

IPA National Programme 2008 Part II – Bosnia and Herzegovina
Amended Project Fiche 13 – Support to State and Entity Statistical Institutions

1. Basic information

- 1.1. CRIS Number:** 2008/20-339
- 1.2. Title:** Support to State and Entity Statistical Institutions
- 1.3. ELARG Statistical code:** 03.18 European Standards / Statistics
- 1.4. Location:** Bosnia and Herzegovina

Implementing arrangements:

- 1.5. Contracting Authority:** Delegation of the European Commission to BiH
- 1.6. Implementing Agency:** Delegation of the European Commission to BiH
- 1.7. Beneficiary (including details of project manager):**

Primary:

Agency for Statistics of Bosnia and Herzegovina (BHAS) Sarajevo, including Branch Office in Brcko District

Secondary:

Institute for Statistics of Federation of Bosnia and Herzegovina, Sarajevo (FIS)

Institute for Statistics of Republika Srpska, Banja Luka (RSIS)

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Financing:

1.8. Overall cost (VAT excluded): EUR 2,144,000 + approximately EUR 1,675,207 (SEK 17,000,000 using the average monthly exchange rate on 17/09/2009)

1.9. EU contribution: 2,000,000 EUR + approximately EUR 1,675,207 (SEK 17,000,000 using the average monthly exchange rate on 17/09/2009)

1.10. Final date for contracting: Two years following the date of conclusion of the Financing Agreement

1.11. Final date for execution of contracts: Two years following the end date of contracting

1.12. Final date for disbursements: One year following the end date for the execution of contracts

2. Overall Objective and Project Purpose

2.1. Overall Objective:

To strengthen the BiH statistical system, improve the production of harmonised statistical data for the state level, and strengthen inter-institutional cooperation

2.2. Project purpose:

The development of horizontal cooperation and institutional capacities for:

- conducting the population census
- the improvement of the business statistics production and establishing preconditions for the regular production of data according to the EU standards
- for conducting the extended version of Household Budget Survey (HBS)
- strengthening the institutional capacities of BiH Statistics

2.3. Link with AP/NPAA / EP/ SAA

The European Partnership 2007, Short-term priorities, European standards:

“- Implement the agreement between the Entities in the statistical system on improvement of the work of the Central Statistical Agency in Bosnia and Herzegovina and improve the range and quality of statistics, in particular at State level.” ...

- Establish the legislative framework necessary for carrying out the population census. Agree on a target date for the census and start preparations for implementing it.”

The European Partnership 2007, Medium-term priorities, European standards, Sectoral policies:

*“- Develop reliable economic statistics and build up institutional capacity to produce and publish basic statistical data harmonised with European standards, in particular in the areas of national accounts, agricultural, macro-economic **and business statistics**, and social statistics, including education, labour and health statistics*

- Carry out the population census”*

2.4. Link with MIPD

Objectives

Harmonise national statistical systems with the EU *acquis*

Strategic choices

Reliable and comparable statistics are indispensable for managing the association processes with the candidate and potential candidate countries and territories. This concerns in particular key statistics in the Beneficiaries concerning population, foreign trade, prices, national accounts, agriculture and rural development, industry, migration,

environment and labour market. In addition, assistance to the statistical sector will facilitate the improvement of data collection by the respective National Statistical Institutes, approximation with the EU *acquis* in various statistical areas (external trade, purchasing power parities, migration, business, etc.), increase confidence in official statistics and raise the public profile of the National Statistics Institutes as part of institution building.

The impact of actions in this area is reinforced when they are based on common approaches across the Beneficiaries and when harmonised with approaches taken in the EU Member States. In addition, the implementation of these activities through established centralised structures achieves economies of scale. The implementation of the activities under the Multi-beneficiary statistical cooperation programme is fully compatible with the national development plans concerning the statistical system where these are in place. This Multi-beneficiary statistical cooperation programme is designed in parallel with the complementary country-specific support for statistics provided by the national IPA programmes. The Multi-beneficiary statistical cooperation programme ensures coordination among Beneficiaries and is the instrument for ensuring the transfer of knowledge, the respect of common standards and the production of comparable statistics. In parallel, the national IPA programmes cover country-specific actions and the implementation of major statistics at national level. Both programmes are necessary to help achieve the objectives set out in the national development plans.

Expected results

Greater competence and awareness among Beneficiaries' officials on how to implement EU *acquis*; Improved quality of statistical data.

2.5. Link with National Development Plan

Multi-annual Programme of the BiH Statistics for 2005-2008 and the new Multi-annual Programme of the BiH Statistics for 2009-2012 (in preparation) define:

-Preparation for and conducting the Population and Housing Census as a high priority in demography statistics."

Among other tasks it is necessary to do as follows:

"...to define the coverage of the Census; to prepare all necessary maps, data entry and controls programme; to develop all the necessary classifications and codices, implement a pilot census, draft a Law on Census. ...

*- Development of business statistics is one of the key priorities and adoption and use of *acquis* in all statistical fields..."*

3. Description of project

3.1. Background and justification:

Background information

The statistical system in Bosnia and Herzegovina reflects the complex institutional structure of the state. Currently there are three statistical institutions in BiH, one at State level (BHAS) and two at Entity level. The last 2007 Progress Report for Bosnia and Herzegovina (4.2.8 Statistics) describes the situation of the Statistics system as follows (4.2.8 Statistics)

“The statistical system in Bosnia and Herzegovina remains weak and does not fully meet national and international requirements. Problems with production of statistics are amplified by the complicated institutional set-up and poor cooperation between Entity and State-level institutions. Priority has to be given to statistics on external trade, national accounts and business. Greater efforts have to be made on dissemination of statistics. Better and institutionalised coordination is required between the three statistics institutes, combined with better cooperation with other producers of statistics.”

