

Adapted Global Assessment of the National Statistical System of Kosovo

Final Version
(20 January 2012)

Prepared by:
Günter Kopsch
Lars Lundgren

Table of Contents

PREFACE	3
EXECUTIVE SUMMARY	4
1 LEGAL BASIS	10
1.1 General Overview.....	10
1.2 Discussion of the Essentials of a Statistical Law in Detail	10
1.3 Professional Independence	10
1.4 Programming	12
1.5 Mandate for Data Collection	13
1.6 Statistical Confidentiality	14
1.7 Impartial Dissemination	16
1.8 Issues that may be considered for a future Revision of the Law.....	16
1.9 The legal basis for regular Stakeholder Involvement.....	17
1.10 Other relevant Legislation	18
2 NATIONAL SYSTEM OF OFFICIAL STATISTICS	21
2.1 Structure of the Statistical System of Kosovo.....	21
2.2 Programming and Coordination Mechanisms	22
3 NATIONAL STATISTICAL SERVICE.....	26
3.1 Institutional Mission.....	26
3.2 Organisation of the National Statistical Service.....	26
3.3 Resource Management	32
3.4 Internal and External Monitoring of Quality and Performance	38
3.5 Dissemination.....	40
3.6 Relations with main Users of Statistical Information	43
3.7 International Cooperation.....	44
4 STATISTICAL DOMAINS.....	45
4.1 Classifications	45
4.2 Demographic and Social Statistics.....	46
4.3 Macroeconomic Statistics.....	50
4.4 Business Statistics	58
4.5 Agriculture Census and Agriculture Statistics	61
5 ANNEXES.....	63
Annex 1: Agenda and persons met during assessment mission.....	63
Annex 2: Law on Official Statistics of the Republic of Kosovo	63
Annex 3: Strategic Development Plan 2009 – 2013.....	63

PREFACE

The Adapted Global Assessment (AGA) of the national system of official statistics of Kosovo was undertaken in the framework of the Eurostat funded project 'Global assessments of statistical systems of candidate and potential candidates as well as ENP countries'. The company ICON-INSTITUT Public Sector GmbH, under contract from Eurostat was responsible for organising all activities and tasks related to the AGA.

The AGA process was initiated by Eurostat on request of the Kosovo Agency of Statistics (KAS) made in 2011. The assessment was conducted by two experts: Mr. Günter Kopsch (former director at the German Federal Statistical Office - Destatis) was the lead expert, alongside Mr. Lars Lundgren (former director at Statistics Sweden). The assessment findings are based on an extensive review performed during the assessment mission, which took place from 08 until 11 November 2011. In addition to the two core experts, Ms. Janne Utkilen from Eurostat also participated in this mission and many internal and external partners were met (*see Annex 1*). Written material was made available by KAS in advance or during the assessment mission, with major sources used for the evaluation including the recently adopted Law on Official Statistics of Republic of Kosovo (*see Annex 2*) and the Strategy of Official Statistics 2009 - 2013 (*see Annex 3*). The assessment mission was also prepared through replies to the questionnaire sent out in advance to KAS, covering main formal institutional and practical issues.

The assessment team very much appreciated the well-prepared visits and the openness of the communication both with staff of KAS and with representatives from other partner and stakeholder organisations. We hope that the assessment will be of benefit to the further development of KAS.

