

# **Light Peer Review on the Implementation of the European Statistics Code of Practice in Montenegro**

**Final report**

Prepared by  
Günter Kopsch  
Michael Hughes

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## Table of Contents

<b>PREFACE.....</b>	<b>3</b>
<b>EXECUTIVE SUMMARY.....</b>	<b>4</b>
<b>1 FINDINGS PER PRINCIPLE .....</b>	<b>6</b>
1.1 Principle 1: Professional Independence .....	6
1.2 Principle 2: Mandate for Data Collection .....	11
1.3 Principle 3: Adequacy of Resources .....	14
1.4 Principle 4: Quality Commitment .....	16
1.5 Principle 5: Statistical Confidentiality .....	18
1.6 Principle 6: Impartiality and Objectivity .....	20
1.7 Principle 15: Accessibility and Clarity .....	23
<b>2 CO-ORDINATION ROLE OF THE NATIONAL STATISTICAL INSTITUTE.....</b>	<b>26</b>
<b>3 GOOD PRACTICES TO BE HIGHLIGHTED .....</b>	<b>28</b>
<b>4 LIST OF IMPROVEMENT ACTIONS .....</b>	<b>29</b>
<b>5 ANNEXES .....</b>	<b>32</b>
Annex 1: Agenda of the LPR .....	32
Annex 2: LAW ON OFFICIAL STATISTICS AND OFFICIAL STATISTICS SYSTEM .....	32

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## **PREFACE**

The light peer review (LPR) of the Statistical Office of Montenegro (MONSTAT) was undertaken within the framework of the EUROSTAT funded project ‘Global assessments of statistical systems of candidate and potential candidate countries as well as ENP countries’. The company ICON-INSTITUT Public Sector GmbH, under contract with EUROSTAT, was responsible for organising all activities and tasks relating to the LPR.

Light peer reviews or LPRs are based on the structure and procedures of the European Statistical System (ESS) peer reviews and are designed for candidate and advanced potential candidate countries. The objectives of these reviews are, in particular, to assess compliance of the reviewed National Statistical Institute (NSI) with Principles 1-6 and 15 of the European Statistics Code of Practice, to evaluate the coordination role of the NSI within the statistical system, to highlight transferable practices suitable to foster compliance with the Code of Practice and to recommend improvement actions needed in view of fully complying with the Code.

The review process was initiated by EUROSTAT at the request of MONSTAT made in September 2011. The review was conducted by the two experts Mr Günter Kopsch (former director at DESTATIS, Germany), who was the leading expert and Mr Michael Hughes (former director at ONS, United Kingdom). The review mission took place from 5 to 9 March 2012 (*see Annex 1*). Besides the two experts, Ms Janne Utkilen from EUROSTAT participated in this mission. Written material was made available by MONSTAT in advance and during the assessment mission (*including Annex 2*). The review mission was also prepared through replies to the self-assessment questionnaire sent out in advance to MONSTAT.

The peer review team very much appreciated the well-prepared meetings and the openness of the communication both with the staff of MONSTAT and with representatives from partner and stakeholder organisations. It is expected that the review will be of benefit to the further development of MONSTAT.

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## EXECUTIVE SUMMARY

**Main findings** (including an assessment of the co-ordination role of the NSI):

- (1) The peer review team formed a good impression of the progress made by MONSTAT with regard to the institutional aspects reviewed, as well as the accessibility of statistical information. Stakeholders interviewed praised the progress made by MONSTAT in the last two years, emphasising, in particular, the professionalism shown in implementation of the population census in 2011 and MONSTAT's increased demonstration of independence more generally. As a result, its image in the population had improved significantly.
- (2) Discussions with both management and stakeholders of MONSTAT gave the review team assurances that MONSTAT respects in practice the principles of professional independence, impartiality and objectivity, and statistical confidentiality, when producing and disseminating official statistics.
- (3) The MONSTAT is an independent administration body according to the Law on State Administration. The Law on Statistics and Statistical System of Montenegro (69/2005) specified the legal frame for the production and dissemination of official statistics and also the framework for the organisation of the system of official statistics of Montenegro. In the report on the Adapted Global Assessment (AGA) of the Montenegrin statistical system in 2010 it was stated that the existing Law was broadly in accordance with the UN Fundamental Principles of Official Statistics and the corresponding parts of the European Statistics Code of Practice. The AGA report contained some recommendations for improvements of the Law. The majority of these recommendations are included in the recently adopted Law on Official Statistics and Official Statistics System (18/2012), which entered into force on 7 April 2012.
- (4) The Law on Official Statistics and Official Statistical System provides MONSTAT with a clear and broad legal mandate to collect and access the data needed for the implementation of the five-year Programme and the annual plan. The new Law strengthens MONSTAT's data collection mandate, specifying that the use of administrative data is a priority. MONSTAT will develop a strategy and an action plan for the wider use of administrative data and will investigate how its influence on the content and the quality of administrative data can be strengthened. To improve the response rates of its surveys, MONSTAT plans to establish web based electronic data collection from businesses. In household surveys computer assisted interview techniques are planned to be used.
- (5) The peer review team saw clear indications that MONSTAT is underfinanced and understaffed, relative to the tasks they face to reach compliance with

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European requirements and to satisfy the growing demand of national users. A serious problem for the office is moreover the lack of sufficient workspace in the present building. The relatively low staff level makes it questionable how MONSTAT will be able to fulfil compliance with European requirements. Besides extending the scope and content of statistics, significant efforts are needed to improve data quality and to implement a quality management system, and to intensify and broaden user consultation and data dissemination. As a consequence, it is advisable that MONSTAT's staff resources be noticeably increased with highly qualified staff over the next years. A budget increase is also necessary to achieve this.

- (6) The peer review team believes that MONSTAT is strongly committed to quality, but quality is currently assessed on a narrow basis rather than following the Total Quality Management concept. Work to put in place a quality management system has started, but this needs to be underpinned by a comprehensive quality management plan to ensure, inter alia, that all MONSTAT staff is trained in quality management issues. The office also needs to create a unit dedicated to quality matters.
- (7) MONSTAT has a good system in place to guarantee statistical confidentiality. There is comprehensive legislation in place to provide the framework for operating a secure system and this legislation is strictly observed by MONSTAT staff that showed a good understanding of the requirements.
- (8) It was clear to the peer review team that MONSTAT was already in most terms complying with Code of Practice on dissemination matters, with the exception of metadata. External users were generally complimentary about MONSTAT's dissemination practice. MONSTAT is preparing a new Dissemination Strategy as recommended in the earlier AGA and is planning to strengthen the Department for Dissemination to coordinate all dissemination standards and practice. The Strategy should be adopted and published as soon as possible and the various strands should be implemented as a matter of priority.
- (9) The new Law gives MONSTAT explicit responsibility for coordinating the NSS. The current coordination arrangements are very informal, however, and it is recommended that MONSTAT set up a Coordination Committee comprising all producers of official statistics to manage the multifarious tasks required in developing and reporting on the Development Strategy, the five-year Programme and the annual plans.

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# 1 FINDINGS PER PRINCIPLE

## 1.1 PRINCIPLE 1: PROFESSIONAL INDEPENDENCE

**The professional independence of statistical authorities from other policy, regulatory or administrative departments and bodies, as well as from private sector operators, ensures the credibility of European Statistics.**

***Overall assessment:***

*The Statistical Office of Montenegro (MONSTAT) is an independent administration body according to the Law on State Administration (Official Gazette of Montenegro 22/08 and 42/11) ‘that perform professional and therewith related administrative affairs by application of scientific, professional methods and knowledge’. The Ministry of Finance (MoF) is the supervisory body of MONSTAT. It is recommended that working arrangements between MONSTAT and MoF are prepared and agreed, as is done by EUROSTAT with the responsible Commissioner.*

*The head of the office shall be appointed, according to the Law on State Administration, by the Government for a term of five years, upon proposal of the competent Minister, and on the basis of an open competition. Qualifications required for a head of an administration body as well as reasons for an early dismissal of a civil servant in a management position are laid down in the Law on Civil Servants and State Employees (Official Gazette of Montenegro 50/08).*

*The Law on Official Statistics and Official Statistical System of Montenegro (Official Gazette of Montenegro 18/12) entered into force on 7 April 2012 (hereafter the Law). The newly adopted law replaces the Law on Statistics and Statistical System of Montenegro from 2005 (Official Gazette of Montenegro 69/05). The Law specifies the legal frame for the production and dissemination of official statistics and also for the organisation of the system of official statistics of Montenegro. It determines the professional independence of MONSTAT and of the other producers of official statistics in producing and disseminating official statistics. The new Law explicitly stipulates that the Director of MONSTAT is obliged to protect the professional credibility of official statistics from any unprofessional influence, and that he or she must not be a member of a political party during exercising his/her function.*

*The Law gives MONSTAT a strong mandate as the coordinator of the national statistical system. MONSTAT is responsible for preparing the five-year Programme and of the annual plan. Under the new Law, MONSTAT is also obliged to prepare a five-year Development Strategy in cooperation with the other producers of official statistics.*

*The Law provides a strong legal basis for official producers of statistics with regard to professional independence. To guarantee professional independence of the producers,*

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*however, the principles must be respected in practice, in particular by the Government. From the discussions that the peer review team held with representatives from MONSTAT, the Council of the Statistical System and various user groups, the peers came to the conclusion that MONSTAT acts independently in practice and that there is no inappropriate political interference into the production and dissemination of official statistics.*

**1.1.1 Indicator 1.1: The independence of the statistical authority from political and other external interference in producing and disseminating official statistics is specified in Law.**

According to Article 2 of the previous Law, ‘the statistical system shall provide quantitative and representative information on the economic, demographic, social and environmental situation in Montenegro to all users, in accordance with the highest professional standards’. Articles 5 and 6 of the previous Law stated that official statistics is based on the principles of relevance, impartiality (‘the objective manner of setting up the definitions and methods of collection, processing and dissemination of statistical data, preserved from any kind of influence’), reliability, transparency, timeliness, professional independence (the ‘producers of statistics shall perform statistical activities applying scientific and professional methods, preserved from any kind of influence’), cost effectiveness, consistency, publicity, statistical confidentiality, and use of individual data exclusively for statistical purposes.

The new Law broadens the list of principles and includes in article 5 all principles of the European Statistics Code of Practice. According to the definitions of the principles in Article 5 producers of official statistics shall be professionally independent ‘from other policy, administrative or regulatory authorities and bodies, as well as from private sector operators’, and shall ‘produce and disseminate official statistics in an objective, professional and transparent manner, respecting scientific independence, in which all users are treated equitably’.

Both the previous and the new Law contain rules regarding the professional independence of the producers of official statistics. Rules in the new Law are more comprehensive and can therefore be seen as a progress.

**1.1.2 Indicator 1.2: The head of the statistical authority has sufficiently high hierarchical standing to ensure senior level access to policy authorities and administrative public bodies. He/ She should be of the highest professional calibre.**

The hierarchical level of the Director of MONSTAT is comparable to the highest ranking public servants. She/he has a sufficiently high standing to enable access to policy authorities and administrative public bodies.

The Law on Official Statistics and Official Statistics System does not include a regulation on the procedures for appointment and dismissal of the Director of MONSTAT, and it does not specify the required qualification of the Director. It is also

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not laid down that the Director shall have a fixed term mandate. However, the Law on State Administration together with the Law on Civil Servants and State Employees contain all these issues. Despite the fact that such rules are laid down in these laws, an amendment of the Statistics Law (providing the Director in particular with a fixed term mandate and protecting him/her against an inappropriate dismissal during his/her term of office), would further strengthen the institutional safeguards of the professional independence of MONSTAT. However, the peers were told that a repetition of these general rules in the Law on Official Statistics and Official Statistics System is not possible in the Montenegrin legal system. A description of the qualifications required for the Director of MONSTAT should be included into the new Rulebook on Internal Organisation and Job Descriptions.

**1.1.3 Indicator 1.3: The head of the statistical authority and, where appropriate, the heads of its statistical bodies have responsibility for ensuring that European Statistics are produced and disseminated in an independent manner.**

According to Article 10 of the new Law, the Director of MONSTAT is obliged to protect the professional credibility of official statistics against unprofessional influence of any kind.

All partners interviewed by the peers stated that MONSTAT compiles its statistics and disseminates the results in a professional and independent manner.

**1.1.4 Indicator 1.4: The head of the statistical authority and, where appropriate, the heads of its statistical bodies have the sole responsibility for deciding on statistical methods, standards and procedures, and on the content and timing of statistical releases.**

The new Law does not explicitly state that the Director of MONSTAT has the sole responsibility for deciding on statistical methods, standards and procedures, or on the content and timing of statistical releases. However, the Law stipulates the impartiality and the professional independence of the producers of official statistics; and as the Law obliges the Director of MONSTAT to protect professional credibility of official statistics, he/she is clearly responsible.

All interviewed partners during the peer review confirmed that the legal rules with regard to professional independence of official statistics and of MONSTAT are fully applied in practice.

**1.1.5 Indicator 1.5: The statistical work programmes are published and periodic reports describe progress made.**

The process of the planning of the multi-annual programme is regulated in the Law, and will have to be organised again by MONSTAT in 2013 for the 2014-2018 Programme. The Law determines that the programme as well as the annual plan, which is made for the purpose of implementing the programme, shall be adopted by



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the Government. Both documents are published in the Official Gazette of the Republic of Montenegro. MONSTAT is responsible for the drafting of the multi-annual programmes and the annual plans in cooperation with the other producers of official statistics. The multi-annual programme has previously included an overview of the development goals. With the new Law, MONSTAT shall also draft a development strategy, in cooperation with the other statistics producers. The development strategy shall be adopted by the Government and will be the basis for the multi-annual programme. Before submitting the drafts of the programme, the annual plan, and the development strategy to the Government, the Council of the Statistical System shall discuss the documents and give its opinion.