In general, there is a lack of harmonisation of methodologies used in three statistical institutes for the collection and production of statistical data. The coordination between these statistical institutions has to be improved and based on the Agreement, on the implementation of harmonised methodologies and standards in preparing the statistical data, signed in 2006.

This is also one of preconditions for improving the *“range and quality of statistics in particular at State level”* (The European Partnership 2007, Short-term priority).

Implementation of CARDS 2005 Twinning project proved that all common activities provide opportunity for closer cooperation based on regular meetings and searching for common solutions on different issues. It contributes to high level of harmonization and better results.

The CARDS 2005 Twinning project is in final phase of the implementation and should be finished by the end of November 2008. It consists of seven components, very complex and demanding for implementation. (More detailed information on this is given in 3.6 Linked activities). Throughout the implementation process many challenges have been faced but achieved results will significantly contribute to the improvement of BiH statistics.

Therefore, the important aspect of the IPA 2008 project is organization of common meetings, workshops, seminars, etc.

The IPA 2008 project is aimed to support capacity development in all three institutions and improve statistical production.

Some of the proposed statistical areas have been part of the activities in Twinning and some are new.

Three statistical institutions in BiH, coordinated by Agency for Statistics defined list of priorities for new projects that should be funded by IPA 2008.

Continuation of preparation for the Population census and further improvement in business statistics area were chosen between other priorities.

The exception is the Extended HBS (methodological and analytical training for conducting an Extended Household Budget Survey). Work on developing and testing the “poverty module” that will be added onto the Household Budget Survey (and potentially other future surveys) will be undertaken in the period June 2009 to February 2010. This phase of work will be supported by DFID and the World Bank. This phase of work includes developing the module, consultation with data users, an extensive pilot and evaluation of the pilot. Assuming that extending the HBS produces reliable, useful information and that adding the module does not have a detrimental effect on the core HBS the new module will be added to the HBS. The IPA funds within this fiche would then be used to continue to monitor the impact of the new module on the core HBS, to analysis the new data within the module and HBS itself and document and publicise the data.

As the Agency for Statistics is responsible for methodology development at the state level and IPA 2008 should provide methodological and analytical training and TA in relation to documenting and releasing the data via the web etc, the main beneficiary among statistical institutions for this component will be BHAS. The Central Bank of BiH and Directorate for Economic Planning Support gave support for implementation of the EHBS. Overview of the current status in proposed areas, in other words the future components of the project:

1) PREPARATION FOR POPULATION CENSUS IN BIH – phase 2 as a continuation of the activities defined by project financed through IPA 2007.

The Population and Housing Census is one of the most important activities of official statistics and one of the most important data resources for the society in general.

Preparation for the Population Census is a long-term process and continuous support has to be provided for BH statistical system in order to be ready for the conduct of Population Census in 2011.

In the same time these activities should help in building up statistical capacities in all three institutions and strengthening the importance and coordination role of the state level institution (Agency for Statistics of Bosnia and Herzegovina).

The Census of Population, Households and Dwellings will be conducted throughout the whole territory of Bosnia and Herzegovina and will cover the total number of basic units of enumeration.

The last Census in BiH was conducted in 1991. As countries in the Region are planning the next Census for 2011 and this year should be choice for BiH as well. Considering the twenty year interval and earlier events (War 92-96 in BiH) it is clear that the BiH statistical system needs to make a great effort to prepare for this activity. Involvement of international community especially of EU is necessary to provide technical assistance and ensure obtaining relevant and recognised results.

Activity plan for implementation of Census activities has been drafted within Term of References for IPA 2007.

IPA 2007- phase I, anticipated the first phase of preparation activities. The foreseen results of this project are the establishment of an organizational structure for conducting a Population Census, an action plan for the Census, a Draft Methodology for Census (questionnaires, manuals), defining cartography, a list of equipment necessary for conducting the Census and an agreed mechanism for monitoring.

The IPA 2008 project should be a direct continuation of the first phase of the project and planned activities are to conduct the Pilot Census and to make revision of methodology and complementary documentation accordingly.

The commencement of the first phase will in great extent determine dynamics and content of the activities in the phase 2.

The implementation of this project was to start in the middle of 2008 but it is delayed as a result of slow progress with the Financing Agreement.

The political decision on the official start of the preparations for the Population Census and the exact year when the Census will take place in Bosnia and Herzegovina has not been made yet. Regardless of this it is necessary to perform technical preparations.

IPA allows for parallel financing of projects together with other donors. This provides an opportunity of synergising efforts in addressing certain national or sectoral priorities and providing assistance through a more coherent framework. It also allows for maximising the effects of assistance through avoiding overlapping and reducing the burden on the Beneficiaries.

As a result, the EC Delegation to BiH and the Swedish International Development Agency (Sida) in BiH have reached an agreement on parallel financing of assistance to the three statistical institutions of Bosnia and Herzegovina for the preparatory activities related to the planned 2011 Population and Housing Census in BiH.

Accordingly, Sida has decided to contribute a total of 17,000,000 SEK which amounts to approximately EUR 1,675,207 (using the average monthly exchange rate on 17/09/2009) to the IPA 2008 funds allocated for statistics and more specifically technical assistance for Census preparatory activities.

The project will be implemented through a Transfer Agreement to be concluded between Sida and the European Commission. A Transfer Agreement has been drafted and agreed with Sida and is awaiting final approval and signature.

2) FURTHER DEVELOPMENT OF BUSINESS STATISTICS

This (IPA 2008) project can be seen as a follow up of the CARDS 2005 Twinning project in these areas. Twinning project should be finished in November 2008. Some processes have started but it will be necessary to continue further development of methodologies and training of statisticians.

