

# TWINNING CONTRACT

BA 15 IPA SR 01 17

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



## MISSION REPORT

### Activity 2.3.7

Analysis of regular survey on CPPI for Civil Engineering

### Component 2: Business Statistics

Sub-component 2.3: Construction Producer Prices Index

Mission carried out by  
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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
DB	District of Brčko
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
SIMS	Single Integrated Metadata Structure
RTA	Resident Twinning Adviser
ToR	Terms of Reference

## **1. General comments**

This mission report was prepared within the EU Twinning Project "Support to the reform of the statistics system in Bosnia and Herzegovina". It was the sixth mission to be devoted to sub-component 2.3 within Component 2 of the project.

The purposes of the mission were:

- Follow up from the previous mission;
- Review the quality of first results from the regular survey;
- Agreement on output tables (publication forms, transmission formats, etc.);
- Presentation of EU Member State (France) experience on metadata.

The consultant would like to express their thanks to all officials and individuals met for the kind support and valuable information which they received during the stay in Bosnia-Herzegovina and which highly facilitated the work of the consultants.

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

## **2. Assessment and results**

Many activities has been achieved so far under this sub-component – the statistical institutions of BiH have conducted a survey on producer prices for civil engineering using a questionnaire based on a bill of quantities developed by an independent consultant. The survey covered the years 2017 and 2018 and four types of constructions: Roads, Motorways, Tunnels and Bridges. Data has been analysed and BC experts has started calculations using an IT application developed under another sub-component.

### **IT application and calculation of indices for CPPI for civil engineering**

All three statistical institutions in BiH have calculated useable construction producer price indices at the level of the questionnaires for all four types of construction: Roads, Motorways, Tunnels and Bridges. For data from the questionnaires related to Tunnels and Bridges only indices calculated by FIS and BHAS can be published due to confidentiality requirements.

The status on the developed IT application is that it is fully functional for the calculation of indices for the area covered by FIS. FIS has successfully compared the results from the calculation using the IT application, due to the fact that they had sufficient number of prices reported for each type of construction works, with the results from the manual calculation.

There is still a need for some further modifications to the IT application before it can be used for calculation of indices for CPPI for civil engineering. These modifications are linked to the issue of items from the bill of quantities lacking reported prices. It is expected to be solved within the project period. The statistical institutions of BiH expect to use the IT application on regular basis in 2020 for calculation of data for 2019 and to start transmitting relevant indices to Eurostat at the time of publication of the statistics.

Other unresolved issues with the IT application encountered by the three statistical institutions are solved. This includes the possibility to delete items and recalculation of weights.

At this mission the resulting indices from the calculation at FIS using the IT application was presented and discussed. The calculation from the IT application was compared with the result of a manual calculation.

BC and MS experts compared and analysed indices for the four types of construction:

- 10. Roads,
- 20. Motorways,
- 30. Bridges,
- 40. Tunnels.

The indices were compared from the most detailed level up to the total index for CPPI for civil engineering. Two problems were encountered and need to be solved:

1. For motorways there is a problem with the calculation of index 20.2.1. The calculation seems to ignore one of the two underlying indices (20.2.1.4).
2. For indices at the level of X.Y where Y is 10 (for example 40.10) there is a problem with the format where 40.10 is transformed to 40.1. This has an impact on the results of the calculation.

Both problems leads to wrong calculation, but the solution to both problems seems straightforward and is not expected to cause any delays. BC experts will investigate this further together with IT experts.

The new IT application developed is also used for the calculation of indices for CPPI for dwellings and is expected to be implemented in the beginning of 2020 followed by publication and transmissions of relevant indices to Eurostat. Metadata will also be transmitted to Eurostat for this CPPI statistics.

### **Confidentiality and revisions**

At this mission, BC and MS discussed the issue of confidentiality. At the last mission in May 2019 the number of received questionnaires broken down by type of activity and area led to the conclusion that RSIS should not publish index for Tunnels or for Bridges and that, no detailed data should be published for the District of Brčko.

The confidentiality rules introduced for the statistics of CPPI for civil engineering is that no indices should be published if it is based on less than three prices or less than three reporting units; or if there is a dominant unit. This should be made known to the public at the publication of the indices for civil engineering.

At this time, the Law on Statistics for each of the three statistical institutions regulates the confidentiality for publication. Therefore, there is a need for writing a confidentiality policy for the statistical institutions of BiH, which will give a common rule for all publications regarding confidentiality. It is recommended to draft such a general policy, but this task is not to be conducted under this sub-component as this should be done on a general basis for all statistics in BiH made by the statistical institutions.

### **Methodological document**

A version of the methodological document for CPPI for civil engineering has been drafted and will be shared with MS expert shortly after this mission. Comments from the MS experts will be included in the document and a final draft will be presented and discussed at the last mission under this sub-component.

### **Presentation of INSEE experience on metadata**

MS expert from INSEE presented his experience on metadata. This included presentation on standards and system used. The presentation will be distributed to the BC experts after the mission.

## **Publication, quality of the results and drafting a quality report**

The quality of the indices for CPPI for civil engineering and issues related to publication were discussed in the process of drafting a quality report for the statistics.