The composition of the Council, which is determined in the Law, does not fully reflect the composition of MONSTAT's stakeholders. The private sector and civil society are clearly underrepresented. It is recommended to revise the Law with regards to the composition of the Council in a few years' time. In the meantime it should be possible to invite representatives from private institutions as observers to the meetings of the Council. The peer review team recommends preparing and adopting working arrangements between MONSTAT and the Council as the advisory body.

When MONSTAT drafted the present five-year Programme of Statistical Surveys 2009–2013, the draft was discussed in a working group in which mainly the producers of statistics were represented. For the future the establishment of more formalised structures is recommended to involve all groups of users, and in particular the private sector, the scientific community and the civil society, in a more integrated way into the process of the planning of the next Statistical Programme and afterwards the annual plans.

MONSTAT submits to the supervising ministry monthly and annual reports on the execution of the annual plan. According to the new Law, MONSTAT will be obliged to submit to the Government reports on the implementation of the Programme and of the annual plans including all official statistics produced by all producers of official statistics.

#### **1.1.6 Indicator 1.6: Statistical releases are clearly distinguished and issued separately from political/policy statements.**

MONSTAT publishes its own releases, which are clearly identifiable as coming from MONSTAT. MONSTAT does not use the logo of the Government of Montenegro in its releases, publications, etc., but its own logo thus improving recognition of MONSTAT as an independent body. Statistical releases published by MONSTAT are purely statistical in their nature and never mixed with any political comments. The peer review team gathered evidence on this issue by studying a number of press releases as well as through discussions with users, in particular with the media.

Press releases are drafted within MONSTAT in cooperation between subject matter and dissemination departments. One of the objectives of the planned dissemination strategy of MONSTAT is the improvement of its contacts with the media.

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**1.1.7 Indicator 1.7: The statistical authority, when appropriate, comments publicly on statistical issues, including criticisms and misuses of official statistics.**

MONSTAT reacts publicly on criticism, misuse or misinterpretation of official statistics in the media. Procedures are stipulated in a recently prepared internal paper 'Guideline for Intervening in Case of Misinterpretation and Misuse of Official Statistics'. The paper has been prepared on the basis of Article 10 of the new Law (Article 42 in the old Law).

The final decision whether to respond to misuse, misinterpretation or criticism in the media of any aspect of the work of the office is taken by the Director or by an Assistant Director in case of Director's absence. It is recommended to publish the guideline on MONSTAT's website.

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## 1.2 PRINCIPLE 2: MANDATE FOR DATA COLLECTION

**Statistical authorities must have a clear legal mandate to collect information for European statistical purposes. Administrations, enterprises and households, and the public at large may be compelled by law to allow access to or deliver data for European statistical purposes at the request of statistical authorities.**

### *Overall assessment:*

*The Law provides MONSTAT with a clear and broad legal mandate to collect and access the data needed for the implementation of the Programme and the annual plan. Moreover, as a new feature, the Law gives priority to the use of administrative data (Article 26: 'If administrative data sources are available and may be used for meeting user needs, statistical surveys shall not be undertaken'). All surveys and censuses are in principle compulsory and reporting units can be fined if they fail to provide complete and accurate data.*

*The Law also gives MONSTAT the right to access individual data resulting from the surveys of other producers of official statistics. In addition to the legal provisions, MONSTAT has signed several memoranda of understanding with public institutions concerning the access of administrative data; the conclusion of further memoranda is planned.*

### 1.2.1 Indicator 2.1: The mandate to collect information for the production and dissemination of official statistics is specified in law.

The mandate of MONSTAT (and of the other producers of official statistics) to collect statistical data for the production and dissemination of official statistics is clearly specified in the Law. The annual plan shall include the list of statistical surveys to be conducted, the list of administrative sources to be used in official statistics, as well as developmental and infrastructural activities. The Law stipulates that the annual plan shall also include information on the funds required for the implementation of each statistical survey, and that censuses shall be regulated by special laws. Article 8 of the Law gives MONSTAT explicitly the responsibility for the 'Production and dissemination of macroeconomic statistics and national accounts; production of business statistics; production of demographic and social statistics; conduct of censuses; conduct of household surveys; implementation of surveys related to economy, environment and agriculture, as well as other surveys set under the Programme except for surveys under the responsibility of the Central Bank of Montenegro, with the exception of certain surveys in the finance sector'. Chapter VII of the Law (Articles 26 to 36) regulate rights and duties of MONSTAT and the other producers of official statistics, as well as the rights and duties of the reporting units (including holders of administrative data sources) in connection with the collection of data for the production and dissemination of official statistics.

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To make data transmission easier MONSTAT plans to initiate web based electronic data collection from businesses to reduce their reporting burden, and intends to make it possible in the mid-term for most business surveys (see improvement action to principle 9). In household surveys CAI techniques are planned to be used (see improvement action to principle 10).

### **1.2.2 Indicator 2.2: The statistical authority is allowed by national legislation to use administrative records for statistical purposes.**

Article 29 of the previous Law on Statistics and Statistical System provided MONSTAT with the right to access all administrative data sources and data collected through the observation method, unless their statistical use was prohibited by law. MONSTAT management informed the peers that the possibility of prohibiting access to administrative data for statistical purposes had never been used and was not considered a problematic issue. The holders of administrative data sources and of data collected through continuous monitoring and observation method are obliged, according to Article 30 of the previous Law, to supply the data free of charge in line with the requirements of the producers of statistics and under conditions specified in the Programme. The new Law corresponds largely with the previous Law, but includes some improvements. It is, for instance, explicitly stipulated in Article 34 that the access to administrative data sources includes access to identifiers. Moreover, Article 26 of the new Law underlines the importance of the use of administrative data by laying down that ‘statistical surveys shall not be undertaken if administrative data sources are available and may be used for meeting user needs’.

On the basis of the legal provisions, MONSTAT already uses administrative data to a large extent. However, a further improvement of the use of administrative data for statistical purposes is still of high priority to MONSTAT and explicitly expressed in the strategy 2009–2013. MONSTAT has already concluded some memoranda of understanding with providers of administrative data; the conclusion of further memoranda is planned and recommended. They should develop a strategy and an action plan for the wider use of administrative data in due course. The strategy should include the promotion of the development of new administrative data sources to be used for statistical purposes, support for the qualitative improvement of administrative data, and provision, if required, of methodological help. MONSTAT should moreover investigate how its information on changes in the available data and its influence on the content and the quality of administrative data sources can be strengthened. The legal basis for such an investigation can be Article 8, No. 12, which stipulates that MONSTAT may take part in all activities related to setting up new or modifying the existing administrative data sources, which are relevant for official statistics. Moreover MONSTAT should be provided with the metadata for the administrative data they use.

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### **1.2.3 Indicator 2.3: On the basis of a legal act, the statistical authority may compel response to statistical surveys.**

According to Article 28 of the Law, all surveys and censuses of official statistics in Montenegro are obligatory. It is stipulated that reporting units in general are obliged to provide accurate and complete data, free of charge, in the contents and form determined by the producer of official statistics and within the deadlines defined in the annual plan.

In practice, however, response rates in primary collections of enterprise data are not satisfactory. The new Law enables the possibility of using penalty provisions for non-respondents. MONSTAT intends to use the penalty provisions only very carefully and as a last step. Their main strategy is to use other instruments, stressing the importance of statistics and intensifying cooperation, in particular with businesses, to convince them to respond. It is recommended to develop a strategy on the use of the penalty provisions in the new Law as well as a strategy on how to improve the cooperation with enterprises, to raise their awareness of the importance of reliable and timely statistical information.

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### 1.3 PRINCIPLE 3: ADEQUACY OF RESOURCES

**The resources available to statistical authorities must be sufficient to meet European Statistics requirements.**

***Overall assessment:***

*MONSTAT is underfinanced and understaffed, relative to the tasks they face to reach compliance with European requirements and to satisfy the growing demand of national users.*

*A serious problem for MONSTAT is the lack of sufficient workspace in the present building. A solution should be found urgently, as larger premises would be essential to accommodate the necessary recruitment of additional staff.*

*The relatively low number of staff makes it questionable how MONSTAT will be able to improve its compliance with European requirements. The annual progress reports show that MONSTAT is making continuous progress in many areas. There is, however, still a lot to do before MONSTAT will be aligned with the *acquis*. As a consequence, it is advisable that MONSTAT's staff resources be noticeably increased over the next few years. A budget increase is also necessary to achieve this.*

#### **1.3.1 Indicator 3.1: Staff, financial, and computing resources, adequate both in magnitude and in quality, are available to meet current European Statistics needs.**

There are about 200 civil servants and state employees provided for by the Rulebook on internal organisation and job descriptions of MONSTAT, adopted by the Government in 2008. But instead of an increase in the resource situation (staff, budget), resources decreased in 2010 and 2011. The number of staff decreased from 134 in the beginning of 2009 (plus approximately 10 with a short-term contract) to only 101 at the end of 2011 (plus approximately 20 with a short-term contract), which means a cutback of about 25% of the staff with a permanent contract. 7 of the 101 staff members are still located in regional offices. With the planned implementation of the new organisational structure, which is strongly supported by the peers, all tasks of MONSTAT will be centralised.

MONSTAT management informed the peer review team that the Ministry of Finance has approved 12 additional permanent posts for MONSTAT. That is welcome as a step in the right direction. It is, however, not enough to solve MONSTAT's extensive resource constraints.

MONSTAT needs to broaden further the scope and content of statistics produced, according to the *acquis*. In addition, significant efforts are needed to improve data quality and to implement a quality management system, and to intensify and broaden

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user consultation and data dissemination. To succeed with these tasks, the peer review team feels it is essential to increase the number of highly qualified staff in MONSTAT. It is felt that recruitment of highly qualified new staff is possible in the present economic situation of the country if posts are made available. The salary situation in MONSTAT is largely comparable with other public institutions, and turnover of staff is not a problem for the office at present according to MONSTAT management.

An increase in the efficiency of MONSTAT is also needed, in particular by a further improvement of the staff structure in the mid-term. The planned change of the organisational structure of MONSTAT is an important step, including a re-allocation of staff within MONSTAT, the centralisation of all tasks, and the development and implementation of a strategy for improving expertise of employees.

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## 1.4 PRINCIPLE 4: QUALITY COMMITMENT

**All ESS members commit themselves to work and co-operate according to the principles fixed in the Quality Declaration of the European Statistical System (ESS).**

### *Overall assessment:*

*MONSTAT promotes data quality as a general principle, but the implementation has been rather piecemeal and narrowly focused. All departments within MONSTAT have regard to data accuracy as a measure of quality, but the wider structure of a Total Quality Management System is not commonly understood or followed by staff.*

*The Law states that official statistics should be produced in line with international principles of statistical system quality. It is recommended that MONSTAT develop and implement a Total Quality Management System as a matter of priority and produce an associated quality management plan, to include a training programme on quality management for all staff in the office. Furthermore, MONSTAT should set up a unit in the office dedicated to quality management and control matters.*

### **1.4.1 Indicator 4.1 Product quality is regularly monitored according to the ESS quality components.**

The peer review team believe that MONSTAT staff is strongly committed to quality, but that the staff currently understand and pursue the concept of quality largely through data accuracy and reliability characteristics, which are generally assessed through the combination of sampling errors, non-response rates and professional experience. There is no common understanding of the wider concept of a Total Quality Management System such as the ESS Quality Framework and the need to assess quality by a wider range of parameters than at present. Article 5 of the Law indicates that ‘official statistics shall be based on a commitment to quality, enabling producers to work and cooperate in line with international principles of statistical system quality’. MONSTAT recognise the need to introduce the ESS quality concept throughout the office and is planning to work in partnership with Statistics Austria to see this achieved. This work should be pursued as a matter of priority in 2012, with the aim of implementation in 2013. On the basis of this work, MONSTAT also need to develop and implement an associated quality management plan, to include a training programme on quality management for all staff in the office. Furthermore, it is recommended that MONSTAT set up a unit in the office dedicated to quality matters to coordinate and deliver this work.

MONSTAT will be required by European legislation to produce quality reports on a number of key statistics. Introduction of the range of quality management measures contained in the ESS Quality Framework will provide the means of compiling these



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reports and will also form the basis of the quality indicators included in standardised metadata on the website.

**1.4.2 Indicator 4.2 Processes are in place to monitor the quality of the data collection, processing and dissemination of statistics.**

See the general comments at paragraph 1.4.1 above about MONSTAT not yet having a quality management system in place. Nevertheless, MONSTAT undertook detailed quality reviews along ESS lines for the Census of Population in 2011 and the Census of Agriculture in 2010 although none of these reviews has been published.

**1.4.3 Indicator 4.3 Processes are in place to deal with quality considerations, including trade-offs within quality, and to guide planning for existing and emerging surveys.**

At present, there is no central unit in MONSTAT dealing with quality management issues and there is no systematic approach to the planning of new surveys. As mentioned in paragraph 1.4.1, it is recommended that MONSTAT set up a unit in the office dedicated to quality management and quality control matters, that can, for example, provide advice and guidelines on tradeoffs in survey design, sample registers, questionnaire design, etc.

**1.4.4 Indicator 4.4 Quality guidelines are documented and staff is well trained. These guidelines are spelled out in writing and made known to the public.**

Although some business units have produced guidelines on their statistical production processes, there is no systematic approach to the production of quality guidelines, nor are any of the guidelines made publicly available. This reinforces the need for adoption of a standard quality management system and implementation of a quality management plan.

**1.4.5 Indicator 4.5 There is a regular and thorough review of the key statistical outputs using external experts where appropriate.**

MONSTAT is using external experts as part of the national and regional statistical cooperation programmes to develop and improve a number of its statistical systems. MONSTAT is therefore not ready to embark on additional external reviews at this stage. It did, however, commission a major external review, undertaken during 2010–2011, of its planning and preparation for the 2011 Population Census, which was very successful.

