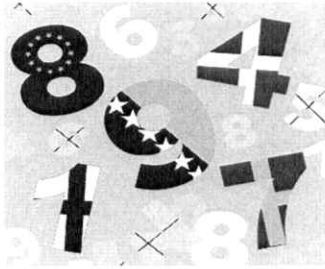


TWINNING CONTRACT

BA 17 IPA ST 01 20



Further Support to the Reform of Statistics System in Bosnia and Herzegovina



MISSION REPORT

Activity 5D: Final Mission

**Component 5: Methodology for the compilation of the Monthly Balance of Payments
Statistics developed and aligned with EU standards**

Mission carried out by
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03 October - 05 October 2023

Version: Final

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List of Abbreviations

BHAS	Agency for Statistics of Bosnia and Herzegovina
BiH	Bosnia and Herzegovina
CBBH	Central Bank of Bosnia and Herzegovina
EC	European Commission
EU	European Union
FBiH	Federation of Bosnia and Herzegovina
FIS	Institute for Statistics of Federation of Bosnia and Herzegovina
MS	EU Member State
RSIS	Institute for Statistics of Republika Srpska
RTA	Resident Twinning Adviser
ToR	Terms of Reference

1. General comments

This mission report was prepared within the EU Twinning Project "Further Support to the Reform of the Statistics System in Bosnia and Herzegovina". It was the fourth mission to be devoted to the Component 5, Methodology for the compilation of the Monthly Balance of Payments, of the Project.

The purposes of the mission were:

To discuss the CBBH work on:

- the establishment of an internal registry of data sources for the compilation of monthly BoP
- the methodology for the production of monthly BoP
- the preliminary monthly BoP report against the rest of the world for a determined time period produced and discuss delivery to Eurostat
- the final plan for the introduction of the geo-distribution in the compilation and reporting of monthly BoP

The consultants would like to express their thanks to all officials and individuals from Bosnia and Herzegovina met for the kind support and valuable information, and which highly facilitated the work of the consultants.

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

2. Assessment and results

The CBBH BoP staff presented the consultants with the work produced since mission 5C. CBBH have drafted a methodological note on monthly BoP production, established an internal registry of data sources for the compilation of monthly BoP and made a final plan for the introduction of geographical breakdown in the monthly compilation of BoP.

The draft methodological report "Notes on methodology for the production of monthly Balance of Payments" is a thorough description of the methods used in the compilation of monthly BoP in CBBH. The structure is organized by BoP items that are required in the monthly data transmission defined in BoP Vademecum. The draft note was discussed among participants and as a result some modifications and clarifications were made based on the conversations had. The resulting note final methodological note is enclosed in annex (not publicly available).

The internal registry of data sources is in text format. Sources are divided to four groups: direct surveys, statistical and administrative sources of data and statistics compiled in the CBBH and ITRS. The registry includes the frequency of each data source. CBBH conducts six direct surveys to compile BoP statistics. The frequency of the surveys is either annual or quarterly or a mix of those. Statistical and administrative data sources cover a variety of different kind of data. It includes data from local government, statistical offices of BiH and other countries, international organizations and commercial data sources. In total sixteen different sources are mentioned with their frequency. Four external CBBH statistics, which are available on monthly or quarterly frequency, are used in BoP compilation. ITRS is a monthly source used in BoP compilation.

The plan for geographical breakdown is in the format of a table (appendix, not publicly available). It includes the required geographical breakdown, the planned data source along with comments on methodology by BoP item. The requirements vary between geo1 and geo3 breakdowns, as presented

in the monthly BoP requirements. Geo1 breakdown is simply the rest of the world as a sum, whereas geo3 additionally includes a breakdown to euro- and non-euro area as well as EU- and extra-EU. The geographical breakdown is needed for nine BoP items in credit and debit and in addition to 3 items in credit only. The plan indicates that monthly data including geographical breakdown is used where available. Where no monthly data is available, modelling or information from previous time periods is used. The consultants and the CBBH staff worked on the plan during the mission and clarifications and additions were made.

CBBH staff informed the consultants that they have the readiness to transmit the reporting table according BoP Vademecum monthly requirements on geo-level 1 to Eurostat as soon as they are informed on the delivery format and deadline.