BC and MS experts went through the template for quality reports in BiH presented at the last mission (and included in the mission report for the mission). Common understanding of what to write under the different sections in the template were reached and keywords were filled into a draft version of the report. This draft version will be sent to BC experts at the end of the mission. Also, MS expert will send the Eurostat paper on *“ESS GUIDELINES FOR THE IMPLEMENTATION OF THE ESS QUALITY AND PERFORMANCE INDICATORS (QPI)”*.

The work with drafting of the quality report included discussions on:

- Relevance of the statistics,
- Accuracy and reliability of the indices,
- Timeliness and punctuality,
- Coherence and comparability,
- Accessibility and clarity, dissemination format,
- Survey and respondents burden,
- Confidentiality,
- Statistical processing.

A final draft version of the quality report will be presented and agreed upon at the next mission under this sub-component.

### 3. Conclusions and recommendations

*List conclusions and recommendations related to the activities mentioned in the ToR.*

Unresolved issues with the IT application should be solved before the next mission. Though it was concluded that the open issues regarding the IT application are of minor character and that the IT application is close to done.

It was agreed that a draft version of the methodological description for the CPPI for civil engineering will be submitted to the MS experts for comments in the near future and that a final draft version will be presented at the next mission.

A quality report for CPPI for civil engineering and for new residential buildings – which is closely related – will be produced based on the discussion and draft version from this mission. The quality reports will be presented at the next mission.

The reporting units and users of the statistics on CPPI for civil engineering should be informed of the confidentiality criteria used. MS experts recommend that this information is included in the future publication of the statistics.

MS experts recommend that the statistical institutions of BiH develop an official confidentiality policy in line with the Law of Statistics and the European Code of Practice. The policy should cover all statistics produced by the statistical institutions in BiH.

The next (and final) mission should take place in 3-5 March 2020 (only 2½ day) and should focus on the finalisation of the quality report and the methodological document.

*Actions needed for moving forward as well as for preparing the next mission –add rows as needed.*

<b>Action</b>	<b>Deadline</b>	<b>Responsible person</b>
IT issues solved	Before next mission	BC experts
Methodological document (draft version) to MS experts	Before next mission	BC experts
Quality report (draft version) to MS experts	Before next mission	BC experts

## **Annex 1. Terms of Reference**

### **Terms of Reference**

**EU Twinning Project BA 15 IPA ST 01 17**

**Component 2: Business Statistics**

**Sub-component 2.3: Construction Producer Price Index**

**30 September – 03 October 2019**

**Hosting institution: FIS – Zelenih beretki 26, Sarajevo**

#### **Activity 2.3.7: Analysis of regular survey on CPPI for Civil Engineering**

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

Mandatory result:

- Construction producer price index for division F42 – Civil engineering works produced by 8<sup>th</sup> project quarter

Benchmarks:

- Plan for development of producer price index produced by 1<sup>st</sup> project quarter
- Draft questionnaire and supporting documents for pilot survey prepared by 1<sup>st</sup> project quarter
- Pilot survey conducted by 2<sup>nd</sup> project quarter
- Results of pilot survey analysed by 2<sup>nd</sup> project quarter
- Criteria for an IT application defined by 2<sup>nd</sup> project quarter
- Plan for regular production developed by 4<sup>th</sup> project quarter
- Index compiled by 5<sup>th</sup> project quarter
- Index made available to users by 6<sup>th</sup> project quarter
- Methodological document on producer prices in construction developed by 8<sup>th</sup> project quarter
- Quality report for producer prices in construction developed by 8<sup>th</sup> project quarter

##### **2. Purpose of the activity**

- Follow up from the previous mission:

###### **To be prepared by the BC counterpart**

- Compute indices using the new It application for all three statistical institutions and one overall index for the BiH level
- Analyse computed index numbers
- Perform confidentiality analysis at the level of planned publication
- Determine and coordinate the level of dissemination before the next mission



- Start working on the methodological document and send draft for MS experts
- Present a draft for the methodological document at the next mission
- Fill out quality report at the next mission (BC and MS experts)
- Quality of first results from the regular survey
- Agreement on output tables (publication forms, transmission formats, etc.)
- Presentation of EU Member States experience on metadata

### **3. Expected output of the activity**

- First calculation of new CPPI for Civil Engineering made
- Quality of first results assessed
- Output tables defined (publication forms, transmission formats, etc.)
- EU experiences presented on metadata
- Development plan for CPPI for Civil Engineering agreed
- Input to a draft methodology made
- Input to draft quality report made
- Input provided to the ToR of next activity

### **4. Participants**

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- Dženita Babić, BHAS
- Anita Brković, BHAS

#### **Institute for Statistics of Federation of BiH (FIS)**

- Edina Dulic, FIS
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- Danica Babić, RSIS
- Želimir Radišić, RSIS

#### **MS Experts**

- Martin Ausker (DK)
- Gérard Vittek (FR)

#### **Twinning Project Administration**

- Katja Møller Hjelvang, RTA
- Demka Šahinpašić, RTA Assistant
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## Signatures

For the approval of the contents of this report, representatives from BHAS, FIS and RSIS as well as MS experts and the RTA sign here:

Date: 3<sup>rd</sup> of October 2019

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Component leader, BHAS

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Component leader, FIS

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Component leader, RSIS

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RTA

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MS Expert

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MS Expert