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## 1.5 PRINCIPLE 5: STATISTICAL CONFIDENTIALITY

**The privacy of data providers (households, enterprises, administrations and other respondents), the confidentiality of the information they provide and its use only for statistical purposes must be absolutely guaranteed.**

*Overall assessment:*

*The confidentiality of information from data providers is a crucial element of any statistical system and MONSTAT clearly take this responsibility seriously. There is comprehensive legislation in place to provide the framework for operating a secure system and this legislation is strictly observed by MONSTAT staff that showed a good understanding of the requirements, as did other producers of official statistics. Equally, data providers were satisfied that MONSTAT protected their information effectively.*

*MONSTAT have produced two comprehensive Rulebooks covering procedures for, respectively, the protection of personal data and the keeping of individual records. These should be published to provide guidance, in particular on the access to and handling of micro data for research purposes.*

*Statutory penalties exist for the illegal disclosure of confidential information, but there have been no breaches.*

### 1.5.1 Indicator 5.1 Statistical confidentiality is guaranteed by law.

Articles 53–60 of the Law provide the framework for the protection, use and transfer of confidential data. The peer review team were left with the strong impression that MONSTAT staff has a good understanding of the legal requirements and that protecting statistical confidentiality is an integral part of the office's business practices. The Adapted Global Assessment of the National Statistical System of Montenegro in April 2010 flagged up, that some businesses felt MONSTAT did not always observe the confidentiality rules, but the peer review team got no such messages this time.

### 1.5.2 Indicator 5.2 Statistical authority staff signs legal confidentiality commitments on appointment.

Until recently, MONSTAT staff was not required to sign a legal confidentiality commitment, but Article 58 of the new Law will make this a requirement.

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**1.5.3 Indicator 5.3 Substantial penalties are prescribed for any wilful breaches of statistical confidentiality.**

Such provisions exist in both, the previous and the new Law.

**1.5.4 Indicator 5.4 Instructions and guidelines are provided on the protection of statistical confidentiality in the production and dissemination processes. These guidelines are spelled out in writing and made known to the public.**

MONSTAT have codified in two detailed Rulebooks (covering Keeping Records and Personal Data Protection) the necessary arrangements and procedures to protect confidentiality of information and the arrangements to provide suitably anonymised information to authorised users for research purposes. It is recommended that MONSTAT adopt the two Rulebooks as soon as possible and publish them on their website to provide guidance to researchers.

**1.5.5 Indicator 5.5 Physical and technological provisions are in place to protect the security and integrity of statistical databases.**

A variety of physical and technological measures are in place to protect the security of MONSTAT's statistical databases. Budget constraints did, however, prevent the procurement of a Dutch software to provide a particular form of protection for small area statistics.

**1.5.6 Indicator 5.6 Strict protocols apply to external users accessing statistical micro-data for research purposes.**

Article 51 of the previous Law on Statistics set out the strict arrangements, under which external users might receive statistical micro-data for research purposes. These arrangements are described in more detail in the aforementioned Rulebook on Keeping Records. Article 57 of the new Law takes the description a step further by specifying the types of scientific and research organisations, who might receive such data.

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## 1.6 PRINCIPLE 6: IMPARTIALITY AND OBJECTIVITY

**Statistical authorities must produce and disseminate European Statistics respecting scientific independence in an objective, professional and transparent manner, in which all users are treated equitably.**

*Overall assessment:*

*From the observations during the Peer Review the peers have got reasonable assurance for the opinion that MONSTAT respects scientific independence in producing and disseminating official statistics and carries out its tasks in an objective, professional and transparent manner. The practice in ensuring equality of access to newly released data is to be underlined. It is explicitly laid down in the new Law.*

### 1.6.1 Indicator 6.1: Statistics are compiled on an objective basis determined by statistical considerations.

The Law stipulates clearly the objectivity of the production and dissemination of official statistics in Montenegro. According to the new Law the Director of MONSTAT 'shall be obliged to protect the professional credibility of official statistics against unprofessional influence of any kind'. Representatives of various user groups underlined the objectivity MONSTAT has shown during production and dissemination of the data of the recent population census. They indicated that trust in MONSTAT has improved a lot.

### 1.6.2 Indicator 6.2: Choices of sources and statistical techniques are informed by statistical considerations.

Besides the legal provisions that give the producers of statistics in Montenegro the right to collect, process and disseminate official statistics in an objective, professional and transparent manner, MONSTAT strives in practice that their norms and standards and their methods used for the production of official statistics are solely driven by statistical considerations.

### 1.6.3 Indicator 6.3: Errors discovered in published statistics are corrected at the earliest possible date and publicised.

Article 47 of the new Law obliges MONSTAT to announce on their website any correction of data that were incorrectly published. MONSTAT management informed the peer review team about the procedures that are already used in the office. If errors arise in statistics already published they will immediately be corrected and the users will be informed. A description of the procedures does not exist yet and should be

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prepared and published soon. The description should explain how to act in the case of errors in printed publications, in online databases and in press releases.

The interviews with junior staff showed that these rules are well known to MONSTAT staff and applied in practice in case errors occur.

**1.6.4 Indicator 6.4: Information on the methods and procedures used by the statistical authority are publicly available.**

In the Law it is stipulated that publications of statistical data shall contain an explanation of the data. The new Law states that ‘official statistics should be presented in a clear and understandable form (...) with supporting metadata and guidance’.

Up to now data on MONSTAT’s website are only partly accompanied by metadata, and the present metadata do not follow international standards and vary between the various statistical domains. A standardised metadata format is in preparation and will be implemented in the course of the current year.

**1.6.5 Indicator 6.5: Statistical release dates and times are pre-announced.**

The Law stipulates that the producers of official statistics shall prepare, update and publish a dissemination calendar. It shall be published not later than 20 December for the following year and shall include the dates of the publication of statistical data. It is moreover stated that any deviation from the time schedule determined by the calendar shall be announced and explained publicly. MONSTAT publishes a release calendar for all official statistics, not only for statistics produced by MONSTAT.

Any change of a pre-announced publication date in the release calendar seems to be published in advance as early as possible for the sake of transparency. In the proposed Dissemination Strategy or in a separate document it should be precisely explained, under which circumstances a pre-announced publication date can be changed and how the revised date will be published. The rules should be published on MONSTAT’s website.

**1.6.6 Indicator 6.6: All users have equal access to statistical releases at the same time and any privileged pre-release access to any outside user is limited, controlled and publicised. In the event that leaks occur, pre-release arrangements should be revised so as to ensure impartiality.**

The principle that all users have equal access to statistical releases at the same time is laid down in the Law (Article 46) and applied in practice by MONSTAT without any exception. From the discussions with users during the Peer Review it appears that this approach is generally accepted and that there is no pressure on MONSTAT to provide privileged access.

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**1.6.7 Indicator 6.7: Statistical releases and statements made in Press Conferences are objective and non-partisan.**

MONSTAT adheres strictly to the principles of impartiality and objectivity in their production and dissemination of official statistics. The statistical releases, which can be found on their website, are clearly formulated in an objective manner. The same holds true for statements in press conferences as confirmed in meetings with users during the review.

The procedures on how press releases and statements for press conferences are prepared and adopted in the office and how objectivity in their contents is ensured should be described in the Dissemination Strategy or in a separate document to be published on MONSTAT's website.

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## 1.7 PRINCIPLE 15: ACCESSIBILITY AND CLARITY

**European Statistics should be presented in a clear and understandable form, disseminated in a suitable and convenient manner, available and accessible on an impartial basis with supporting metadata and guidance.**

### *Overall assessment:*

*The Law specifies that all data should be explained in an understandable manner, and it was clear to the peer review team that, with the exception of metadata, MONSTAT was already following the spirit of, and in most practical terms complying with, the ESS Code of Practice on dissemination matters. Moreover, the cessation of the previous contract with a private agency to manage MONSTAT's public relations activities has led to an improvement in MONSTAT's external face and external users were generally complimentary about MONSTAT's dissemination practice. MONSTAT is preparing a new Dissemination Strategy as recommended in the 2010 Adapted Global Assessment and is planning to strengthen the Department for Dissemination with additional staff to coordinate all dissemination standards and practice. It is recommended that the proposed Dissemination Strategy should draw together in one place, guidelines on all the issues affecting dissemination and the associated procedures to deliver them, including the specific recommendations in this report. The Strategy should be adopted and published as soon as possible and the various strands should be implemented as a matter of priority.*

### **1.7.1 Indicator 15.1: Statistics are presented in a form that facilitates proper interpretation and meaningful comparisons.**

MONSTAT statistical releases typically include headline text, some commentary and summary tables that enable both short and long term comparisons to be made. Furthermore, some releases contain comparable data for other countries that enable international comparisons. The peer review did not explore the scope for improvement in the existing format of the press releases, but external users commented in general that MONSTAT had greatly improved its standard of presentation and they were satisfied that the statistics were explained adequately. This view was reinforced by the results of the ongoing website satisfaction survey where 78 % of website visitors in 2011 stated that they were either satisfied or very satisfied with the website service. This survey is limited in both coverage and content, however, and presents only a partial view of user satisfaction. It is therefore recommended that MONSTAT undertake regular user satisfaction surveys separately for the public at large and for other government departments to get a better appreciation of MONSTAT's dissemination practice and services generally. Such surveys would be welcomed by users.

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In discussion with senior managers, it was agreed that the importance of good communication on statistics could not be over-stated. It was therefore agreed that all new staff should receive training in writing statistical releases and, moreover, that staff in the Dissemination Department should receive training in dealing with the media. Furthermore, MONSTAT should consider training the media on the handling and interpretation of statistics. This approach is being adopted for dissemination of the 2011 Census results and is a proposal supported by the media representatives that the peer review team met.

### **1.7.2 Indicator 15.2: Dissemination services use modern information and communication technology and, if appropriate, traditional hard copy.**

All of MONSTAT's statistical press releases are now published separately on the internet free of charge although paper copies of the more significant press releases are also still disseminated on standard distribution lists. The website is available in a number of languages and is relatively easy to navigate. MONSTAT also still publishes in paper form a couple of annual publications (Statistical Yearbook and Montenegro in Figures) and occasional publications such as Demographic Trends.

The statistical releases are currently only available in PDF format and, as part of MONSTAT's website developments, there should be further development of user-friendly tools for flexible usage on the web of disseminated data.

MONSTAT is only responsible for publication of its own statistics and other producers of official statistics publish their statistics separately. With the emphasis now on electronic dissemination, it would both enhance understanding of MONSTAT's overarching role on official statistics and improve trust in the official statistical system itself if all Montenegrin official statistics were released through a single portal operated by MONSTAT, with links back to the websites of all producers of official statistics as appropriate (the 'one face to the customer' principle). It is recommended that such an initiative is investigated as part of the forthcoming Dissemination Strategy.

### **1.7.3 Indicator 15.3: Custom-designed analyses are provided when feasible and are made public.**

MONSTAT produces custom-designed analyses, but these are not normally made available to the public. To ensure equality of access, MONSTAT should publish on the web all tailor-made analyses produced for specific customers. Furthermore, to cover, where appropriate, the costs of producing such analyses, MONSTAT should also develop a charging policy as required in Article 48 of the Decree on Organisation and Method of Operation of State Administration (January 2012).



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**1.7.4 Indicator 15.4: Access to micro-data can be allowed for research purposes. This access is subject to strict protocols.**

See comments at Principle 5, Indicator 5.6.

**1.7.5 Indicator 15.5: Metadata are documented according to standardised metadata systems.**

MONSTAT is in the process of implementing a major project to introduce the ESS's standard metadata format for all its statistical products. It is currently envisaged that this new metadata system will come on stream in mid-2012.

**1.7.6 Indicator 15.6: Users are kept informed on the methodology of statistical processes and the quality of statistical outputs with respect to the ESS quality criteria.**

Although some methodological information is available on statistical products on the website, this is currently on a piecemeal basis. As outlined at Principle 4, MONSTAT does not have a quality management system in place at present. Also, it is still in the throes of implementing a standard metadata format. It needs the advent of these two important tools for MONSTAT to be able to keep users informed of methodological changes and improvements in a systematic fashion. Development of such a facility should be a key element of the proposed Dissemination Strategy.

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## 2 CO-ORDINATION ROLE OF THE NATIONAL STATISTICAL INSTITUTE

### *Overall assessment:*

*The new Law gives MONSTAT explicit responsibility for coordinating the National Statistical System. The current coordination arrangements are very informal, however, and it is recommended that MONSTAT set up a Coordination Committee comprising all producers of official statistics to manage the multifarious tasks required in developing and reporting on the Development Strategy, the five-year Programme and the annual plans.*

Montenegro already has a comprehensive suite of instruments to operate a decentralised National Statistics System (NSS) in an effective manner. This suite includes the Statistical Law, the Development Strategy, the five-year Programme, the Memoranda of Understanding between MONSTAT and other official producers and the annual plan. Furthermore, Article 8 of the new Law gives MONSTAT a leading role in the coordination of the NSS, explicitly referring to coordination of official statistics as one of MONSTAT's activities.

All the necessary statutory mechanisms for coordination of the statistical system are therefore in place. The strong impression gained by the peer review team was that existing coordination between producers of official statistics is largely informal, however, and predicated on good one-to-one working relationships between MONSTAT and individual producers of official statistics. Indeed, as one senior official from another department stated, they did not see MONSTAT performing a coordination role at present so much as managing the task of sharing out responsibilities.

The peer review team also felt that user consultation is currently focused largely on other official statistics producers and external users are not consulted in a systematic manner. This problem is exacerbated by the fact that the Council does not reflect the composition of MONSTAT's stakeholders, with only two representatives from external organisations. There is thus a significant risk that, with a preponderance of members from government departments on the Council, it will become the coordinating body for the statistical system rather than the advisory body it is intended to be.

