfare, Ministry of Agriculture, Forestry and Water Management and Humanitarian organisations.

**Entity level – FBiH:** Tax Administration, Federal Ministry of Displaced Persons and Refugees, Ministry of Health, Institute for Public Health, Ministry of Labour and Social Policy, Federal Ministry of Agriculture, Water Management and Forestry, Federal Information Agency – FIA, Ministry of Finance, Ministry of Justice, Federal Ministry of the War Veterans, Federal Pension and Disability Institute PIO/MIO, Humanitarian organisations at the level of Federation of BiH

## **ANNEX 4: Details per EU funded contract**

### **1) Twinning:**

The project will be implemented through a Twinning Contract in the following areas:

#### **Assistance for National Accounts (sectorisation) component: 24 months**

LTE for NA/sectorisation

LTE for NA/ training to implement SNA 2008/ESA 2010

#### **Assistance for Business Statistics-duration 24 months:**

LTE for Business register

Pool of STEs for SBS and STS

**Assistance for Financial Accounts statistics-** 24 months: pool of STEs

**Assistance for ESSPROS** – 24 months pool of STS

### **2) Service contract Agriculture- duration 18 months**

1 LTE for agriculture statistics (12 months).

Pool of Short Term Experts: (6-9 months)

The project will be implemented through a Technical Assistance Contract. The Contractor shall support state and entity's Agency/Institute for Statistics in developing their institutional capacity related agriculture statistics.

## **ANNEX 5: Project visibility activities**

The project will carry out appropriate visibility activities to ensure wide dissemination of results and benefits; this will be done in line with EC visibility guidelines in force.