EXECUTIVE SUMMARY

- (1) The main goal of the Adapted Global Assessment (AGA) of the National Statistical System (NSS) of Kosovo is to evaluate the level of conformity vis-à-vis European standards, incorporating the UN Fundamental Principles of Official Statistics, the European Statistics Code of Practice, as well as the Eurostat Statistical Requirements Compendium. Through this the AGA supports the improvement of the NSS and its alignment with international recommendations and best practices.
- (2) Some progress in the development of official statistics in Kosovo and improvements in the accessibility of data has been noted by users met in the course of the assessment. However, since the Kosovo Agency of Statistics (KAS), as the main producer of official statistics in Kosovo and the coordinator of the National Statistical System (NSS), and the other producers of official statistics are confronted with an increasing number of new requirements both from national and international stakeholders, the NSS of Kosovo has still a long way to go before Kosovo will be able to comply with the *acquis* in the field of statistics.
- (3) The adoption of the new Law on Official Statistics is a big step forward in strengthening the NSS of Kosovo. The Law is broadly in line with the Fundamental Principles of Official Statistics of the United Nations and the corresponding parts of the European Statistics Code of Practice. The Law includes provisions for all the essentials of a statistical law, and not least, it is applicable for the production of all official statistics in Kosovo. A few amendments and clarifications should nevertheless be considered in a future revision process. A major issue should be to further strengthen the position of the Chief Executive Officer (CEO) of KAS. With the new Law, the Statistical Office of Kosovo (SOK) changes its name and status to Kosovo Agency of Statistics (KAS).
- (4) The new Law on Official Statistics was adopted by the Assembly of Kosovo two weeks before the start of the AGA. The Law entered into force on 12 December 2011. The AGA is mainly based on the new legal framework, but the actual implementation of the Law had not started at the time of the assessment. For the assessment of the current practice in the field of official statistics the previous legal basis (Regulation No. 2001/14 on the Establishment of the Statistical Office of Kosovo) has therefore also to be taken into account.
- (5) According to the new Law, KAS is obliged to draft a multi-annual programme of official statistics, which shall, after discussion with the newly created Statistical Council, be submitted to the Government for adoption. In connection with the preparation of the programme, KAS should develop a medium-term strategy for the NSS on the approximation of statistical production to the *acquis* in the field of official statistics. The strategy and the programme should be developed in close cooperation with the other producers of official statistics and with the users of statistics. The programme, as well as the annual operational plans should be result oriented including all the planned activities, the results that shall be achieved and the dates for

milestones. It would be useful moreover to include an estimation of the budget needed for the implementation of the programme and the annual plans. A system for monitoring the results should also be developed.

- (6) KAS needs more stability for the position of the Chief Executive Officer (CEO). The present CEO is the fourth CEO in less than two years. Such frequent changes of leadership make medium-term planning difficult and damage the public image of the statistical office and of official statistics in general. The new CEO now has a fixed-term mandate of three years, which can be considered progress. However, for the preparation and implementation of the five-year programme a fixed-term mandate for the CEO of at least five years, or even seven years, would be preferable.
- (7) Following discussions with the management and other staff of KAS, as well as with several groups of users in the course of the assessment, the assessors came to the conclusion that the principles of professional independence and statistical confidentiality are not only guaranteed by law, but are also ensured by working practices at KAS.
- (8) Response rates in household surveys are rather good, whereas in business surveys response rates remain rather low. Penalty provisions in the law are, up until now, only used to remind the management of enterprises that they can be fined. However, if response rates do not improve for business surveys, the full use of the instruments provided by the new Law should be considered. KAS recognises the need to introduce new and more efficient ways of data collection, using modern electronic communication instruments.
- (9) The need for further improvement of the use of administrative data for statistical purposes is very much understood by KAS. The new Law on Official Statistics and the new status of KAS will further strengthen its position towards the owners of administrative data. KAS has already concluded a number of memoranda of understanding with providers of administrative data; further memoranda should be concluded, in particular with the Tax Administration.
- (10) According to the new Law on Official Statistics, the Statistical System of Kosovo consists of the Kosovo Agency of Statistics (KAS), the Central Bank of Kosovo, the Ministry of Finances, and of other authorised bodies determined by the statistical programme. Because a programme of official statistics will be developed for the first time, it is not clear yet, which institutions will belong to the National Statistical System. In general, in a rather small country like Kosovo it would be more efficient to concentrate almost all statistical expertise in one institution. Statistical units in other public authorities (with the exception of the Central Bank) can only tend to be rather small and will therefore be lacking professional expertise.
- (11) Following the adoption of the new Law, KAS is responsible for the coordination of the Statistical System of Kosovo. This includes the responsibility to draft the multi-annual programme of official statistics and to secure its implementation; to develop and determine the statistical methodology and standards for producing official statistics as well as memoranda of

understanding with the other authorities producing official statistics. Though KAS has already concluded memoranda of understanding with some providers of administrative data, additional memoranda with the other statistics producers are mostly missing. Comprehensive memoranda of understanding should be concluded as soon as possible with all other producers of official statistics as well as with all providers of administrative data.