It is thus felt that the whole user consultation and planning processes should be more formalised than at present. MONSTAT's regular user consultation exercise should be broadened out to embrace the wider user community including the private sector, the scientific community and the civil society. More fundamentally, it is recommended that a new Coordination Committee be set up under the Director of MONSTAT to oversee and manage the statistical planning/consultation process across government. It is envisaged that the Committee would have six key responsibilities:

- preparation and monitoring of statistical programmes and plans across government;

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- formulation of regular reports against plans;
  - managing a comprehensive user consultation process including external users;
  - consideration of new demands for data and new statistical initiatives;
  - resolution of inter-departmental data problems and conflicts;
  - submission of proposals/plans to the Council and then Government.

It is envisaged that the new Committee would comprise representatives from all the producers of official statistics and possibly some of the most important owners of the administrative data, which are used for statistical purposes. The composition of the Council should then be revised in the midterm to become primarily a forum for the users.

Article 25 of the new Law requires MONSTAT to incorporate information from all producers of official statistics in the annual report on the implementation of the annual plan, which will enhance its coordination role.

There is still some uncertainty and ambiguity in the statistical system, about which organisations are producers of official statistics on the one hand, and which organisations, on the other hand, are simply providers of administrative data for statistical purposes. This problem is founded in Article 8 of the previous Law setting out a list of producers of official statistics, a couple of which appear to be providers of data rather than producers of statistics. However, Article 6 of the new Law remedies this problem by limiting the list of producers explicitly identified to a small number and introducing instead the category of 'other statistical producers defined by the Official Statistics Programme'. Preparation of the next five-year programme should therefore be used as the opportunity to establish the definitive list of producers of official statistics.

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### **3 GOOD PRACTICES TO BE HIGHLIGHTED**

The new Law not only regulates the production and dissemination of official statistics by MONSTAT, but it regulates the production and dissemination of all official statistics by all producers of official statistics. It therefore also includes rules on the coordination of the statistical system.

The new Law stipulates that official statistical data shall be available to all users in an equal way and at the same time. Exceptions are not permitted, and the rules are strictly followed in practice.

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## 4 LIST OF IMPROVEMENT ACTIONS

### List of Improvement Actions by Principle of the Code

	<b>Improvement actions</b>	<b>Timetable</b>
<b>1.1.1</b>	<b>Improvement Actions Principle 1: Professional Independence</b>	
	Preparing and adopting working arrangements between the Ministry of Finance as the supervisory body and MONSTAT.	2012
	Including the qualifications required of the Director of MONSTAT into the new Rulebook on Internal Organisation and Job Descriptions.	2012
	Establishing formalised structures to involve all user groups, in particular the private sector, the scientific community and the civil society, in the process of the planning of the next programme and afterwards the annual plans.	2012
	Publishing the guideline for responding in case of misinterpretation and misuse of official statistics on MONSTAT's website.	2012
<b>1.1.2</b>	<b>Improvement Actions Principle 2: Mandate for Data Collection</b>	
	Signing agreements with additional providers of administrative data, clarifying the mandate and improving the quality of administrative records.	2014
	Developing a strategy for the wider use of administrative data.	2012-2013
	Developing the strategy for the penalty provisions of the new Law on Official Statistics.	2013
	Improving cooperation with enterprises, in particular large and medium size enterprises, to raise awareness of the importance of reliable and accurate statistical information. Develop a strategy for cooperation with accounting agencies and prepare Memoranda of Understanding with business associations.	2014
<b>1.1.3</b>	<b>Improvement Actions Principle 3: Adequacy of Resources</b>	
	Pursue the case for larger premises to accommodate the necessary recruitment of additional staff.	2015
	Develop and prepare a strategy for improving expertise of employees.	2013
	Implementing the new organisational structure connected with a re-allocation of staff resources in MONSTAT (headquarter and regional offices).	Finalised end of 2012

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<b>1.1.4</b>	<b>Improvement Actions Principle 4: Quality commitment</b>	
	Develop and implement a plan for Quality Management including the creation of a unit responsible for quality management and quality control.	2012-2015
	Implement training on quality issues.	2012-2013
	Presenting selected quality indicators as part of standardised metadata on the web page using best practices.	2012-2014
	Producing quality reports in line with the ESS Standard for Quality Report and the ESS Handbook for quality reports.	2014
<b>1.1.5</b>	<b>Improvement Actions Principle 5: Statistical Confidentiality</b>	
	Adoption and publication of the guidelines on access to and handling of micro data for research purposes.	2012-2013
<b>1.1.6</b>	<b>Improvement Actions Principle 6: Impartiality and objectivity</b>	
	Developing and describing a procedure on how to record information about serious errors in published data and how to announce the corrected data to users.	2012
	Describing and publishing the procedure on how to revise the release calendar.	2012
	Describing and publishing the procedure on how to prepare and adopt press releases and statements in press conferences.	2012
<b>1.1.7</b>	<b>Improvement Actions Principle 7: Sound Methodology</b>	
<b>1.1.8</b>	<b>Improvement Actions Principle 8: Appropriate Statistical Procedures</b>	
	Developing a template for describing the production of statistics.	2013-2014
	Describing procedures for the production of all statistics and analysing possibilities for standardisation.	2012-2014
	Developing and publishing a revision policy.	2012
<b>1.1.9</b>	<b>Improvement Actions Principle 9: Non-Excessive burden on respondents</b>	
	Introducing the possibility to fill in electronic questionnaires and to submit data via the web for enterprises.	2013-2015
<b>1.1.10</b>	<b>Improvement Actions Principle 10: Cost Effectiveness</b>	
	Investigate and establish the use of CAI techniques in household statistics.	2013-2015
	Preparing all necessary internal and external procedures for the monitoring of the use of resources.	2012-2013

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<b>1.1.11</b>	<b>Improvement Actions Principle 11: Relevance</b>	
<b>1.1.12</b>	<b>Improvement Actions Principle 12: Accuracy and Reliability</b> Measuring and systematically documenting sampling errors.	2012-2014
<b>1.1.13</b>	<b>Improvement Actions Principle 13: Timeliness and Punctuality</b>	
<b>1.1.14</b>	<b>Improvement Actions Principle 14: Coherence and Comparability</b> Introducing back-casting methods for the estimation of historical time series, especially for short-term indicators.	2012-2013
<b>1.1.15</b>	<b>Improvement Actions Principle 15: Accessibility and clarity</b> Implement the Dissemination Strategy. Adopt and publish a charging policy. Introduce a user satisfaction survey: <ul style="list-style-type: none"> <li>• for public, and</li> <li>• for Ministries.</li> </ul> Training of staff in writing releases and dealing with media. Training of media. Publish tailor-made analysis on the web. To set up a one-stop dissemination portal for all official statistics, with a link to other producers of official statistics. Further development of user-friendly tools for flexible usage of the disseminated data on the web. Implementing international standards for metadata; releasing reference metadata according to these standards together with the disseminated data (incl. quality indicators).	2012-2013 2013 2012-2013  2012 2013 2013 2013 2015 2012
<b>1.1.16</b>	<b>Improvement Actions: Coordination of the National Statistical System</b> Create a new coordination committee for the NSS and set up a new unit to manage the process; include a more effective user consultation process (see also improvement Action No.3 under 1.1.1).  Initiating as soon as practical a further revision of the Law on Official Statistics concerning a change of the composition of the Council to embrace the wider user community.	2013  2014/2015

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Preparing and adopting working arrangements between Statistical Council as the advisory body and MONSTAT.	2012
Incorporate information from <u>all</u> producers of official statistics in the annual report on the implementation of annual plan and thus the programme (Article 25 of the new law).	2013
Establish the definitive list of producers of official statistics when preparing the next programme	2013

## **5 ANNEXES**

### **ANNEX 1: AGENDA OF THE LPR**

### **ANNEX 2: LAW ON OFFICIAL STATISTICS AND OFFICIAL STATISTICS SYSTEM**



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## **Annex 1**

**Global assessments of statistical systems of candidate and potential candidate countries  
as well as ENP countries**

**Service Contract 60702.2009.001-2009.459**

# **Final Agenda Adapted Global Assessment of Montenegro**

## **Date and place of the AGA**

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Date	08– 12 March 2010
Place	MONSTAT Premises
Experts	Mr. Kopsch Mr. Byfuglien
Eurostat	Ms. Utkilen
Observers	Mr. Gergi Ms. Thoma Ms. Novkovska

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**Day 1: 08 March 2010**

09:30 – 10:00	Welcome and Introductory meeting with top management <i>Participants: Radomir Djurovic director of Monstat , Gordana Radojevic, assistant director for Sector for macro economic statistics, national accounts and prices and Rajko Lakovic ,assistant director for Sector for social statistics and demoghaphy</i>	Assessment team Monstat
10:00 – 11:30	Part I: Review of legal basis, national statistical system including programming and coordination, national statistical service (strategy and organisation) <i>Participants: Radomir Djurovic, Gordana Radojevic, Rajko Lakovic, Ana Vasiljevic ,head of the general service, human resources and finances</i>	Assessment team Monstat
11:30 – 11:45	<i>Coffee Break</i>	
11:45 – 13:00	Cont. Part I: Review of legal basis, national statistical system including programming and coordination, national statistical service (strategy and organisation) <i>Participants: Radomir Djurovic, Gordana Radojevic, Rajko Lakovic, Ana Vasiljevic</i>	
13:00 – 14:00	<i>Lunch Break</i>	
14:00 – 15:30	Part II: Review of legal basis, national statistical system including programming and coordination, national statistical service (financial issues and staff) <i>Participants: Radomir Djurovic, Gordana Radojevic, Rajko Lakovic, Rena Lazovic,advisor for human resources, Cmiljana Vojinovic,advisor for finances</i>	
15:30 – 15:45	<i>Coffee Break</i>	
15:45 – 17:00	Part III: Review of legal basis, national statistical system including programming and coordination, national statistical service ( quality monitoring) <i>Participants: Radomir Djurovic, Gordana Radojevic, Rajko Lakovic,Sonja Duletichead of IT Department ,Ana Vasiljevic</i>	
17: 00	Meeting related to IPA project <i>Participants: Sari Jouhki ,expert for IPA project Jelena Markovic ,advisor in section for international cooperation (Monstat)</i>	IPA representative Monstat

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## Day 2: 09 March 2010

09:00 – 10:30	<p>Review of dissemination, relations with main users and international cooperation with senior staff responsible in particular for dissemination and communication</p> <p>09:00-09:30 Review of dissemination <i>Participants: Radmila Sisevic, advisor for dissemination</i></p> <p>09:30 – 10:00 Review of relations with main users <i>Participants: Radmila Sisevic (Monstat)</i></p> <p><i>Dusko Korac, owner of private company PRISMA (PRISMA)</i></p> <p>10:00 – 10:30 International cooperation <i>Participants: Jelena Markovic, Irena Mihailovic, Marija Nenezic Antelj, Katarina Bigovic-advisors in international cooperation</i></p>	Assessment Team Monstat
10:30 – 10:45	<p><i>Coffee Break</i></p>	
10:45 – 13:00	<p>Part I: Review of statistical domains with respective leading staff: <b>Macroeconomic statistics</b></p> <p>10:45-12:00 National Accounts <i>Participants: Branka Susic head of Department for national accounts, Snezana Bogojevic, advisor for national accounts</i></p> <p>12:00 – 13:00 Foreign Trade Statistics (jointly with admin. body responsible for customs affairs) <i>Participants: Bojana Radevic head of foreign trade statistics (Monstat)</i> <i>Milan Martinovic, assistant director in Customs Administration of Montenegro, Danilo Minic, advisor in Customs Administration (Customs Administration)</i></p>	Assessment Team Monstat
13:00 – 14:00	<p><i>Lunch Break</i></p>	
14:00 – 17:00	<p>Part II: Review of statistical domains with respective leading staff: <b>Macroeconomic statistics</b></p> <p>14:00 – 15:00 Balance of payments; Financial Accounts; Coordination of the Nat. Statistical System <i>Participants: National accounts team as non-discussion party (Monstat)</i> <i>Boris Kilibarda, director of direction for balance of payment and real sector, Mira Radunovic, head of section for balance of payment (Central Bank)</i></p> <p>15:00 – 16:00 Government finance statistics; Coordination of the National Statistical System</p>	Assessment Team Monstat Central bank Ministry of Finance Monstat

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*Participants: Irena Karadzic, advisor in (Monstat)  
Ranko Stevovic, advisor for economic upturn and  
Stanko Jeknic, head of macro economy department ( Ministry  
of Finance)*

16:00 – 17:00 Consumer Price Index

*Participants:, Ernad Kolic, advisor for CIP and HICP, Natasa  
Radunovic, advisor in price statistics*