The IPA 2008 component for business statistics and business register is divided in three sub-components:

1 – Business register

2 - Structural Business Statistics (SBS)

2 - Short term statistics (STS)

The legal basis (Council Regulations) is different for these three areas but they are connected: SBS and STS are related to economic activities of enterprises and their infrastructure is the same (classifications: NACE, CPA). Statistical Business register should provide sample frame for surveys in both SBS and STS.

The common objective is further improvement of business statistics (BS) production, including both Structural Business Statistics (SBS) and short term statistics (STS) indicators, with respect to data quality, coverage, and comparability issues, with the aim of establishing a harmonized framework for the production of statistics and indicators, in line with the European and International standards, and to ensure the sustainability of results.

The project should help in improving the main blocks of the system of business statistics by focusing on SBS and starting with new components of STS: construction, retail trade, services, and tourism.

The starting activity for all three projects should be an overview of existing situation.

2.1. Improvement and development of Statistical Business Register (SBR)

The Statistical Business Register (BR) component will be a follow up of CARDS 2005 Twinning activities and the work that will be done before the IPA 2008 project starts.

Filling and updating of BR for Business Statistics will be permanent task for statisticians in BIH. BR system should ensure the development of the coherent business statistics through establishing the common base.

After completion of the CARDS Twinning project the system for Statistical Business Register will be established and the initial data will be entered. Activity plan (or at least recommendations) for further actions and establishing functional BR and its use will be prepared.

Accordingly, IPA 2008 activities shall include: further training of staff, primarily register users, development of sampling methodology and revision of existing procedures and establishing the new ones.

Statisticians from three statistical institutions will be further acquainted with the European standards, needs of BR and procedures for the use and maintenance.

These activities should be guided and monitored by international experts and implemented in close cooperation of staff from the three institutions.

2.2. Development of the Structural Business Statistics (SBS)

The SBS component is aimed to establish a comprehensive framework covering through a correct sample design the whole business sector and according to the EU standards (Council Regulation No: 58/97/EC)

A great number of the indicators on economic activities of the enterprises are not produced by BIH statistical system and some that are produced are not harmonised with

the *Acquis*. Therefore, it is necessary to improve business statistics in relation to coverage, methodological harmonization, and the quantity and quality of produced data. Improvement needs to be obtained through the process of redesigning of the existing surveys and including the new ones. New statistical surveys should be implemented under the single methodological frame in line with SBS Council regulation (EC) No 58/97 and its amendments and annexes. The regulation has 9 annexes.

Complete implementation of the SBS Regulative is a long-term statistical process. The plan for IPA 2008 is to implement the first phase that covers SBS annexes from I to IV (activities C, D, E, F, G, H, and I) and only annual series of data. SBS annexes from V to IX and multi-yearly series of data from annexes I to IV are planned for the future phases.

Technical assistance is needed in all phases of work, starting with the staff training, development methodology including design of survey questionnaire, conducting survey and dissemination of results. Monitoring the entire process and providing practical assistance in solving possible problems is expected from experts too.

Statistical institutions are responsible to provide funds for the survey fieldwork.

2.3. Improvement in the production of the tourism and short-term indicators

The STS sub-component aims to harmonize existing methodologies with the EU standards and to enable production of indices (nominal and real, seasonal and adjusted seasonal, volume, production index...). It is important to stress that these components of short-term statistics were not supported by any donors' activities so far.

A great number of indicators in the area of Short-term Statistics (STS) and Tourism are not produced in BiH. Those that are produced in BiH are partially adjusted to the EU standards (in the sense of prescribed definitions, classifications and methods). Therefore, the improvement of the STS is necessary especially regarding coverage and methodological harmonization.

Statistics of Constructions and Services will be covered through this component.

2.3.1. Construction

Housing Policy and Housing in transition countries are becoming more important every day. Area on Housing becomes one of the most complex issue related to development and statistical data are necessary. They would help in creating comparative studies on development in the housing area.

Presently there is the lack of relevant statistical data in this area. The plan for this component is to perform the training for staff and preparation of the methodologies as a base for conducting the survey. The final result will be production of specific number of indicators (hours worked, orders, production index – monthly and quarterly) in line with EU regulations.

2.3.2. Services (retail trade, distributive trade and catering short-term indicators; tourism statistics indicators)

The services become ever more important since they have a great role in the process of employment and creation of GDP of country. It is necessary to collect statistical data that would help in creating comparative studies in this area.

Considering that BiH did not have any projects and donors' funding in the area of services, it will be important to take some action to improve and strengthen the production of basic statistical data from this area in line with European standards.

3) THE EXTENDED HOUSEHOLD BUDGET SURVEY (EHBS)

Key surveys currently used to measure poverty and social exclusion in the EU are the Household Budget Survey (HBS), Labour Force Survey (LFS) and Statistics on Income and Living Conditions (SILC). The World Bank uses the Living Standards Measurement Survey (LSMS). The consumption module at the core of the LSMS is not as detailed as HBS and does not use COICOP. It contains a range of other modules from which countries choose those of most interest to them. The most popular are the modules on education, health and employment, but there are many others (migration, agriculture etc).

The purpose is to help the Agency for Statistics of Bosnia and Herzegovina to develop and improve the technical and organisational capacity to design and be able to implement surveys in the field of income and living conditions (with the goal of achieving a standard comparable to the EU-format of SILC), for which data in Bosnia and Herzegovina are missing.

The Extended HBS will provide basic statistical data for better planning and creating of social and economic policies at all administrative levels in Bosnia and Herzegovina. In the case of Bosnia and Herzegovina this is more important if we take into consideration the fact that no survey related to the income and living standard measurement was conducted after "Living in BIH" 2004.

Bosnia and Herzegovina is in the European integration process that requires, among many other conditions, the development of the relevant statistical system at the country level. Since 2000 BIH statistical institutes started with survey activities in order to provide household level data and, until now, they built a core of few main statistical surveys which should be enriched with the modern survey according the latest practice of member states. The introduction of an Extended HBS compatible with EU-SILK is an initial step in this process. The final objective is to produce all necessary survey instruments in order to be prepared for the conduction of the EU-SILC in the nearest future.