3. Conclusions and recommendations

The goals for the final mission were fully met. CBBH staff presented the consultants with an internal registry of data sources for monthly BoP, final plan to create a monthly geographical breakdown as well as a note on methodology. All documents were covered in conversations during the mission and modified accordingly.

The methodological report “Notes on methodology for the production of monthly Balance of Payments” gives reader a comprehensive description of the methods used in compilation of monthly BoP by CBBH. The structure is clear and it includes the elements needed to meet the international requirements set especially for EU member states, EFTA countries and candidate countries. The consultants recommend that CBBH staff constantly reviews this document in terms of monthly BoP compilation and updates it when there are changes in methodology or sources used.

Additionally, the consultants would like to recommend that the internal registry of data sources be expressed by monthly BoP item in a similar format as the plan for geographical breakdown. This would further clarify the current state of preparedness to compile monthly BoP and will be useful in identifying room for improvements in the future.

Consultants recommend that CBBH keeps on their good work in the development of the monthly BoP production. It includes constant search for new data sources to be used and assessment and improvement of the methodology and models used. Special attention should be paid to sources that can catch sudden changes in data series in case of unexpected events.

CBBH staff will be informed by the consultants on the format and deadline of the data delivery to as soon as it is set by Eurostat.

Annex 1. Terms of Reference for the current mission

Terms of Reference

EU Twinning Project BA 17 IPA ST 01 20

Component 5 - Monthly Balance of Payments Statistics 3-5 October 2023

Venue: Central Bank of Bosnia and Herzegovina, Mehmeda Spahe Street, Sarajevo

Activity 5D:

1. Mandatory result

Methodology for the compilation of the Monthly Balance of Payments Statistics developed and aligned with EU standards

There are two main objectives or sub results:

5.1 Preliminary monthly BOP report against rest of the world for determined time period produced,

5.2 Plan for introduction of GEO distribution in compilation and reporting of monthly BOP – prepared

Indicator / Relevant Milestones / Internal deadlines:

- Established internal registry of data sources for compilation of monthly BOP by end of October 2023.
- Prepared reporting table in accordance with selected format and delivered to Eurostat by end of (to be decided on the first mission)

2. Purpose of the activity

To discuss the CBBH work on:

- the establishment of an internal registry of data sources for the compilation of monthly BOP
- the methodology for the production of monthly BoP
- the preliminary monthly BOP report against the rest of the world for a determined time period produced and discuss delivery to Eurostat

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- the final plan for the introduction of the geo-distribution in the compilation and reporting of monthly BoP

3. Expected output of the activity

- Established an internal registry of data sources for the compilation of monthly BOP
- Final notes on the methodology for the production of monthly BoP
- Preliminary monthly BOP report against the rest of the world for a determined time period produced and delivery to Eurostat discussed
- Final plan for the introduction of the geo-distribution in the compilation and reporting of monthly BoP - prepared
- Final mission report, including recommendations for the future work made

Annex 2. Updated Workplan

Component 5: Methodology for the compilation of the Monthly Balance of Payments Statistics developed and aligned with EU standards

The component on Monthly Balance of payment has the following objectives:

- 5.2 Preliminary monthly BOP report against rest of the world for determined time period produced
- 5.3 Plan for introduction of GEO distribution in compilation and reporting of monthly BOP - prepared

It is the ambition of the Central Bank that this project shall take them to the stage where transmission of monthly BOP data to Eurostat is possible.

Key BC-staff for the component:

Central Bank of Bosnia & Herzegovina	Vedran Milisav, Head of BoP statistics, vedran.milisav@cbbh.ba / Vedran.milis21@gmail.com; Amir Hadziomeragic ; amir.hadziomeragic@cbbh.ba;
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Component 5: Monthly Balance of payment		
Indicators with relevant baseline (equal to log frame):	Relevant Milestones / Internal deadlines	Status
5.1 Preliminary monthly BOP report against rest of the world for determined time period produced	Established internal registry of data sources for compilation of monthly BOP on December 2022	Completed
5.2 Plan for introduction of GEO distribution in compilation and reporting of monthly BOP - prepared	Prepared reporting table in accordance with selected format and delivered to Eurostat on December 2023	In process