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**Day 3: 10 March 2010**

09:00 – 12:00	<p>Part III: Review of statistical domains with respective leading staff: <b>Demographic and social statistics</b></p> <p>09:00 – 10:00 Population Census</p> <p><i>Participants: Snezana Remikovic, head of Department for demography statistics and population census</i></p> <p>10:00 – 11:00 LFS (jointly with employment agency)</p> <p><i>Participants: Gojko Dragas, Department for labour market statistics, living conditions, social services and household consumption, Danijela Andjelic, advisor for LFS (Monstat), Darko Pekovic, advisor for research (Employment Agency)</i></p> <p>11:00 – 12:00 HBS</p> <p><i>Participants: Gojko Dragas, Zdravka Savic, HBS advisor, Ivana Raznatovic, SILC and poverty analysis</i></p>	<p>Assessment Team Monstat Employment Agency of Montenegro</p>
12:00 – 13:00	<p>Meeting with President of Statistical Council</p> <p>Participant: Ms.Maja Bacovic</p>	<p>Assessment Team</p>
13:00 – 14:00	<p><i>Lunch Break</i></p>	
14:00 – 15:30	<p>Part IV: Review of statistical domains with respective leading staff, <b>Business statistics</b></p> <p>14:00 – 14:30 Classifications; Business Register</p> <p><i>Participants: Marijana Popovic Roncevic, head of Department for Department of Structural business statistics and registers, Dijana Ristic, SBS and classification</i></p> <p>14:30 – 15:00 Structural business statistics</p> <p><i>Participants: Marijana Popovic Roncevic, Tatjana Popovic, SBS advisor</i></p> <p>15:00 – 15:30 Short-term business statistics</p> <p><i>Participants: Marijana Popovic Roncevic, Masan Raicevic, advisor for industry</i></p>	<p>Assessment Team Monstat</p>
15:30 – 15:45	<p><i>Coffee Break</i></p>	
15:45 – 17:00	<p>Part V: Review of statistical domains with respective leading staff: <b>Agriculture statistics and Census</b></p> <p><i>Participants: Dragan Pekovic, head of Department for agricultural statistics (Monstat)</i></p> <p><i>Mirko Ljesevic, advisor (Ministry of Agriculture)</i></p>	<p>Assessment Team Monstat Ministry of Agriculture</p>

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**Day 4: 11 March 2010**

	Separate meetings with main users	Assessment Team
09:00 – 10:45	Meeting I: Ministries and governmental agencies : <b>Ministry of Economy</b> -Milena Vukcevic, advisor, <b>Ministry of Finance</b> -Radovan Zivkovic, advisor for macro economy and Ranko Stevovic, <b>Ministry of Education</b> -Darko Kovacevic, head of IT Department, <b>Ministry of Labour and Social Welfare</b> -Ranka Pavicevic, advisor , <b>Ministry of European Integration</b> -Maja Radulovic, advisor and Milica Perisic, advisor, <b>Ministry of Health</b> –Sanja Markovic, advisor, <b>Central Bank</b> – Mira Radunovic, head of balance of payment section <b>Ministry of Culture, Sport and Media</b> -Dragoljub Jankovic and Boris Avramovic, advisors	Assessment Team Users Institutions representatives
11:00 – 12:00	Meeting II: International organisations Danijela Vukaljovic Grba (World Bank), Velichka Petrova (IMF), Aleksandra Visnjic (UNDP)	World Bank IMF UNDP
12:00 – 13:00	Meeting III: Business associations and trade unions Stevan Karadaglic, vice-president in Chamber of Commerce representative; Darko Konjevic ,executive director of Montenegro Business Alliance	Chamber of Commerce; Montenegro Business Alliance;
13:00 – 14:00	Lunch Break	
14:00 – 15:00	Meeting III: Scientific Community Maja Bacovic (Faculty of Economy) Maja Drakic (UDG private university) Ivana Vojinovic (Institute for Strategic Studies and Prognosis) Dragan Koprivica (Centre for Democratic Transition)	Faculty of Economy UDG private university Institute for Strategic Studies and Prognosis Centre for Democratic Transition
15:00 – 16:00	Meeting VI: Media Participants: journalists from daily newspapers Sinisa Goranovic daily newspaper Dan, Vjera Borozan, daily newspaper Pobjeda	Assessment team Media
16:00 -17:00	Meeting with junior staff Participants: Ivan Kavarić, Miroslav Pejović, Milica Pejović, Nadja Asanović, Ivana Raznatović, Maja Vucinić, Dijana Ristović, Božidar Lopčić	Assessment Team Monstat

**Day 5: 12 March 2010**

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08:30 – 09:00	Debriefing with EC Delegation	Assessment Team EC Delegation
09:00- 10:00	Meeting with Ministry of Internal Affairs and Public Administration <i>Participants: Snezana Remikovic( Monstat) Zora Cizmovic ,advisor(Ministry of Internal Affairs and Public Administration) Andrijana Radulovic, advisor(Ministry of Internal Affairs and Public Administration)</i>	Ministry of Internal Affairs and Public Administration Monstat
10:00 – 12:30	Meeting with top management: Conclusions and recommendations (improvement actions) <i>Participants: Radomir Djurovic, Gordana Radojevic and Rajko Lakovic</i>	Assessment Team Monstat management

## **Annex 2**

Pursuant to Article 88 item 2 of the Constitution of the Republic of Montenegro, I hereby issue the

### **Decree Promulgating the Law on Statistics and Statistical System of Montenegro**

**(Official Gazette of the Republic of Montenegro 69/05 of 18 November 2005)**

I hereby promulgate the Law on Statistics and Statistical System of Montenegro passed by the Parliament of the Republic of Montenegro at the second sitting of the second ordinary session in 2005 on 10 November 2005.

No 01-1139/2  
Podgorica, 15 November 2005

President of the Republic of Montenegro  
Filip Vujanovic

## **LAW ON STATISTICS AND STATISTICAL SYSTEM OF MONTENEGRO**

### **I GENERAL PROVISIONS**

#### ***Article 1***

The purpose of this Law is to regulate the fundamental principles of official statistics in the Republic of Montenegro (hereinafter referred to as "Montenegro"); organisation of statistical system and the principles it is based on; programme of statistical surveys; collection, processing and storage of the statistical data; statistical registers; dissemination of statistical data; manner of ensuring data confidentiality; international statistical cooperation; and other issues of importance for functioning of the statistical system.

#### ***Article 2***

The statistical system shall provide quantitative and representative information on the economic, demographic, social and environmental situation in Montenegro to all users, in accordance with the highest professional standards.

#### ***Article 3***

Statistical activities shall be performed by the bodies and institutions authorised under this Law and the Programme of Statistical Surveys (hereinafter referred to as the "Programme").

This Law shall not be applied to preparation, collection, processing, production, use and storage of data for administrative purposes, neither to collection of data through observation and monitoring method for non-statistical purposes, or any purposes other than statistical.



The provisions of this Law shall be applicable to data mentioned in paragraph 2 of this Article from the moment these data are submitted to statistical producers defined under this Law.

#### **Article 4**

Certain expressions used in this Law shall have the following meanings:

- Statistical activity is any activity defined under this Law, a special law and the Programme, applying scientific and professional methods and standards for the purpose of production, processing and dissemination of statistical results;
- Programme is an act defining statistical activities for the five-year period in accordance with this Law;
- Annual Plan of Statistical Surveys (hereinafter referred to as the "Annual Plan") is an act defined for each year covered by the Programme, for the purpose of implementing the Programme;
- Statistical survey is a method of systematic collection of data directly from reporting units and exclusively for statistical purposes;
- Statistical form is any document used in statistical surveys while collecting data from reporting units;
- Data collection is any activity related to the conduct of statistical surveys, use of administrative data sources, as well as observation and monitoring methods;
- Reporting units are legal persons and their units, entrepreneurs, natural persons, households, state government bodies, local self-government bodies and all other units that provide data exclusively for statistical purposes, with the contents and within the deadlines defined under the Annual Plan;
- Statistical unit is a methodologically and unambiguously defined level for each type of data collection, determined in a manner that allows the reporting unit to present data as they are collected and the producers of official statistics to aggregate when processing;
- Identifier is any unique variable that allows direct or indirect recognition of an individual statistical unit;
- Statistical result is any statistical data produced, processed and disseminated in accordance with the provisions of this Law;
- Producers of statistics are authorities and organisations defined under this Law and the Programme;
- Production of statistical results is the process encompassing all the activities of collection, storage, processing, compilation, analysis and dissemination of the statistical data;
- Dissemination is any activity of statistical producers related to presentation of statistical data, ensuring access to the results and methodologies, and providing of additional results to certain users according to their special requests;

- Statistical registers are nominal lists on reporting and statistical units, which are regularly updated and used exclusively for statistical purposes;
- Administrative data sources are collections of data regulated by special laws and used for determination of rights and obligations of legal and natural persons.

## II FUNDAMENTAL PRINCIPLES OF STATISTICS

### *Article 5*

The statistics is based on the following principles: relevance, impartiality, reliability, transparency, timeliness, professional independence, cost-effectiveness, consistency, publicity, statistical confidentiality and use of individual data exclusively for statistical purposes.

### *Article 6*

The principles referred to in Article 5 of this Law shall have the following meanings:

**1) *Relevance*** means that statistical data shall meet the clearly defined informing requirements related to the purpose of the statistics. Statistical data are to be periodically checked and relevant need for data should be timely identified;

**2) *Impartiality*** means the objective manner of setting up the definitions and methods of collection, processing and dissemination of statistical data, preserved from any kind of influence;

**3) *Reliability*** means that methods and actions related to collection, processing and dissemination of statistical data shall be determined on the basis of the highest professional standards, scientific methods and principles of professional ethics, so that the statistical results completely reflect the observed phenomena, with an appropriate level of accuracy;

**4) *Transparency*** means that reporting units must be informed about legal obligation of submitting data, purpose for which data are requested and measures for data protection. Statistical data, unless individual, shall be available to users;

**5) *Timeliness*** means that activities regulated under this Law and regulations passed on the basis of this Law shall be carried out and accomplished within the fixed deadlines;

**6) *Professional independence*** means that producers of statistics shall perform statistical activities applying scientific and professional methods, preserved from any kind of influence;

**7) *Cost-effectiveness*** means the optimum use of all available resources and the minimisation of the burden for reporting units. The workload and the costs caused by the production of statistics should be proportional to the importance of the results;

**8) *Consistency*** means that statistical data shall be consistent in terms of their content, terminology and period of time. Internationally recognised concepts, nomenclatures, classifications, definitions and methods shall be applied in order to achieve maximum international comparability of statistical data;

**9) *Publicity*** means that the statistical results shall be available to all users at the same time;

**10) *Statistical confidentiality*** represents the protection of data, related to individual statistical unit and collected exclusively for statistical purposes or obtained indirectly from administrative or other sources, from any kind of misuse. It implies the prevention of utilisation of data for other purposes than statistical use and unlawful publication. The principle of statistical confidentiality does not refer to the data of the bodies of the Government of the Republic of Montenegro (hereinafter referred to as the "Government");

**11) *Use of individual data exclusively for statistical purposes*** means that data collected through the statistical activities, where the principles of statistical confidentiality are applied, shall be used exclusively in compliance with the provisions of this Law and shall not represent the basis for determination of any rights or obligations of reporting units.

### III ORGANISATION OF STATISTICAL SYSTEM

#### *Article 7*

The statistical system is based on three key principles:

- 1) ***Methodological consistency*** implies full prevention of including into statistical system any data resulted from application of certain internal methodologies and not harmonised with international standards and classifications.
- 2) ***Legal consistency*** implies that this Law and regulations passed under this Law define the organization of all statistical activities.
- 3) ***Information consistency*** implies creation of an information system that follows the concept of statistical system. Producer of statistics shall be responsible for creation of databases that are under his competence and shall be obliged to make all data available to other stakeholders, in compliance with this Law and in the most efficient manner. All other producers shall have the right and obligation to integrate the source database into their own databases, in line with defined criteria, but they shall have no right to create a new database out of the data produced by other producers in the system.

#### *Article 8*

Producers of statistics are the following:

- 1) Administration body competent for statistics affairs (hereinafter referred to as the "competent body");
- 2) Central Bank of Montenegro;
- 3) Securities Commission of Montenegro;
- 4) Administration body competent for customs affairs;
- 5) Administration body competent for tax system;

- 6) State administration body competent for finances;
- 7) Central Register of the Commercial Court;
- 8) Administration body competent for development affairs;
- 9) Other bodies determined by the Programme.

The producers of statistics referred to in paragraph 1 of this Article shall conduct statistical activities defined by this Law, in accordance with the methodology governing communication among the members of statistical system.

The methodology referred to in paragraph 2 of this Article shall be defined by the Government.

The producers of statistics referred to in paragraph 1 of this Article shall be responsible for collection, production, processing and dissemination of statistical data, processing of administrative data and data collected through the observation method, in compliance with provisions of this Law.

### **Article 9**

Statistical activities of the competent body shall comprise the following:

- 1) development of the statistical system;
- 2) coordination, development and implementation of the Programme as well as of the report on implementation of the Programme;
- 3) monitoring the implementation of principles referred to in Article 6 of this Law;
- 4) definition, updating and maintenance of the methodological basis, their harmonisation in cooperation with other producers of statistics, monitoring of their implementation and providing instructions to other producers of statistics on implementation of methodology;
- 5) preparing and performing statistical activities, and meeting the international obligations from the scope of the work established by the Programme;
- 6) production of the basic indicators and aggregates of statistics from the scope of the work established by the Programme, using all available data sources, using administrative data sources and data obtained through the observation and monitoring method that are collected by all the producers of statistics;
- 7) monitoring and exercising quality control of statistical results;
- 8) analysing and interpreting statistical results;
- 9) introduction and keeping statistical registers and statistical databases;
- 10) organisation of an exchange of results and methodological bases of statistics with other countries and international organisations, unless, in certain cases, other producer of statistics is authorised to do so, or unless otherwise stipulated by a special law;

11) performing of any other task in compliance with this Law.

#### **Article 10**

Statistical activities of other producers of statistics shall comprise the following:

- Central Bank of Montenegro shall be responsible for monetary statistics, financial statistics, statistics of insurance, statistics of balance of payments and foreign payment transactions;
- Securities Commission of Montenegro shall be responsible for statistics on the capital market;
- Administration body responsible for customs affairs shall collect and control the data on foreign trade (customs and customs charges; excise on import, except for excise goods subject to delayed payment of excise; VAT on import; charges for road transit of goods over the territory of Montenegro; and administrative fees applicable to goods in customs procedures);
- Administration body competent for tax system shall be responsible for fiscal revenues statistics;
- State administration body competent for finances shall be responsible for the statistics on fiscal expenditures and non-fiscal revenues;
- Central Register of the Commercial Court shall be responsible for the statistics on economic entities (companies and entrepreneurs);
- Administration body competent for development affairs shall be responsible for the statistics on development and investments as well as for publishing the list of macroeconomic indicators.