At the same time these activities should help in building up statistical capacities and strengthening the importance and coordination role of the state level institution (Agency for Statistics of Bosnia and Herzegovina).

Activities will include: Monitoring, through analysis, the data from the new module and its impact, if any, on the core HBS data, documenting the new data and publicising it to potential data users.

All phases of preparation activities should be implemented through the IPA 2008 project.

4) STRENGTHENING THE INSTITUTIONAL CAPACITY FOR BiH STATISTICS

The importance of this component to strengthen the institutional capacity for BiH as a whole is high. This horizontal component should stimulate practical co-operation between the three institutions. Such co-operation requires the furthering of the common IT infrastructure, the maintenance of common meeting platforms, and common access for the statistical managers in BiH to experience and know-how in the organisation, co-ordination and implementation of statistical work. It also requires for the statistical staff in the different Statistical Institutions the availability of joint training and other learning experiences to acquire the same knowledge on harmonised methods, and the same practical experience to apply these harmonised methods. The subcomponents listed below make crucial contributions to a stronger national statistical system for BiH as a whole.

(a) Facilitate and provide practical workshops and training in BiH, covering (sub)components of the Programme. This requires the design and delivery of specific hands-on training and the organization of workshops. Training and workshops should provide the participants with practical know-how and skills in their area of work.

(b) Facilitate and organise study visits for staff of the three BiH Statistical institutions to Statistical Agencies of Member States. These study visits should provide BiH staff with a good understanding of best practices in their statistical field; they should cover relevant (sub)components of the Programme.

(c) Provide advice and support for the publication and dissemination of statistics and statistical methodology resulting from the programme components

(d) Development of a web-dissemination system for statistics of BiH and assistance in implementation of IT strategy.

5) MONITORING OPERATION OF THE POPULATION AND HOUSING CENSUS IN BiH

A pilot census is planned for the second quarter of 2010 in order to test the methodology of the census and the capacity of the BHAS and two entity statistical institutions to run it.

A complete census monitoring cannot consist on a mere field observation; it has to make sure that the entire census operation is adequate, accurate and legitimate. Hence, a census monitoring should:

- Ensure that a proper institutional and legal framework has been put in place by the country (The drafting, promulgation and acceptance of the Census Law).
- Ensure that sufficient resources, human, material and financial, are allocated and available for properly conducting a population census.
- Ensure that the statistical agencies can work in full independence, free from political influence and with the professionalism required.
- Ensure that the census operations, which must include the preparatory work, the enumeration, the processing and disseminating of data, is carried out in compliance with international standards and methods, as published by the United Nations and Eurostat, and in accordance with internationally recognized good statistical practises.
- Be accessible to the public, and to all ethnic, religious and other groups in the country, and consider the merits of any concerns that they indicate that they have about the census, in an effort to increase public confidence in the census.

- Provide confidence to the population, in the census operations, and in particular in the enumeration phase, and in the census results.

The monitoring body should advise, guide and assure that the BiH Agency for Statistics in cooperation with the two entity statistical institutes is conducting the census in accordance with international recommendations for censuses, EU guidelines, and in accordance with internationally recognized good statistical practices, and provide all ethnic communities, religious groups and other groups in the country with assurances that the census will be conducted in a fair and equitable manner, and not favour any group at the expense of others.

It is estimated that the International Monitoring Operation (IMO) would cost approximately EUR 700,000. The IMO shall be realised through a joint management contribution agreement with the Council of Europe.

3.2 Assessment of Project Impact

1. The second phase of the IPA 2008 project for the preparation of the Census activities is planned to be the final stage. Once the Pilot Census is conducted, the documentation for conducting the Census will be revised and finalised and the infrastructure is ready. That will be the point where the statistical system will be considered prepared and ready for the Census conduction.

2.1 The Statistical Business Register will be functional and will be used in daily statistical activities by business and other statisticians and will serve as a framework for survey sampling and provide reliable statistics for investors and research alike and will enable to make appropriate policy adjustments and monitor progress.

2.2 Statistical system in BIH should have: a) single SBS methodology developed, including sampling techniques; b) annual survey with the variables and definitions in line with EU requirements (SBS Annexes I to IV) established; c) SBS data base with all basic information formed; d) process of analysis, checking and comparing of structural indicators established; and e) published and survey results.

SBS includes a great number of detailed data on business activities and in that way create a possibility for improvement of other business statistics, national account statistics and statistical business register.

2.3 Short-term statistics in selected areas as well as in tourism will be further developed. Implemented surveys will provide basis for calculation and production of STS and tourism indicators harmonised with EU. The collected data are important for relevant ministries and responsible institutions both on entity and state level for planning and strategy development.

3. The capacity to conduct the EHBS and its implementation will contribute to:

- improve current household expenditure data: this would serve the purpose of providing statistics for national accounts as well as on private household consumption—this is the type of data currently covered by Household Budget Survey, carried in 2004 and 2007;
- provide information on social and standard of living conditions—this type of data is currently not available, as the only similar survey was carried in 2001 as a

Living Standard Measurement Survey (LSMS) and then conducted as a panel survey – The Living in BiH survey – for three years in the period from 2002 to 2004.

- provide information on income conditions—this type of data is currently estimated from the LSMS 2001, LiBiH 2002-2004 and the HBS.

3.3. Results and measurable indicators:

Main results to be achieved within the project:

R1. Staff trained and all documentation necessary for conducting the population census prepared.

Indicators: Pilot census conducted; results analysed and documentation revised.

R2.1 Quality of the Statistical Business Register (SBR) improved and SBR is used in every day statistical activities.

Indicators: SBR is used in every day statistical activities; Sampling methodology developed; Statisticians who are running surveys trained.