In the component, we have planned the following activities:

Activity 5.1.A	Assessment of the current status on Balance of payment and the way forward
Budget section	III. Components Mandatory Results – Component 5
Subject	Assessment of the current status on Balance of payment Development of work plan
Methods	Online seminar / workshop. The BC side brief the MS side on current state of play regarding balance of payment

Resources	MS: Juha Martikainen (SF) and / or NN and / or NN. RTA & RTAA. BC: Relevant staff expected to be involved in component 5 Venue: Virtual meetings on Zoom
Duration	Up to a total of 8 working days for MS staff To be implemented as a 3 to 4 online sessions
Output	Assessment of the current status for Balance of Payment Detailed work plan made Mission rapport
Time schedule	July 2021

Activity 5.1.B	The development of the Internal registry of data sources for compilation of monthly BOP
Budget section	III. Components Mandatory Results – Component 5
Subject	Introduction to the information system and structure of the data in the BoP section The development of the Internal registry of data sources for compilation of monthly BOP
Methods	Online seminar / workshop. Subject to travel restrictions.
Resources	MS: Juha Martikainen (SF) and / or NN and / or NN. RTA & RTAA. BC: Relevant staff expected to be involved in component 5 Venue: To be decided
Duration	Up to a total of 8 working days for MS staff
Output	First draft of the internal registry of the data developed Mission report,
Time schedule	November/December 2021

Activity 5.1.C	Development of the working document, and outline of the plan of the geo-distributions
Budget section	III. Components Mandatory Results – Component 5
Subject	Development of the working document in excel including reporting table required by Eurostat Outline of the plan of the geo-distribution
Methods	MS: Expert mission to CBBH.
Resources	MS: Risto Sippola (SF) and Reetta Karinluoma (SF). RTA & RTAA. BC: CBBH BOP Section Staff Venue: CBBH, Bosnia and Herzegovina
Duration	Up to a total of 8 working days for MS staff
Output	Draft the working document in excel including reporting table required by Eurostat developed Outline of the plan of the geo-distribution created Mission report,
Time schedule	end of November 2022

Activity 5.1.D	Final mission
Budget section	III. Components Mandatory Results – Component 5
Subject	The production of the final report of the project
Methods	MS: Expert mission to CBBH.
Resources	MS: Risto Sippola (SF) and Reetta Karinluoma (SF). RTA & RTAA. BC: CBBH BOP Section Staff Venue: CBBH, Bosnia and Herzegovina
Duration	Up to a total of 8 working days for MS staff
Output	Established internal registry of data sources for compilation of monthly BOP Final notes on methodology for the production of monthly BoP Preliminary monthly BOP report against rest of the world for determined time period produced and delivered to Eurostat Final plan for introduction of the geo-distribution in compilation and reporting of monthly BoP - prepared Mission report
Time schedule	October 2023

Activity 5.S	Study visit to Finland/Denmark
Budget section	III. Components Mandatory Results – Component 5
Subject	The production of monthly based BoP statistics with geo-distribution in Statistics Finland
Methods	Study visit to member state. - Finland
Resources	MS: Statistics Denmark and / or Statistics Finland & RTAA BC: Relevant CBBH staff (5 persons) involved in component 5 Venue: Statistics Finland and Bank of Finland
Duration	3 or 4 study visit days.
Output	Mission report, Report of lessons learned, Points for inspiration for work in Bosnia and Herzegovina
Time schedule	October 2022

Annex 3. Persons met

Statistics Finland

Risto Sippola, Statistics Finland

Reetta Karinluoma, Statistics Finland

CBBH:

Amir Hadžiomerađić, Head of Statistics and Publications Department

Vedran Milisav, Head of BoP statistics section

Suzana Kozinović-Ličanin, Expert for BoP statistics

Aida Semic, Senior Specialist for BoP statistics

RTA Team:

Niels Madsen

Larisa Muslimovic

Signatures

For the approval of the contents of this summarized report, representative from CBBH as well as the MS experts and the RTA sign here:

Date:



Component leader, CBBH



RTA



MS Expert



MS Expert