### **IV COUNCIL OF STATISTICAL SYSTEM**

#### **Article 11**

With a view to improving statistical culture and knowledge as well as meeting users' needs, the Government shall establish the Council of Statistical System (hereinafter referred to as the "Council").

The Council shall be an advisory and professional body responsible for strategic issues of the statistics and statistical system.

#### **Article 12**

The Council shall:

- 1) provide expert opinions and proposals on:
  - draft Programme, draft Annual Plan and draft report on the implementation of the Annual Plan,

- regulations establishing new or modifying the existing administrative data sources,
  - draft laws and other legal acts related to producers of statistics or to statistical activities,
  - development and promotion of the statistical system and international cooperation,
  - raising the level of knowledge of both statistical producers and users,
  - other issues of relevance for the functioning of the statistical system;
- 2) consider:
- functioning of the statistical system,
  - cases when the bodies keeping the administrative data sources fail to provide data required for statistical purposes,
  - cases when the producers of statistics do not act in accordance with the provisions of this Law,
  - other issues of relevance for the functioning of the statistical system;
- 3) define:
- the list of macroeconomic indicators and publishing periodicity, in cooperation with the administration body competent for development,
  - the need for conducting the census, introducing, revising or suspending large statistical surveys, infrastructure projects and financial sources for their implementation, and
  - standards and instructions for implementation of the basic statistical principles.

### **Article 13**

The Council shall have 17 members:

- representatives of the producers of statistics referred to in Article 8, paragraph 1, items 1 to 8, of this Law;
- representative of the state administration body competent for finances – 1 member;
- head of the competent body;
- representative of the Pension and Disability Insurance Fund of Montenegro – 1 member;
- representative of the Health Insurance Fund of Montenegro – 1 member;
- representative of scientific institutions – 1 member;
- representative of research institutions – 1 member;
- representative of business associations – 1 member;

- representative of NGO sector – 1 member, and
- representative of other producers of statistics – 1 member.

The competent body shall provide all conditions necessary for the functioning of the Council.

#### ***Article 14***

The Government shall appoint the Council members upon the proposal of the head of the competent body.

The Council shall have the president and vice president elected from among the members.

The organisation and manner of work of the Council shall be closely defined by its rules of procedure.

#### ***Article 15***

The members of the Council shall be appointed for a five-year period, with a possibility of being re-appointed.

#### ***Article 16***

Expert opinions and proposals passed by the Council, in compliance with the provisions of this Law, shall be public and published on the Council's web site.

#### ***Article 17***

Expert and administrative tasks for the Council shall be performed by the competent body.

The Council shall have a secretary appointed from among the employees of the competent body.

The Council may establish commissions, expert groups and other working bodies.

The Act on establishing working bodies referred to in paragraph 3 of this Article shall define their activities and tasks, composition and methods of work.

The Council shall have the right to engage domestic or international legal or natural persons on a consultancy basis.

### **V PROGRAMME OF STATISTICAL SURVEYS**

#### ***Article 18***

Statistical activities shall be based on the Programme.

The Programme shall be passed by the Government, upon the proposal of the state administration body competent for labour affairs (hereinafter referred to as the "competent ministry"), and upon obtaining the Council's opinion.

The Programme referred to in paragraph 2 of this Article shall be published in the "Official Gazette of the Republic of Montenegro".

Producers of statistics referred to in Article 8, paragraph 1 of this Law shall provide the competent body with the proposals related to elaboration of the Programme, within their competences, not later than 10 May of the year preceding the period to be covered by the Programme.

#### **Article 19**

The Programme shall be consisted of:

1. an overview of the development goals;
2. an overview of the main statistical results to be disseminated in each field, dissemination periodicity, and the main reviews harmonised with international standards;
3. an overview of the most important infrastructural and developmental activities that can not be categorised by the fields;
4. names of the responsible producer of statistics; and
5. level of data dissemination.

#### **Article 20**

An Annual Plan shall be passed for the purpose of implementing the Programme.

The Annual Plan shall be passed by the Government, upon the proposal of the competent ministry, and upon obtaining the Council's opinion.

The Annual Plan referred to in paragraph 2 of this Article shall be published in the "Official Gazette of the Republic of Montenegro".

Producers of statistics referred to in Article 8, paragraph 1 of this Law shall provide the competent body with the proposals related to elaboration of the Annual Plan, within their competences, not later than 10 May of the year preceding the period to be covered by the Annual Plan.

#### **Article 21**

The Annual Plan shall be consisted of:

- 1) the list of statistical surveys to be carried out, i.e.:
  - a) name of the responsible producer of statistics;
  - b) title of the statistical survey;
  - c) reporting units;
  - d) obligation of data submission;



- e) methods of data collection;
  - f) deadlines for data collection;
  - g) main contents;
  - h) deadlines for and levels of results dissemination;
  - i) deadline(s) for submission of responses, if questionnaires are completed by the reporting units themselves;
  - j) reference to the Programme;
- 2) for collection of data from administrative sources or data obtained through the observation method:
- a) type and name of the source (administrative; observation);
  - b) holder of the data source;
  - c) producer of statistics (if different from the data source holder);
  - d) periodicity and deadlines for submission to the producer;
  - e) format of the data transfer;
  - f) contents of the variables;
  - g) classifications and definitions to be applied prior to data submission;
  - h) deadlines for and levels of data dissemination;
  - i) reference to the Programme;
- 3) for development and infrastructural activities, censuses and other large statistical surveys referred to in the Programme:
- a. name of the responsible producer of statistics;
  - b. title of the activity;
  - c. goals to be achieved.

## **VI DATA COLLECTION**

### ***Article 22***

Not later than the beginning of data collection, the reporting units shall be informed on:

- 1) legal basis for conducting the survey;
- 2) the purpose of survey;
- 3) obligation of providing data;

- 4) use of data exclusively for statistical purposes;
- 5) protection of data.

### **Article 23**

The reporting units shall be obliged to provide accurate, complete and updated data free of charge, with the contents and in a form determined by the producer of statistics and within the deadlines defined in the Annual Plan.

### **Article 24**

If the data provided by the reporting units are inaccurate, incomplete or obsolete, the units shall be obliged to correct or modify the data, in line with the instructions and within the deadlines established by the producer of statistics.

### **Article 25**

The producers of statistics may conclude a contract with a natural or legal person, thus entrusting that person to perform certain tasks related to the statistical system.

When performing these tasks, the persons referred to in paragraph 1 of this Article shall act in compliance with provisions of this Law.

Producers of statistics shall exercise controls and be responsible for the quality of the obtained results referred to in paragraph 1 of this Article.

### **Article 26**

Producers of statistics shall issue a written authorisation, containing the necessary identification data, to all interviewers, estimators, enumerators, controllers, instructors, as well as to other persons responsible for direct collection and quality control of statistical data.

When performing these activities, the persons referred to in paragraph 1 of this Article shall act in accordance with the provisions of this Law related to data confidentiality.

### **Article 27**

In cases when it is necessary to evaluate the methodology or the quality of sources of data to be obtained through statistical surveys or census, the producers of statistics, upon prior approval of the Council, can conduct pilot surveys, even if such surveys are not foreseen by the Programme.

Data collected through the statistical surveys referred to in paragraph 1 of this Article shall not be considered as official statistical data.

### **Article 28**

The competent body shall have the right, in accordance with the provisions of this Law, to access individual data collected through statistical surveys conducted by other producers of statistics, if those data are necessary for performing statistical activities or evaluating the quality of the results.

#### ***Article 29***

With a view to performing statistical activities, producers of statistics shall have the right, in accordance with the provisions of this Law, to access all administrative data sources and data collected through the observation method, unless use of those data for statistical purposes is prohibited by a special Law.

#### ***Article 30***

Holders of administrative data sources and holders of data collected through observation method shall make the data available for use, free of charge, in accordance with the requirement of the producers of statistics and under conditions defined in the Programme.

#### ***Article 31***

The competent body shall have the right to request additional data from the reporting units, in case these are necessary for the data quality control or fulfilment of the assigned tasks.

### **VII DATA PROCESSING AND STORAGE**

#### ***Article 32***

Producers of statistics shall be obliged to remove identifiers of reporting units, after having processed the collected data or data obtained from the administrative sources and after having used these data for updating the registers, except in cases referred to in Article 39 of this Law.

Producers of statistics shall be obliged to destroy statistical questionnaires containing data obtained through statistical surveys, immediately after the entry, codifying and processing of data are completed.

#### ***Article 33***

With a view to fulfilling its tasks, the competent body shall have the right to modify data obtained from the administrative data sources, in order to make them harmonised with definitions and classifications used in statistical registers organised and kept by this body.

#### ***Article 34***

Producers of statistics shall be obliged to document and store data organised and codified at the statistical unit level, with no identifiers, for a period of at least 10 years.

After the expiry of the period referred to in paragraph 1 of this Article, the data shall be documented in accordance with the provisions of a special Law.



### **Article 35**

Data referred to in Article 34 of this Law shall be stored in a manner to prevent their destruction, misuse, misappropriation or unauthorised use.

### **Article 36**

The storing method, duration, technical conditions and organisation of data storage, referred to in Article 34 of this Law, shall be regulated by an act adopted by the competent ministry.

## **VIII STATISTICAL REGISTERS**

### **Article 37**

Upon the proposal of the competent body, the Council shall pass an act on classifications and standards to be used by all producers of statistics.

### **Article 38**

Statistical registers organised and kept by the competent body shall be the following:

- 1) business register;
- 2) register of agricultural holdings; and
- 3) register of spatial units.

Administration body competent for real estate affairs shall keep the register of dwellings.

Organisation and manner of keeping the registers referred to in paragraphs 1 and 2 of this Article, as well as use of the data contained in these registers shall be regulated by an act of the competent ministry, upon the proposal of the Council.

### **Article 39**

The competent body shall use data from administrative sources, censuses, statistical surveys or data obtained through the observation method for purposes of organising and keeping the statistical registers.

### **Article 40**

The data contained in the statistical registers must not be transferred to the users in a form and in a manner enabling the identification of the unit that the data refer to.

The competent body may create samples for statistical surveys upon the request submitted by and an adequate charge paid by the user.

The sample referred to in paragraph 2 of this Article may contain the names and addresses of the selected reporting units.

The user referred to in paragraph 2 of this Article shall sign a contract obliging them to use such information exclusively for the specific survey as well as to destroy the identifiers upon the data collection is completed.

The competent body shall keep records on users referred to in paragraph 4 of this Article.

The method of keeping records referred to in paragraph 5 of this Article shall be determined by an act of the competent ministry.

## **IX DISSEMINATION**

### ***Article 41***

Producers of statistics shall disseminate compiled (aggregated) statistical data in accordance with the conditions and within the deadlines determined by the Programme.

The data referred to in paragraph 1 of this Article must be made available to all users at the same time and in an equal manner.

### ***Article 42***

Head of the competent body shall be obliged to publicly announce the correction of any wrong interpretation or misuse of statistical data.

### ***Article 43***

All data obtained through the surveys financed from the Budget of Montenegro shall be free of charge.

### ***Article 44***

Producers of statistics shall be obliged to prepare and update the Calendar of Publication of Statistical Data, specifying the dates of publication of statistical data, not later than 20 December of the current year for the next year.

The Calendar referred to in paragraph 1 of this Article shall be available at the web sites of the producers of statistics and of the Council.

Any derogation from the schedule specified in the Calendar shall be announced and justified.

### ***Article 45***

Statistical data must be explained in a manner making them understandable to the user.

When using the statistical data, the users must note the source of those data.

#### **Article 46**

Producers of statistics may, upon the user's request, provide the data obtained through special processing.

The costs of the special processing referred to in paragraph 1 of this Article shall be borne by the users that requested such processing.

The data referred to in paragraph 1 of this Article shall not be considered as statistical results.

#### **Article 47**

All kinds of data dissemination must be in accordance with the provisions of this Law related to data confidentiality.

### **X CONFIDENTIALITY**

#### **Article 48**

Individual data on natural or legal persons shall be treated as confidential and shall represent an official secret.

#### **Article 49**

The data collected, processed and stored for the statistical purposes shall be considered as confidential when they may provide direct or indirect identification of a legal or natural person.

Any natural or legal person can be directly identified by its name or address as well as by officially assigned and known identification number.

Any possibility of revealing statistical unit's identity shall be considered as indirect identification, except in cases referred to in paragraph 2 of this Article.

#### **Article 50**

The confidential data shall be used exclusively for production of statistics for scientific purposes, in accordance with the Law.

Data whose usage has been explicitly approved by the reporting units shall not be considered as confidential.

#### **Article 51**

Upon written request and upon prior approval by the head of the competent body, producers of statistics may provide individual statistical data, with no identifiers, to the scientific and research institutions, for the purposes of performing scientific and research activities.

The request referred to in paragraph 1 of this Article must contain clearly indicated purpose of use of those statistical data.

The use of statistical data referred to in paragraph 1 of this Article shall be regulated by the contract according to which the user shall be held materially and criminally liable to use statistical data exclusively for the purpose indicated in the request, and shall not allow inspection or use of these data by unauthorised persons, as well as shall destroy them after processing.

#### **Article 52**

Producers of statistics shall keep records on users referred to in Article 51 of this Law, as well as on the purpose for which the statistical data shall have been provided.

The method of keeping records shall be determined by the competent ministry.

#### **Article 53**

Only the persons involved in the production of statistics shall have access to confidential data to the extent necessary for their production.

The persons referred to in paragraph 1 of this Article must act in accordance with provisions of this Law governing confidentiality and protection of statistical data, even after they cease to participate in statistical production.