R2.2 Annual survey established and Structural Business Statistics (SBS) indicators produced (in line with EU standards).

Indicators: SBS indicators produced, survey conducted, results analysed, methodology developed.

R2.3 Relevant business statistics improved and tourism and short-term indicators (STS) harmonised with EU standards.

Indicators: Tourism and STS indicators for Constructions and Services (Retail trade, distributive trade, catering) produced; Methodology developed, Surveys conducted.

R3. Staff trained able to implementing new modules in field, Good quality data cleaning, analysis and dissemination of EBHS

Indicators: Statistical Institutes staff are able to train interviewing staff, have the necessary capacity to take the survey to the field and have the necessary technical and computing capacity to analyse the data, including the effect of adding the new module. Good quality dissemination strategy and products prepared, including metadata..

R4. Improved cooperation between the producers and users of national statistics, including exchange of data and formal cooperation in empirical and methodological work; Implement IT Strategy.

R5. Establishing an International Monitoring Operation

Indicators:

Formalized working relationships between the BHAS and two entity statistics institutions with regards to Census implementation; Legal framework in place for carrying out the Census; Sufficient resources, human, material and financial, are allocated and available; Reports on implementation of UN and Eurostat recommendations during preparations and during implementation of the Census.

The abovementioned results shall be achieved through following contracts:

For result 1: One Service contract valued at approximately EUR 1,675,207 (SEK 17,000,000 using the average monthly exchange rate on 17/09/2009) with a duration of 24 months.

For results 2 - 4: One Twinning contract valued at EUR 1,300,000 with a duration of 24 months.

For result 5: One Contribution Agreement with the Council of Europe valued at EUR 700,000 with a duration of 36 months.

3.4 Activities:

For the result 1:

A1.1. Training of staff (based on previously determined needs – phase 1 of the project)

A1.2. Preparation and conducting of pilot census

A1.3. Analyses of the results and revision of necessary documentation for the census.

A1.4. Delivery of equipment

For the results 2:

A2.1. Training of staff (primarily register users)

A2.2. Development of (sampling) methodology and definition of quality standards

A2.3. Revision of the existing procedures and establishing the new ones for maintaining and updating of Business Register (BR)

For the result 3:

A3.1. Training of field staff in implementing new module, documentation of training material provided for future training courses.

A3.2. Support provided on good quality sampling, collecting and data entry (including design of micro data database).

A3.3. Support provided on good monitoring of data quality through data collection and post data collection stages, include data cleaning and analytical work. Support provided on analysis the effect on of the new module.

A3.4. Support provided to produce good quality dissemination strategy and products.

For the result 4:

A4.1. Training of staff and development of the methodology

A4.2. Monitoring of the whole process

Note: For results R2, R3, and R4 statistical institutions will cover the cost of surveys' implementation.

For result 5:

A5.1. Ensure that institutional and legal framework has been put in place by the country

A5.2. Ensure that sufficient resources, human, material and financial, are allocated and available for properly conducting a population census

A5.3. Ensure that the statistical agencies can work in full independence, free from political influence and with the professionalism required

A5.4. Ensure that the census operations are carried out in compliance with international standards and methods, as published by the United Nations and Eurostat, and in accordance with internationally recognized good statistical practises.

Since each survey is a comprehensive activity, IPA 2008 project needs to ensure professional training, monitoring and practical support. The experts will accordingly enable the statisticians to continue the regular implementation of surveys in future. Additionally, staff needs to be trained for designing and implementation of new surveys.

IPA experts train BIH statistical staff, provide professional help for specific tasks and monitor all phases of the process of creating and conducting the survey.

3.5. Conditionality and sequencing

There are some activities that need to be finalized before implementation of the IPA 2008 can commence.

CARDS 2005 Twinning Project should be successfully finished and work in certain areas has to be carefully planned and continued (Business register and Structural Business Statistics).

Statistical data are being collected through statistical surveys based on administrative register that gives us incorrect statistics on units. Instead of partial coverage of statistical units that has been used up to now, it is necessary, according to the methodology, to establish statistical register. Established statistical register would be base for creating representative sample.

The IPA 2007 Technical Assistance project to assist in the preparation for the Census worth EUR 500,000 should commence in autumn of 2009. The project is intended to address the immediate needs related to Census preparatory activities (establishment of Census Bureaus in all three institutions) as a precursor to the IPA 2008 project.

Concrete actions related to Census preparatory activities and conducting the Census are dependent on passing of the Law on Census which has been drafted and is currently being deliberated.

3.6 Linked activities

The most important activity in relation to the IPA 2008 project is recently implemented CARDS 2005 Twinning Project. Some of its components will be further developed in IPA 2008 project.

CARDS 2005 Twinning project aims to develop and strengthen the BiH statistical system and to improve the institutional and technical capacity of the BiH Agency for Statistics, *in primis*, as well as the two Entity level statistical Institutes as main producers of official statistics in the country.

The specific objectives of the Twinning Project are: to improve data collection and harmonisation of statistical methods and statistical information between the three Statistical Institutes as well as the CBBH, in line with European standards; to improve the efficiency of national statistical systems in BiH through technical assistance and training; to increase confidence in official statistics and raise the public profile of the Statistical Institutes.

In order to achieve the mentioned objectives Twinning is divided in the following seven components: (1) National Accounts, (2) Business Registers, (3) Business Statistics, (4) External Trade Statistics, (5) Strengthening the Institutional Infrastructure of BiH Statistics Institutes, (6) Agricultural Statistics and (7) Financial sector statistics.

It is important to mention that component 3 on business statistics was further divided in three sub-components: Industrial Production Index, Producer Price Index and Structural Business Statistics due to the beneficiary needs and in order to achieve more relevant outputs.

