

**PROJECT INFORMATION DOCUMENT (PID)
IDENTIFICATION/CONCEPT STAGE**

Report No.: PIDC52034

Project Name	EU-SILC Survey for BiH
Region	EUROPE AND CENTRAL ASIA
Country	Bosnia and Herzegovina
Sector(s)	Public administration- Other social services (100%)
Theme(s)	Poverty strategy, analysis and monitoring (100%)
Lending Instrument	Lending Instrument
Project ID	P158585
Borrower Name	Agency of Statistics of Bosnia and Herzegovina
Implementing Agency	Agency of Statistics of Bosnia and Herzegovina, Federal Office of Statistics, Republic of Srpska Institute of Statistics
Environment Category	C - Not Required
Date PID Prepared	08-Feb-2016
Estimated Date of Approval	22-Apr-2016
Initiation Note Review Decision	The review did authorize the preparation to continue

I. Introduction and Context

Country Context

The Dayton Accords brought peace to Bosnia and Herzegovina that has lasted twenty years. They also brought a fragmented institutional structure, which allows for a significant degree of self-determination of BiH's constituent peoples. The general government sector consists of four units: the State (or central) level, two entities—Federation of Bosnia and Herzegovina (FBiH) and Republika Srpska (RS) – and Brcko District (BD). The State is governed by the Council of Ministers; each entity has its own government and local government units. In the FBiH, 10 cantons, each with their own government, represent an additional layer between the Government of the FBiH and local government units.

The governments of BiH are presently undertaking importance steps of advancing economic reforms. In July 2015 the Reform Agenda document -- focusing on fostering economic growth, job creation, improving the efficiency of social assistance, and seeing a path toward fiscal consolidation and macroeconomic stability -- was agreed and endorsed by the BiH Council of Ministers (CoM) and the FBiH and RS Entity Governments. Following the signing of the Reform Agenda document, the BiH CoM adopted a Strategic Framework for BiH for the period 2015-2018, and both Entities developed detailed Action Plans to implement the Reform Agenda. The country's EU accession process has received a boost with the recent coming into force of the Stabilization and Association Agreement between Bosnia and Herzegovina and the European Union.

Sectoral and Institutional Context

According to the law on statistics, the competent authorities for organizing, producing and disseminating statistics in Bosnia and Herzegovina are: the Agency for statistics of Bosnia and Herzegovina at the level of the state, (BHAS), the Federal Office of Statistics for the Entity of Federation of Bosnia Herzegovina (FOS) and the Republika Srpska Institute of Statistics for the Entity of Republika Srpska (RSIS). In addition to the three statistical institutions, the Central Bank of BiH compiles monetary and balance of payments and financial statistics for BiH (CBBiH).

The European Statistical System Committee adopted in 2011 a revised European Statistics Code of Practice stipulating a set of principles aimed at improving the quality of European official statistics. The Agency for Statistics of BiH is committed to implementing fully the European Statistics Code of Practice in the coming future, and has already included a many of the recommendations in the national legislation and other documents.

Statistics on poverty and living conditions currently rely on data from the Household Budget Survey (HBS), that was fielded in 2004, 2007, 2011, and in 2015. The HBS has been a key source of data for estimates on (i) level and structure of household consumption; (ii) poverty and living standards; (iii) CPI weights; (iv) data for national accounts statistics; (v) population size and structure; and (vi) household income and savings.

As part of the EU integration process, and recognizing the need for data on social cohesion, an Extended HBS survey was fielded in 2011, which included EU-SILC like modules on social exclusion. The EHBS was an initial step in the process that has the objective of conducting a full EU-SILC in the nearest future. A pilot EU-SILC was conducted in BiH in 2015 and a full EU-SILC was planned for 2017, contingent of availability of funds.

The implementation of the EU-SILC survey is explicitly set as one of priority activities (Strategic Priority 6: Improvement and Development of Statistical Domains) in the development of Statistics of Bosnia and Herzegovina. The successful implementation of this survey is one of planned activities in achieving six strategic priorities and significant step in improving the level of the harmonisation with international and European legislation and standards.

Relationship to CAS/CPS/CPF

The Country Partnership Framework (CPF) for the period FY16-FY20 focuses selectively on a set of priorities identified in the Systematic Country Diagnostic (SCD), including the following focus areas: (1) making the public sector smaller and more efficient, (2) unleashing the potential of the private sector, and (3) building the country's resilience to natural shocks. A cross-cutting theme of inclusion informs the choice and design of specific interventions under the strategy, to ensure that reforms are socially sustainable, and that vulnerable groups are not left behind as new opportunities open (World Bank, 2015). Among key areas of engagement identified by the SCD, and proposed in the CPF, is reforming the labor market and improving social protection delivery.

The implementation of the EU-SILC survey in Bosnia and Herzegovina would contribute directly to the analytical base of the CPF by (i) providing detailed information of sources of income and benefits through a detailed income module in the SILC, as well as linking them, in the same survey instrument, to a welfare indicator used for computing the incidence of poverty; (ii) providing detailed information on multiple non-monetary dimensions of social exclusion that were previously not available from the existing survey instruments; (iii) providing data on dynamic aspects of

poverty, exclusion, and labor markets through the panel component of the EU-SILC, that enabling us to draw clearer links to the implementation of reforms undertaken in BiH; and (iv) allowing for benchmarking of BiH to other countries in the Western Balkans and the European Union, taking advantage of the fact that the EU-SILC allows for a harmonized set of indicators based on a common methodology across all countries.