#### **Article 54**

The statistical results must not be disseminated to the users if they contain or reveal confidential data.

Aggregates of economic units shall be considered confidential if consisted of at least three units while the share of one unit in the aggregate exceeds 85% of the total amount.

By way of derogation from paragraphs 1 and 2 of this Article, the competent body may, upon obtaining the Council's opinion, decide to disseminate data with a view to protecting the public interest.

The reporting units subject to derogation referred to in paragraph 3 of this Article must be timely informed thereof.

#### **Article 55**

Producers of statistics shall be obliged, *ex officio*, to take all administrative, technical or organisational measures required for protection of confidential data from illegal access, dissemination or use.



## **XI INTERNATIONAL STATISTICAL COOPERATION**

### ***Article 56***

In fulfilling the international obligations, the producers of statistics shall be obliged to establish cooperation with producers of statistics from other countries and international organisations, by means of concluding contracts on international cooperation and exchange of statistical data, with the obligation to respect and introduce international standards.

All signed contracts shall be submitted for the Council's records.

The method of keeping records shall be determined by the competent ministry.

### ***Article 57***

The competent body shall organise the exchange of results and methodological basis with other countries and international organisations, unless the Council authorises another producer of statistics to do, or unless otherwise stipulated by a special law.

The competent body and other producers of statistics may, under conditions referred to in paragraph 1 of this Article, transfer individual data with no identifiers to the entities referred to in Article 56 of this Law, provided that those users can ensure the statistical confidentiality and protection of data in accordance with the provisions of this Law.

Any transfer of data referred to in paragraph 2 of this Article must be duly recorded, by stating the name of the country or international organisation to which the data are transferred.

Producers of statistics shall keep separate records on requested and approved transfers of data.

Entities referred to in paragraph 2 of this Article must provide a written statement confirming that the provisions of statistical confidentiality shall be applied to these data as well as that they shall be used exclusively for statistical purposes.

## **XII MONITORING**

### ***Article 58***

Monitoring of the implementation of this Law and bylaws adopted on the basis of this Law shall be under the responsibility of the competent ministry, through the Labour Inspection, in accordance with the Law.

## **XIII PENALTY PROVISIONS**

### ***Article 59***

A legal person, entrepreneur, state administration body or local self-government body shall be liable to a fine ranging from 10 to 300 minimum wages in Montenegro if it does not submit accurate, complete and updated data with the contents, within the deadlines and in the manner determined by the Annual Plan, and if it does not correct or modify the data in line

with the instructions and within the deadlines established by the producer of statistics (Articles 23 and 24).

For the violation referred to in paragraph 1 of this Article, a responsible person in the legal person, state administration body or local self-government body shall be liable to a fine ranging from  $\frac{1}{2}$  to 20 minimum wages in Montenegro.

For the violation referred to in paragraph 1, item 1 of this Article, a natural person shall be liable to a fine ranging from  $\frac{1}{2}$  to 20 minimum wages in Montenegro.

#### **Article 60**

A legal person, state administration body and local self-government body shall be liable to a fine ranging from 10 to 300 minimum wages in Montenegro, if it refuses to provide, free of charge, the data as requested by the producer of statistics (Article 30).

For the violation referred to in paragraph 1 of this Article, a responsible person in the legal person, state administration body or local self-government body shall be liable to a fine ranging from  $\frac{1}{2}$  to 20 minimum wages in Montenegro.

#### **Article 61**

A legal person or a state administration body shall be liable to a fine ranging from 10 to 300 minimum wages in Montenegro if:

- 1) it does not remove identifiers of the reporting units after having processed the collected data or data obtained from the administrative sources and after having used these data for updating the registers (Article 32, paragraph 1);
- 2) it does not destroy statistical questionnaires containing data obtained through statistical surveys, immediately after the entry, codifying and processing of data are completed (Article 32, paragraph 2);
- 3) it does not document and store data organised and codified at the statistical unit level, with no identifiers, for a period of at least 10 years (Article 34, paragraph 1); and
- 4) it transfer to user the data in a form and in a manner enabling the identification of the unit that the data refer to (Article 40, paragraph 1).

For the violation referred to in paragraph 1 of this Article, a responsible person in the legal person or state administration body shall be liable to a fine ranging from  $\frac{1}{2}$  to 20 minimum wages in Montenegro.

### **XIV TRANSITIONAL AND FINAL PROVISIONS**

#### **Article 62**

The members of the Council shall be appointed within 30 days following the entry into force of this Law.

**Article 63**

Bylaws necessary for implementation of this Law shall be passed within 1 year from the day of entry into force of this Law.

Until the bylaws referred to in paragraph 1 are passed, the existing regulations shall be applied, unless it is contrary to the provisions of this Law.

**Article 64**

Until the Programme referred to in Article 18 is passed, the existing Programme of surveys shall be applied.

Producers of statistics shall modify the existing methodological basis, upon obtaining the Council's opinion, until they are fully harmonised with the internationally recognised principles and standards.

**Article 65**

The Law on Statistics (Official Gazette of the Social Republic of Montenegro 06/67) and the Law on the System of Statistical Surveys (Official Gazette of the Federal Republic of Yugoslavia 80/94) shall be repealed on the day of entry into force of this Law.

**Article 66**

This Law shall enter into force on the eighth day following that of its publication in the Official Gazette of Montenegro.

**Annex 3**

**DEVELOPMENT STRATEGY OF STATISTICS IN MONTENEGRO  
2009-2012**

December 2009

## Contents

I. INTRODUCTION .....	4
II MISSION.....	5
III VISION.....	5
IV STATISTICAL SYSTEM OF MONTENEGRO .....	6
V STRATEGIC AREAS AND OBJECTIVES.....	7
5.1 Strategic Objectives.....	7
5.1.1 Methodology for Calculation of Statistical Data in Accordance with EU Standards .....	7
5.1.2 European Statistics Code of Practice.....	8
5.1.3 Strengthening of Cooperation Among Institution of Statistical System in Accordance with European Standards.....	10
5.1.4 Human Resources and Organization of Work.....	10
VI INDIVIDUAL OBJECTIVES.....	12
6.1 Macroeconomic Statistics and Prices .....	12
6.2 Business Statistics.....	12
6.3 Foreign Trade Statistics.....	13
6.4 Agricultural Statistics .....	112
6.5 Demography Statistics and Population Census .....	112
6.6 Statistics of Labour Market, Living Conditions, Social Services and Household Consumption Statistics .....	113
6.7 Classifications .....	113
6.8 IT Support .....	15
6.9 Dissemination and Services to Users .....	15
7.0 International Cooperation .....	17
7.1 Education of Users and Improvement of Image of Statistics .....	17
Abbreviations .....	17
Definitions .....	18

## I. INTRODUCTION

Complete integration with European Statistical System and applying of regulation on work of European statistics becomes main challenge to Statistical Office of Montenegro-MONSTAT. Official statistics plays double role in the process of stabilization and accession: first, as separate chapter of acquis ; second, official statistics serves to other areas providing data for monitoring of alteration and evaluation of influence of chosen politics. Thus, Strategy of Development of Statistics in Montenegro is determined by strategic goal of Montenegro-integration with EU, which supposes accelerating of process of harmonisation of official statistics with standards of EU since reliable and comparable statistical data represent precondition for successful negotiations.

Development of statistical system is composite processes which requires continuous dialogue with users of statistical data, reporting units and other carriers of activities of official statistics, with continuous monitoring and apply of international standards. Special attention in that process is paid to establishment and maintaining of certain human and material resources. Because of that, Strategy of Development of Statistics in Montenegro in period 2009-2012 is document which purpose is to define strategic, priority goals, as well as general principle and criteria for acting of official statistics. In same time, the Strategy will represent a basis for making of Action Plan i.e. for defining statistical activities, dynamic of implementation and planning of results for period of strategic management of official statistics defined by this Strategy.

For the purpose of middle-term planning of development of official statistics it is ongoing making of Program of Statistical Surveys in period 2008-2012 ,which is based on worked out idea of statistical product and Annual Plan of Surveys which is provided by a short-term document, elaborates statistical activities up to level of statistical surveys.

Strategy of Development of Statistics in Montenegro is determined by mission, vision, strategic areas and goals. Planned development is estimated at basis of needs of domestic and international users of statistical data and tasks, which expect statistics, by upcoming accession to European Union. Development, which was planned by this Strategy, is necessary and possible and its implementation depends on providing needed human and financial resources and assistance of international institutions.

## **II MISSION**

The task of official statistics is to provide quantitative and representative information on economic, demographic, social and environmental issues in Montenegro to all users according to internationally defined methodology and highest professional standards. Data for national needs and international dissemination are provided with minimum costs.

Modern approach of management, professional education of staff, regular harmonisation with international standards, orientation towards users, modernisation of process and improvement of working conditions are the most important activities that provides Statistical Office of Montenegro to fulfil its mission.

## **III VISION**

Our vision is that Statistical Office of Montenegro will be recognised as institution which provides internationally comparable data in accordance with needs of users in national and international level.

Statistics is based on principles of relevance, impartiality, reliability, transparency, timeliness, professional independence, rationality, consistency, publicity, statistical confidentiality and use of personal data exclusively for statistical purposes.

#### **IV STATISTICAL SYSTEM OF MONTENEGRO**

Statistical system of Montenegro or its participants are carriers of statistical activities, responding units and users of statistical data.

Apart from the Statistical Office of Montenegro (hereafter referred to as MONSTAT), according to Law on Statistics and Statistical System official producers of statistics are:

- Central Bank of Montenegro;
- Commission for Securities;
- Public body in charge of custom service ;
- Public body in charge of tax system;
- Public body in charge for financing;
- Central Register of Commercial Court ;
- Other bodies determined by Programme;

In accordance with Law on Statistics, MONSTAT is in charge of development of statistical system, coordination, elaboration and implementation of Programme of Surveys, elaboration of Strategy of development of Statistics, determination, updating, maintenance and monitoring of harmonisation of methodological basis of statistical system in cooperation with other producers of statistics. It is also entitled to give instructions to other producers of statistics on implementation of methodology; communication with international institution and other jobs determined by Law.

Responding units are legal persons or its parts, entrepreneurs, natural persons, households, public bodies, local governance bodies and other persons who give data exclusively for statistical purposes.

Users of statistical data are in all areas of economical and social life, certain citizens, business subjects, bodies or legislative, executive and justice authority, bodies of state governance and local governance, academic, scientific and research institutions and non-governmental organisations and European and other international institutions.

In order to improve statistical culture and knowledge and to fulfil the needs of users of statistical data, Government of Montenegro has established Council of Statistical System as advice giving expert body for issues of statistics and statistical system of Montenegro.



## V STRATEGIC AREAS AND OBJECTIVES

Strategic areas of development of Montenegrin statistics in period 2009-2012 are determined by priority of harmonisation of Montenegrin statistics with EU standards and from the other side with present situation and real possibilities of statistical system.

Strategy of development is made in four areas:

1. Methodology of calculation of statistical data in accordance with EU standards;
2. Code of Practice of European statistics;
3. Strengthening of cooperation of institutions of statistical system in accordance with European standards;
4. Human resources and organisation of work.

Strategic aims of certain areas determine changes that will provide harmonisation of strategic areas with European statistical system. Also, objectives set by this strategy are derived from National program of integration of Montenegro in European Union for period 2008-2012 and as such they will present base for comparison with international statistical systems that contributes to strengthening of confidence in statistics.

### 5.1 Strategic objectives

Main strategic objectives define starting point (description of present situation), general objective and main directions of acting, as well as individual goals which by that acting official statistics should achieve.

#### *5.1.1 Methodology of calculation of statistical data in accordance with EU standards*

**Starting point:** Main task is to show objective picture of real environment in state according to internationally accepted methodology. Fulfilling of that aim means continuous development of monitoring system and measurement of situation and changing in time in accordance with international methodology.

**General objective:** Complete application of international statistical standards and classifications.

#### **Individual objectives:**

- In present surveys it should be applied new methodological solutions resolving pass over mechanism for their application;
- New surveys should be introduced in system completely harmonised with EU standards using successful practice of EU members;
- Make rationalisation of current infrastructure and way of realisation of statistical surveys by merging two or more surveys in one;
- Methodological coherence - in system can not enter data which is result of internal methodology and which is not in compliance with international standards and classifications;

- Promoting of methodology in part of appliance of information and technological solutions in collecting and processing the data;
- In accordance with EU practice, it should be paid big attention to terminological and methodological unifying of definitions and ideas in order to provide mutual usage and interactive comparison of statistical indicators of official statistics and statistics of EU countries.

### 5.1.2 European Statistics Code of Practice

**Starting point:** Confidence in official statistics depends in big measure on respect of widely accepted directions which were set in canon of European statistics and main principles of official statistics of UN. Code of European statistics brings 15 key principles for production and dissemination of official statistics and institutional environment where national statistical authorities and statistical authorities of Union function in good way. Code of work of European statistics also determines quality of statistical data.

**General objective:** provide complete appliance of rules defined by Code of European statistics at level of complete statistical system.