SBS as one of the subcomponents of Business Statistics is not covered adequately. Reasons are following: inadequate planning that resulted in insufficient number of expert missions for this subcomponent, insufficient readiness of BiH statistical institutions to respond the requirements of Twinning Project.

The implementation of the project started in August 2006 and has concluded in November 2008.

The contract financed by national authorities as co-financing of IPA 2008 will aim to supplement activities related to Census preparations that are not covered through the EU funded project and will be decided upon the commencement of the larger EU funded project.

3.7 Lessons learned

The positive aspect of Twinning is that enables easy access and use of (the best) experience from other more developed countries

Implementation of all projects, particularly twinning, require accurate planning of internal resources and clear definition of priorities

Its implementation detects and emphasises all internal weaknesses and problems

Future projects should be focused on limited number of statistical fields according to the defined priorities. Coordination role of the Agency has to be clearly defined and respected both by local statistical institutions and external partners. Common goals have to be agreed and confirmed by all three institutions.

The priorities setting and planning to be carefully done with the emphasis on production of the state level statistics and activities plans should be prepared accordingly. Further strengthening and development of human resources in all aspects is one of pre-requirements for successful implementation of all future projects. Good and professional cooperation should be more effective inside the statistical Institutes and between them, as well as with basic data providers.

Coordination with other donors and other programmes remains an issue to be further discussed since overlap and coordination problem occur even between projects of the same donor where beneficiary has no impact.

4 Indicative Budget (amounts in EUR)

			SOURCES OF FUNDING									
			TOTAL EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL CONTRIBUTION					PRIVATE CONTRIBUTION	
ACTIVITIES	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		1 300 000 + approx. 1 675 207*	1 300 000 + approx. 1 675 207*	100							
Twinning ctr.	X	–	1 300 000	1 300 000	100							
Service ctr. (Transfer agreement)	X	-	approx. 1 675 207*	approx. 1 675 207*	100							
Activity 2	X		144 000			144 000	100	144 000				
Service ctr.	X	–	144 000			144 000	100	144 000				
Activity 3	X		700 000	700 000	100							
Contribution agreement.	X		700 000	700 000	100							
TOTAL IB			2 144 000 + approx. 1 675 207*	2 000 000 + approx. 1 675 207*		144 000		144 000				
TOTAL INV												
TOTAL PROJECT			2 144 000 + approx. 1 675 207*	2 000 000 + approx. 1 675 207*		144 000		144 000				

Amounts net of VAT

(1) In the Activity row use "X" to identify whether IB or INV

(2) Expressed in % of the **Total** Expenditure (column (a))

(*) Contribution by Swedish International Development Agency (Sida) for an amount of approximately EUR 1,675,207 (SEK 17,000,000 using the average monthly exchange rate on 17/09/2009)

5. Indicative Implementation Schedule

Contracts	Start of Tendering	Signature of Contract	Project Completion
Contract 1 (Twinning)	3 rd Quarter 2009	2 nd quarter 2010	2 nd quarter 2012
Contract 2 (Transfer agreement)	NA	4 th quarter 2009	4 th quarter 2011
Contract 3 (Contribution agreement)	NA	4 th quarter 2009	3 rd quarter 2012

6. Cross cutting issues

6.1 Equal opportunity

The principle of non-discrimination regarding nationality, gender, religion and race will be applied during tendering, contracting and implementation of this project and all parties involved in all phases of the project will have equal opportunity.

The project will support BHAS and its partners in order to recognize and address issues of equal opportunity.

6.2 Environment

No environmental impact is expected

ANNEXES:

ANNEX I – Logical framework matrix in standard format

ANNEX II. Amounts (in EUR) Contracted and disbursed by quarter for the project

ANNEX III. Description of Institutional Framework

ANNEX IV. Reference to laws, regulations and strategic documents:

ANNEX 1 – Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche	Programme name and number: IPA 2008 National Programme Part II – Bosnia and Herzegovina – PF 13 Support to State and Entity Statistical Institutions CRIS 2008/20-339		
Project: Support to State and Entity Statistical Institutions	Contracting period expires: N+2	Disbursement period expires: N+5	
	Total budget: EUR 2,144,000 + approximately EUR 1,675,207 (SEK 17,000,000 using the average monthly exchange rate on 17/09/2009)	IPA budget: EUR 2,000,000 + approximately EUR 1,675,207 (SEK 17,000,000 using the average monthly exchange rate on 17/09/2009)	
Overall Objective	Objectively verifiable indicators	Sources of verification	
To strengthen the BIH statistical system and to improve the production of harmonised statistical data for the state level.	Business Statistics data (produced according to the EU standards) increased and improved regarding quality and coverage	Business statistics data available for policy makers and other users (published and available on web) Increased number of indicators sent to Eurostat	
Project Purpose	Objectively verifiable indicators	Sources of verification	Assumptions
The development of improved inter-institutional cooperation and the institutional capacities for: - conducting the population census - the improvement of the business statistics production and establishing preconditions for the regular production of data according to the EU standards - for conducting the Extended HBS and ultimately the SILC survey Establishing an International Monitoring Operation for the 2011 Population and Housing Census in BiH	Necessary infrastructure for conducting population census prepared (questionnaires, manuals, enumerators trained) By the end of the project implementation, a number of business statistics indicators produced Statistical Business Register is used as a framework for surveys Extended HBS conducted; results analysed and published IMO established	Documentation in place and information disseminated to the public. Data available (publications, web) Reports and recommendations	Continuous implementation of the Agreement on the implementation of harmonised methodologies and standards in preparing the statistical data (signed by statistical institutions) Adoption of a Census Law as a precondition for any formal Census related activities.
Results	Objectively verifiable indicators	Sources of verification	Assumptions
R1 Staff trained and all documentation necessary for conducting the population	Pilot census conducted; results analysed and documentation revised.	Published and available (web, publications)	Necessary statistical nomenclatures, classifications on occupations, activities,