The grant would also support increasing capacity for statistical production, helping qualified staff to undertake independently all stages in the statistical business production model and to provide data users and stakeholders with evidence-based statistical results for better design of socio-economic policies at all levels of the rather complicated administrative structure in BiH. Specifically, data provided by EU-SILC would aid activities such as: targeting of social benefits, planning of budgets, tackling discrimination (based on sex, gender, social, etc.) and, in general, increasing the level of “statistical culture” in the country.

II. Project Development Objective(s)

Proposed Development Objective(s)

The overall development objective is to support the introduction of the EU-SILC survey in Bosnia and Herzegovina, with the goal of enhancing the relevance and timeliness of statistical data on poverty and social exclusion in Bosnia and Herzegovina, as well as enhancing the interaction between statistics producers and statistics users in these areas.

Key Results

Key results include:

- (i) Availability of annual data on poverty and social exclusion, including key Europe 2020 indicators comparable with other countries in the Western Balkans and the European Union;
- (ii) Better understanding of non-monetary dimension of poverty and exclusion through the availability of Europe 2020 indicators in this area;
- (iii) Better understanding of poverty and labor market dynamics based on the panel component of the EU-SILC.
- (iv) Increased capacity of BHAS/FOS/RSIS in application of CAPI-based survey data collection.

III. Preliminary Description

Concept Description

Bosnia and Herzegovina, as well as other countries in the Western Balkans region, are in the middle of the process of alignment of their statistical systems with those of the European Union. The adoption of the EU-SILC survey instrument for purposes of measurement of poverty and social inclusion indicators is a key element of this process of harmonization. Among the six Western Balkans countries the implementation of EU-SILC started in 2010 in FYR Macedonia, followed by Montenegro and Serbia in 2013, and planned for 2017 in Albania and Kosovo.

A pilot EU-SILC was conducted in Bosnia and Herzegovina in 2015, as part of the IPA 2012 Multi-beneficiary Programme on Statistical Cooperation. The pilot survey was financed by Eurostat, as a part of this project. Statistical offices in Bosnia and Herzegovina were supported by an expert who was in charge for providing technical assistance on the questionnaire, preparation of pilot survey and analysis. The pilot had multiple goals, including (i) to develop a harmonized methodology for the collection of statistics on Income and Living Conditions, compatible with EU-SILC legal framework and practices; (ii) to lay the grounds for the launch of a full-scale survey on continuous

basis in the future; and (iii) to evaluate the current production system for data on income and living conditions, as well as the pilot survey itself, through a production and quality report. The survey pilot also involved training for all staff involved in the survey, including the interviewers and controllers, and the development of a Blaise application for both, PAPI and CAPI data entry and testing during the pilot survey by the Agency for Statistics of Bosnia and Herzegovina, Federal Office for Statistics and Republika Srpska Institute for Statistics. The pilot was fielded to a sample of 340 households, which was a sufficient size for the purposes of the pilot.

Until now, the implementation of the full-scale survey is stalled due to lack of funding. This grant aims to provide financing for the first year of the full EU-SILC survey in the country. In particular, the grant would support (i) finalizing the work on SILC methodology preparation and testing, building on earlier work, and (ii) full implementation of the full cycle of the first year of the EU-SILC survey, including field work, data processing and dissemination. The TFSCB grant would thus ensure that Bosnia and Herzegovina can “catch up” to the rest of the countries in the Western Balkans, as well foster cross-country dialogue on EU-SILC related issues. Furthermore, given that CAPI was adopted for the purposes of the SILC pilot in BiH, supporting the implementation of the full-scale EU-SILC would allow us to support the streamlining of CAPI in BiH.

More generally, the grant would also support increasing capacity for statistical production, helping qualified staff to undertake independently all stages in the statistical business production model and to provide data users and stakeholders with evidence-based statistical results for better design of socio-economic policies at all levels of the rather complicated administrative structure in BiH. Specifically, data provided by EU-SILC would aid activities such as: targeting of social benefits, planning of budgets, tackling discrimination (based on sex, gender, social, etc.) and, in general, increasing the level of “statistical culture” in the country.

IV. Safeguard Policies that Might Apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01		x	
Natural Habitats OP/BP 4.04		x	
Forests OP/BP 4.36		x	
Pest Management OP 4.09		x	
Physical Cultural Resources OP/BP 4.11		x	
Indigenous Peoples OP/BP 4.10		x	
Involuntary Resettlement OP/BP 4.12		x	
Safety of Dams OP/BP 4.37		x	
Projects on International Waterways OP/BP 7.50		x	
Projects in Disputed Areas OP/BP 7.60		x	

V. Financing (in USD Million)

Total Project Cost:	0.24621	Total Bank Financing:	0
Financing Gap:	0		
Financing Source			Amount
Trust Fund for Statistical Capacity Building			0.24621

VI. Contact point

World Bank

Contact: Alexandru Cojocaru
Title: Economist
Tel: 458-1397
Email: acojocaru@worldbank.org

Borrower/Client/Recipient

Name: Agency of Statistics of Bosnia and Herzegovina
Contact: Velimir Jukic
Title: Director
Tel: 38733911911
Email: bhas@bhas.ba

Implementing Agencies

Name: Agency of Statistics of Bosnia and Herzegovina
Contact: Velimir Jukić
Title: Director
Tel: 38733911911
Email: bhas@bhas.ba

Name: Federal Office of Statistics
Contact: Emir Kremic
Title: Director
Tel: 38733206452
Email: fedstat@fzs.ba

Name: Republic of Srpska Institute of Statistics
Contact: Radmila Cickovic
Title: Director
Tel: 38751332700
Email: stat@rzs.rs.ba

VII. For more information contact:

The InfoShop
The World Bank
1818 H Street, NW
Washington, D.C. 20433
Telephone: (202) 458-4500
Fax: (202) 522-1500
Web: <http://www.worldbank.org/infoshop>