#### Individual objectives:

- *Institutional environment* – Institutional and organisational factors have significant influence on efficiency and reliability of statistical institution which produces and does dissemination of statistics. Relevant aspects of strengthening of institutional environment are following:
  1. **Professional independence**- professional independence of statistical services from other political, legislative and managing authorities and private sector as well ensure credibility of European statistics.
  2. **Mandate for collecting of data**– Statistical bodies must have clearly defined by law mandate for collecting of information for needs of European statistics. Managing authorities, enterprises, households and public in general must have, according to law, obligation to provide approach or to submit data for needs of European statistics and on request of statistical bodies.
  3. **Adequacy of Resources** – The resources available to statistical authorities must be sufficient to meet European statistics requirements.
  4. **Quality Commitment** –All ESS members commit themselves to work and co-operate according to the principles set up in the Quality Declaration of the European Statistical System.
  5. **Statistical Confidentiality** – The privacy of data providers (households, enterprises, administrations and other respondents), the confidentiality of the information they provide and its use only for statistical purposes must be absolutely guaranteed.
  6. **Impartiality and Objectivity** – Statistical authorities must produce and disseminate European statistics respecting scientific independence and in an objective, professional and transparent manner in which all users are treated equally.
- *Statistical Processes* – European and other international standards and good practices must be fully observed in the processes used by the statistical

authorities to organise, collect, process and disseminate official statistics. The credibility of the statistics is enhanced by a reputation for good management and efficiency. The relevant aspects of statistical processes strengthening are:

7. **Sound methodology** – Sound methodology must underpin quality statistics. This requires adequate tools, procedures and expertise.
  8. **Appropriate statistical procedures**– Appropriate statistical procedures implemented from data collection to data validation must underpin quality statistics.
  9. **Non-excessive burden on respondents** – The reporting burden should be proportionate to the needs of the users and should not be excessive for respondents. The statistical authority monitors the response burden and sets targets for its reduction over time.
  10. **Cost Effectiveness** – Resources must be used effectively.
- *Statistical Output* – Available statistical data must meet users' needs. Statistics complies with the European quality standards and serve the needs of national institutions, European institutions, governments, research institutions, business concerns and the public generally. The important aspects of statistical output are:
    11. **Relevancy** – The statistics must meet the needs of users
    12. **Accuracy and Reliability** – The statistics must accurately and reliably reflect reality.
    13. **Timeliness and Punctuality** – The statistics must be disseminated in a timely and punctual manner.
    14. **Coherence and Comparability** –The statistics should be consistent over time and comparable between regions and countries; it should be possible to combine and make joint use of related data from different sources.
    15. **Accessibility and Clarity** – The statistics should be presented in a clear and understandable form, disseminated in a suitable and convenient manner, available and accessible on an impartial basis with supporting metadata and guidance.

### *5.1.3 Strengthening of cooperation between statistical system institutions according to European standards*

**Starting Point:** Insufficiently developed cooperation between statistical system institutions with obligatory basis (decrees and memorandums on cooperation).

**General Objective:** To develop official statistics system in compliance with international and national needs and demands.

**Individual Objectives:**

- To define responsibility of all institutions–statistical producers for data quality;
- To strengthen the role of MONSTAT as coordinator and methodological leader among other statistical producers, which will have positive impact on coherency, integrity, and use of standard classifications and definitions for building of statistical indicators;

- To sign Memorandum on Cooperation between statistical producers. Integral and coherent picture on the social and economic state of a country is only possible by use of the identical statistical standards;
- To create information system according to the statistical system concept. The data producer is responsible to create databases coming within its competence with all data available to the users and regulated by the Law;
- To increase the use of administrative sources, i.e. to reduce the burden of reporting units;
- To provide conditions and timeliness so for implementation of monitoring of harmonisation of statistical system with EU standards (Statistical Management Information System - SMIS+).

#### *5.1.4 Human Resources and Organisation of Work*

**Starting Point:** High sensitivity to labour drains what has an impact on the sustainability of **statistical system**.

**General Objective:** To develop mechanisms for reduction of labour drain working on statistical tasks.

**Individual Objectives:**

- To adopt the organisation of work in compliance with European statistics;
- To ensure and improve timely human resources with the professional trainings;
- To harmonise working conditions with European standards on the earnings and working environment;
- To ensure constant professional improvement through different forms provided by the international institutions, as well as to open possibility for master study enrolment in the area of statistics;
- To set up a monitoring system of internal productivity and working results, thus creating environment for timely problem-solving and planning of further improvement and promotions of employees;
- To ensure proper premises for MONSTAT.

## **VI INDIVIDUAL OBJECTIVES**

Individual objectives of the Strategy are the result of elaboration of the strategic goals and priorities of the statistics set up by the National Plan of Integration. Thus, the most important changes corresponding to the needs of statistical data users and compliant with international standards should be done first in the national accounts and economic statistics, and then in social statistics.

### **6.1 Macroeconomic Statistics and Prices**

Within the segment of macroeconomic statistics, there is an extensive plan and a number of strategic goals that MONSTAT intends to achieve. A new European approach and new way of GDP calculation have been implemented through CARDS 2003 project and in cooperation with IMF. Gross Domestic Product (GDP) is calculated in current and constant prices at annual level by two approaches – production and expenditure. SNA 93 and ESA 95 will be further implemented in the next period. The existing calculation will be improved, and special attention will be put on the implementation of new macroeconomic aggregates and accounts. The completion of all institutional sectors is planned: non-financial, financial, government sector, non-profit institutions servicing households, sector of households in order to observe overall economy, i.e. economic activities. The focus will be put on gradual development of national accounts according to ESA sequence, i.e. development of the complete set from the category of current accounts.

One of the important aims, especially with regard to the expectations of Montenegro towards the EU accession, is gradual development of quarter calculation of Gross Domestic Product (GDP) by production and expenditure approach.

In the area of price statistics, the harmonisation of Consumer Price Index and introduction of completely harmonised calculation model according to COICOP classification will continue whereby the European standards for measuring and monitoring of inflation trends will be included.

The participation in the regional project on calculation and comparison of Purchasing Power Parities (PPP) with other countries in the region, as well as with EU member states will continue.

### **6.2 Business Statistics**

Main strategic targets for development of business statistics are development of Structural Business Survey (SBS) and short-term business statistics.

The primary aim regarding SBS is to establish a consistent system of SBS harmonised with EU, thus enabling collection and dissemination of reliable, comparable, and timely structured indicators on the economic activities of enterprises. Mentioned survey should complete the data received from the financial reports and tax statistics as a basis for calculation of indicators on business entities and their activities according to EU standards. Additionally, results of SBS will be used also as a basis for calculation of GDP.

The most changes were planned within the harmonisation of short-term indicators with EU standards and recommendations – by definition and coverage, in industry, construction, trade, tourism, investments, and transport. Short-term business statistics has broad use, and especially for analysing of structure and evolution of business activities, business of economy cycles and trends.

### **6.3 Foreign Trade Statistics**

One of the most important tasks during the process of accession of Montenegro into EU is monitoring of trade in goods abroad. Thus, the introduction of Intrastat is planned as a new survey monitoring the trade in goods of EU member states based on reports of business entities participating in this trade, which will continue by the monitoring of goods traded with third countries, based on customs statements. It should be necessary to implement EU regulations and methodology, and to define legislation, responsible and participants in the introduction process of Intrastat.

### **6.4 Agricultural Statistics**

Agricultural statistics is one of the priority statistics in the accession of Montenegro to the European Union. Agricultural statistics includes structural statistics (Agricultural Census and structure of agricultural holdings), production statistics (crop production, livestock production), agro-monetary statistics, forestry, fishery, and environmental statistics.

The main strategic aim of agricultural statistics is implementation of Agricultural Census that will provide qualitative and internationally comparable data intended for the needs of agricultural policy, planning and implementation of sustainable development.

For this reason a Register of Agriculture will be drawn up based on radical revision of existing agricultural statistics will be made, and which will form, at the same time, the basis for new surveys.

Statistical Register of Family Agricultural Holdings will be drawn up based on Agricultural Census and it will form the revision of the current agricultural statistical surveys and the basis for new surveys. Organised, reliable and updated Register of Family Agricultural Holdings is a good basis for all surveys in the agricultural statistics. Beside the increase of collected data quality, a role of the Register is also reduction of expenses for statistical surveys implementation by the selected representative samples.

One of important aims is establishment and development of agro-monetary statistics according to EU standards.

Environmental statistics will also be developed, municipal and industrial waste survey will be improved, as well as current surveys on water management will be revised.

### **6.5 Demography Statistics and Population Census**

Pilot Population, Households, and Dwellings Census 2009, passing of the Law on the Census of Population, Households and Dwellings during 2010, as well as implementation of the Census 2011 is planned to be realised in the next period.

For the first time projections of population will be done in 2012, after the Census. Drafting of projections of population 2005-2050 and introduction of the Survey on External Migration according to EU regulation are planned among other development activities in demography statistics.

## **6.6 Labour Market, Living Conditions, Social Services and Household Consumption Statistics**

Labour market is defined as statistical data related to employment, data regarding employees and unemployed, data on earnings and other incomes. Labour Force Survey (LFS) is completely harmonised with international standards and it is carried out monthly, i.e. weekly with quarterly data publishing. Definition of the basic labour force contingent was done in accordance with international recommendations and definitions were used, so that the information received from LFS are the main data source in the area of labour statistics and LFS data are comparable in terms of content and methodology with the data in other countries. In statistics of earning and labour costs the monitoring and implementation of international standards will continue in the next period.

The key indicators for the needs of monitoring and implementation of the Poverty Reduction Strategy are provided by Household Budget Survey, i.e. data serving for taking of different poverty measures. Further development will be done through increased number of living condition indicators that are received in European Union by the implementation of a special survey EU-SILC.

## **6.7 Classifications**

To achieve the comparability of data between different statistical surveys within the country and in the international relations, it is necessary to establish and maintain a system of internationally recognised classifications. Thus, it is planned to strengthen human resources in the department for classification and standards, and to introduce NACE Rev.2. This classification has been adopted in EU and within the short-term statistics it will start to be implemented in the EU countries from January 2009.

It is necessary to improve further Statistical Business Register (SBR) and to change of activity units according to the new classification NACE Rev. 2.

Drafting of NUTS classification for Montenegro is planned to be realised until the end of 2009.

## **6.8 IT Support**

IT infrastructure, development tools and human resources are important aspect of IT environment that has a significant impact on the development of statistics and obligations resulting from international cooperation and EU integrations.

Since the development of modern statistics is linked with the development of ICT, the main direction in the development should be towards the development of database, appropriate meta bases, as well as their modernisation, in order to create a simple

and comprehensive access to data for users and with the aim to increase rationality and efficiency in the work.

Development of software for data analyses will be important objective that will introduce a faster and more qualitative work on statistical data analyses. A special attention will be given to improvement of sample-based surveys, as well as to development of a system for data entering by optical readers.

One of the objectives is further IT improvement of website and development of all electronic forms for data dissemination, as well as development of WEB application for on-line data entering.

## **6.9 Dissemination and Services to Users**

A user-oriented dissemination policy will be introduced according to the national and international demands, which will ensure equality in use of the official statistical data. A priority is developed website and increased role of electronic data transfer, as well as modernisation of specialized library. Disseminative databases will be put on the internet with free of charge access as a support to efficient informing.

A special attention will be given to the development of relations with data providers by direct and selective contacts in the field and higher attention for meeting of needs. Also, a system of regular evaluation of service quality will be established, as well as monitoring of needs and satisfaction of users.

## **7.0 International Cooperation**

A very important part of this Strategy and harmonisation of statistics with international standards is active international cooperation and realisation of aid projects. Planned international support programs for Montenegro will be used for achieving this. European Commission with technical support of EUROSTAT will fund IPA 2007 national project that will be implemented in the middle of 2009. Currently, Poverty Analyses 2007 project is realising through the funds of IPA 2007 multi-beneficiary project and World Bank support.

Mentioned projects will provide faster implementation of new methodology and standards, improved institutional environment of the statistical system, education of employees by MONSTAT, and participation in international forums and conferences. Institutional capacity building implemented through these projects should contribute considerably to the production and publishing of basic statistical data harmonised with European standards in the area of business statistics, social statistics and national accounts.

MONSTAT should strengthen bilateral cooperation with other countries statistics, especially those based on signed documents about statistical cooperation between our country and following countries: Macedonia and Austria. Other forms of cooperation were established with Statistics of Serbia, Croatia, Bosnia and Romania.

## **7.1 Education of Users and Improving of Image of Statistics**

In order to value statistical information properly, one of MONSTAT obligations should be the increase of statistical knowledge, among the data users (state institutions,



universities, business associations, private companies, media), as well as broader public - citizens. Dispersion of statistical data and information will contribute to further development, transparency and better statistics.

One of the priorities is the development of good relationship with the main data providers because qualitative and timely inputs are a basis for calculation of statistical aggregates. On the other hand, Statistics will implement strictly the protection of confidential data and will lead permanent dialogue with data providers in order to strengthen their confidence which lack will made further statistical development impossible.

## Abbreviations

EU	European Union
UN	United Nations
IMF	International Monetary Fund
EUROSTAT	Statistical Office of the European Communities
ESS	European statistical system
CARDS Stabilization	Community Assistance for Reconstruction, Development and
IPA	Instrument for Pre-Accession
NACE	Statistical Classification of Economic Activities in the European Community (Nomenclature statistique des activités économiques dans la Communauté européenne)
SNA93	System of National Accounts 1993
ESA95	European System of Accounts 1995
GDP	Gross Domestic Product
COICOP	Classification of Individual Consumption by Purpose
NUTS d'Unités Territoriales Statistiques)	Nomenclature of Territorial Units for Statistics (Nomenclature
CPI	Consumer Price Index
EU-SILC	European Union Statistics on Income and Living Conditions

## Definitions

European Statistical System shall mean the partnership comprising Eurostat, national statistical institutes and other national statistical bodies responsible in each Member State for producing and disseminating European statistics.

European Statistics	shall mean Community statistics as defined in Council Regulation (EC) No 322/97 of 17 February 1997 on Community statistics, produced and disseminated by national statistical authorities and the Community's statistical authority.
European Statistics Code of Practice	shall mean a code adopted by the Statistical Program Committee in 2005 and promulgated in the Commission recommendation on the independence, integrity and accountability of the national and community statistical authorities. The European Statistics Code of Practice is based on 15 principles.
Statistical Authority	shall mean, at national level, the national statistical institute (NSI) and other statistical bodies in charge of producing and disseminating European statistics and, at Community level, Eurostat.