census prepared.			etc. adopted on the state level
R2 Quality of the Statistical Business Register (SBR) improved	SBR is used in every day statistical activities. Sampling methodology developed Statisticians who are running surveys trained	Methodology available on web and in the publications; Reports on training	Data available from administrative and other sources
R3 Annual survey established and Structural Business Statistics (SBS) indicators produced (in line with EU standards)	SBS indicators produced, survey conducted, results analysed, methodology developed.	Data disseminated on web and in the publications	R3 and R4 – Resources for survey conduction provided by statistical institutions
R.4 Relevant business statistics improved and tourism and short-term indicators (STS) harmonised with EU standards	Tourism and STS indicators for Constructions and Services (Retail trade, distributive trade, catering) produced, Methodology developed,	Data disseminated (web, publications)	
R.5 Staff trained and documentation for survey prepared	Statistical Institutes staff are able to train interviewing staff, have the necessary capacity to take the survey to the field and have the necessary technical and computing capacity to analyse the data, including the effect of adding the new module. Good quality dissemination strategy and products prepared, including metadata.	Good quality survey data available. Methodology available (web, publications) Documents; Publications; Web-site	
R6. Improved cooperation between the producers and users of national statistics, including exchange of data and formal cooperation in empirical and methodological work.		Installed and tested equipment.	

R7. IMO established	Contribution Agreement with an international organisation signed	MoU	
Activities	Means	Costs	Assumptions
<p>A1.1. Training of staff (based on previously determined needs – phase 1 of the project)</p> <p>A1.2 Preparation and conducting of pilot census</p> <p>A 1.3 Analyses of the results and revision of necessary documentation for the census.</p> <p>A 2.1 Training of staff (primarily register users)</p> <p>A2.2 Development of (sampling) methodology and definition of quality standards</p> <p>A2.3 Revision of the existing procedures and establishing the new ones for maintaining and updating of Business Register (BR)</p> <p>A 3. 1 Training of staff (for all phases of survey conduction)</p> <p>A3.2 Monitoring of the whole process</p> <p>A4.1 Training of staff and development of the methodology</p> <p>A4.2 Monitoring of the whole process</p> <p>A5. Staff trained able to implementing new modules in field, Good quality data cleaning, analysis and dissemination of EBHS</p>	<p>Twinning, service contract and contribution agreement</p> <p>A5.1. Training of field staff in implementing new module, documentation of training material provided for future training courses</p> <p>A5.2 Support provided on good quality sampling, collecting and data entry (including design of micro data database)</p>	<p>EUR 2,144,000 + EUR 1,675,207 (SEK 17,000,000 using the average monthly exchange rate on 17/09/2009)</p>	<p>Continuation of the activities started in Twinning</p> <p>Global strategy for the SBS development prepared</p> <p>For all components: Sufficient number of staff in all three statistical institutions available.</p>

A6. IMO	<p>A5.3. Support provided on good monitoring of data quality through data collection and post data collection stages, include data cleaning and analytical work. Support provided on analysis the effect on of the new module.</p> <p>A5.4 Support provide to produce good quality dissemination strategy and products</p> <p>Contribution Agreement with an international organisation</p>		
			Preconditions
			Accomplishment of Twinning outputs
			IPA 2007 Project for Preparation of Population Census – phase 1 implemented

ANNEX II. Amounts (in EUR) Contracted and disbursed by quarter for the project

Contracted	4th Q/2009	1st Q/2010	2nd Q/2010	3rd Q/2010	4th Q/2010	1st Q/2011	2nd Q/2011	3rd Q/2011	4th Q/2011	2nd Q/2012
Contract 1 (twinning)			1.300.000							
Contract 2 (service - transfer agreement)			Approx. 1.675.207*							
Contract 3 (contribution agreement)	700.000									
Cumulated	700.000		2.000.000 + approx. 1.675.207*							
Disbursed	4th Q/2009	1st Q/2010	2nd Q/2010	3rd Q/2010	4th Q/2010	1st Q/2011	2nd Q/2011	3rd Q/2011	4th Q/2011	2nd Q/2012
Contract 1 (twinning)			520.000				260.000		260.000	260.000
Contract 2 (service – transfer agreement)			495.000		315.000		315.000		255.000	295.207
Contract 3 (contribution agreement)	700.000									
Cumulated	700.000		1.220.000 + approx. 495.000*		1.220.000 + approx. 810.000*		1.480.000 + approx. 1.125.000*		1.740.000 + approx. 1.380.000*	2.000.000 + approx. 1.675.207*

* Contribution by Swedish International Development Agency (Sida) for a total amount of approximately EUR 1,675,207 (SEK 17,000,000 using the average monthly exchange rate on 17/09/2009)

ANNEX III. Sequencing of survey phases

All three-project components contain activities related to the implementation of surveys (the pilot with the small sample or with full coverage); below is detailed description of all phases in a survey (phases are grouped according to the tasks):

S1. Survey organization and process management

S1.1. Work organization, division of tasks and establishing of the expert groups

S1.2. Process management (regular steps, work planning, feedback, risk assessment, testing, documenting, etc.)

S2. Survey objectives setting

S2.1. The identification of the needs and sources and survey frame establishing

S2.2. The specification of target population and variables

S2.3. Designing of basic survey schema

S3. Preparation activities for survey conducting

S3.1. The use of SBR and other sources

S3.2. The definition of survey frame, choice of sample design and assessment methods

S3.3. Survey questionnaire designing

S3.4. Organization of Pilot survey

S4. Sampling, collecting and data entry to micro data base

S4.1. Minimizing burden on reporting unit

S4.2. Minimizing non response

S4.3. Sample drawing

S4.4. Collecting and checking data

S4.5. Micro data base data entry

S5. Data processing and analysis

S5.1. Data editing

S5.2. Weighting and reweighting

S5.3. Statistical integration

S5.4. Data analysis

S6. The publication and dissemination of indicators

S6.1. Creating publication and dissemination strategies

S6.2. Creating publication profile (design, structure and content)

S6.3. Creating the metadata

ANNEX IV. Description of Institutional Framework

Statistical system in Bosnia and Herzegovina

Currently, there are three statistical institutions in the Bosnia and Herzegovina:

- the state level institution: Agency for Statistics of Bosnia and Herzegovina (BHAS) and
- two statistical institutes on entity level: Institute for Statistics of Republika Srpska and Institute for Statistics of the Federation of Bosnia and Herzegovina.

As of January 1, 2006 Statistical Bureau of Brcko District became a Branch Office of the BHAS.

Agency for Statistics of Bosnia and Herzegovina (BHAS)

Agency for Statistics was established accordingly to the Decision of the BH Council of Ministers, brought in 1998.

It is an independent, professional organization, directly accountable for its work to the BH Council of Ministers.

Adoption of the BH Law on Statistics in 2004, appointments and startup of work of BHAS management and Statistical Council, were main precondition to start with implementation of the Law and building of functional BH statistical system.

The very first step in the process was adoption of Statistical program for period 2005-2008, a strategic document that clearly identifies mission, vision, tasks, strategic area of interest as well as goals to be achieved by the side of the official statistics.

BHAS is being financed from the BH budget.

Entity statistical institutes

The Federal Institute for Statistics of the Federation of Bosnia and Herzegovina inherited infrastructure of former republics statistical institute of BH. Federal Institute for Statistics is comprised of 10 cantonal offices.

The Institute for Statistics of Republika Srpska was established in 1992.

Entity statistical institutes are being financed by their entity budgets.

Annex IV. Reference to laws, regulations and strategic documents:

Legislation

BH Law on statistics (adopted in April 2004), defines authority of the BHAS as well as relations between entity statistical institutes and BHAS.

Pursuant to the BH Law on statistics, Agency is in charge of defining statistical standards, production and distribution of statistical data at the state level. At the same time, the Agency is responsible for international cooperation and to represents country abroad and implements all statistical assignments in order to meet international requirements.

Although the Law has not incorporated all state institutions that produce statistics, they have legal obligation to apply standards brought by the BHAS.

Law on statistics of Bosnia and Herzegovina, adopted by BH Parliament is the main law that stipulates and defines area of statistics. The Law has stipulated coordinating role to the BHAS for all statistical activities within Bosnia and Herzegovina.

In a course of our preparations for negotiations and signing of SA Agreement, Bosnia and Herzegovina has made a significant improvement in regard to harmonization of own legislature with legislature of the EU. Such harmonization efforts contributed to development of friendly environment for operations of statistical institutions and development of statistical system within the Bosnia and Herzegovina.

(Law on Ministries and other administrative bodies of Bosnia and Herzegovina, Law on Public Administration, Law on operations of the BH institutions, Law on civil service within BH Institutions, BH Law on protection of personal data, Law of free access to information in Bosnia and Herzegovina, Law on Classification of Activities in Bosnia and Herzegovina, General Framework on registry of business entities, Law on central registry and exchange of data, Law on protection of classified data etc.).

The integration of District Brcko Statistical Bureau into the BHAS was identified as the very first step in a process of the Law enforcement and building of single statistical system in Bosnia and Herzegovina. In 2005, BHAS has signed Agreement with the Government of Brcko District defining mutual rights and responsibilities

In order to clearly define obligations and improve cooperation BHAS has signed MOU with the Indirect Tax Administration and Central Bank of Bosnia and Herzegovina.

The cooperation has been established with Ministry of foreign trade and economic relations, Ministry of human rights and refugees, Ministry of civil affairs (CIPS project)

With support of the International community (EC, IMF, OHR) and in order to continue enforcement of the BH Law on Statistics, improve cooperation between BHAS and entity institutes and strengthen coordinating role of the Agency, we have signed Agreement on enforcement of harmonized methodologies and standards in a process of data production within Bosnia and Herzegovina. Enforcement of the Agreement started in 2006, and we have to put additional efforts.

Entity laws on statistics are mostly harmonized with BH Law on statistics. Laws clearly stipulated obligation of entity institutes to harmonize their methodologies standards and practice with referent regulations defined by the Agency.

Entity statistical institutes are in charge of collection, processing and distribution of data at the entity level. Provision of data to the BHAS is a legally binding task.

Relations between Entity Institutes and the Agency for Statistics are laid down by the article 18 of the Law on statistics of BiH and further regulated by above mentioned the Agreement on the implementation of harmonized methodologies and standards in preparing the statistical data of BiH.

Republika Srpska

Organization of the statistics in Republika Srpska, its scope of work, authorities, responsibilities and other issues of importance for the production of statistics is defined by the Law on Statistics of Republika Srpska.

Law on Statistics of Republika Srpska stipulates that it is the Republika Srpska Institute of Statistics, which determines methodology and standards for the implementation of the Program on the level of Republika Srpska. It also stipulates the use of uniform methodologies and uniform statistical standards, harmonized with BiH standards and standards of the UN European commission for Europe in the production of statistics. Authorized producers of statistics must get the opinion of Institute of Statistics on draft methodologies and standards.

a. Federation of Bosnia and Herzegovina

Law on Federal Ministries and other bodies (Official Gazette FBIH 8/95, 9/96) and (Official gazette FBIH no.63/03)

The Law on Statistical Surveys in the FBIH adjusts organization and carrying out of statistical surveys of interest for the Federation of BIH, as well as organization and work of statistical service. In accordance with the Law, the Federal Office of Statistics is an organ of the statistical function and it is obligate to collect, process, store, protect, analyse and disseminate statistical data.