(12) The Law on Official Statistics provides comprehensive competencies to KAS in its function as the coordinator of the statistical system in Kosovo. KAS can however, only use these competencies, if it has the resources available, which are needed to fulfil the labour-intensive tasks of effective coordination. No such resources are available at present.

(13) The main conclusions of the assessment of institutional aspects of the Kosovo Agency of Statistics (KAS) are as follows:

- A careful review of the organisation (including the role of the regional offices) is needed to facilitate the implementation of the new Law.
- KAS' budget for human resources needs to be increased to facilitate core statistics (particularly regular surveys and National Accounts) and the EU harmonisation of Kosovo statistics.
- Results based management should be used in all planning and monitoring processes to ensure an efficient allocation of resources.
- A policy for 'services on commission' should be developed to cover costs for more extensive services not included in the budget.
- KAS should develop a policy and a plan for improved quality management and documentation/metadata.
- A written dissemination policy, including guidelines for the design of tables and graphs, and also for dissemination on the website should be developed.
- There is a strong need to improve KAS' website to make it a more user-friendly and flexible dissemination tool.
- Main stakeholders should be involved in a systematic way when developing the new five-year programme, guaranteeing that their needs are taken into account.
- With a relatively large component of donor-funded projects, it is important for KAS to ensure proper project coordination and to be able to develop clear priorities and plans. A possibility could be a strengthened planning unit linked to international cooperation.
- KAS needs to build up capacity to carry out its core tasks with its already available resources and become increasingly independent from donor funding for its regular statistical activities.

(14) Results of the assessment of the compliance level with European requirements in selected statistical areas are as follows:

- In the field of **classifications** the first priority should be the implementation of the revised activity classification NACE Rev. 2. Preparations have already started some time ago, but there are still no concrete plans as to when the conversion will be carried out. KAS has to take the responsibility at the national level for the introduction of NACE Rev. 2, and the responsibility for the project within KAS has to be determined immediately.
- The main concern for **Demographic Statistics** is the uncertainty surrounding emigrants in the population register.
- The **Population Census** was carried out successfully and according to international recommendations. The data processing is continuing according to the plans.
- The **Household Budget Survey** follows EU and ILO recommendations and best practices. Major EU-SILC indicators can also be provided.
- The annual **Labour Force Survey** has not been carried out for the last two years, but from 2012, KAS will implement a quarterly Labour Force Survey, which will initially be donor funded. The LFS largely follows the EU requirements.
- The Action Plan for the future development of **National Accounts**, as prepared in 2010, already needs to be updated. The updated plan should be prepared as a result oriented medium-term operational plan. In principle the improvement and increased coverage of annual National Accounts should be a first priority for KAS. The calculation of GDP using the production and the expenditure approach is of particular importance here. KAS is encouraged to produce experimental estimations of quarterly GDP from the production and the expenditure side. The National Accounts division needs to be provided with data of high quality from various statistical areas, and in particular from business statistics. It needs a noticeable increase in its staff capacities and continuing support by Eurostat and the European Statistical System for a longer period to achieve compliance with European legislation in the field of National Accounts.
- **Government Finance Statistics, External Trade Statistics** and **Balance of Payments Statistics** are rather well developed and broadly following international standards. There is nevertheless room for further improvement in all areas, e.g. the estimation of data on an accrual basis in Government Finance Statistics and the improvement of timeliness of External Trade Statistics. For the latter it is essential to

reach an agreement between the Central Bank and KAS to stop the current duplication of work, where both institutions compile data on external trade of goods.

- Quality and coverage of **Business Statistics** are altogether still rather limited. A reliable **Business Register** is indispensable for all business related surveys. The present state of the Register is less than satisfactory. However, an improvement seems to be possible with a better use of all available administrative information, in particular from the Tax Administration. The implementation of NACE Rev. 2 is urgently needed. Structural business Surveys have been carried out regularly since 2005, but accuracy and timeliness of the results are not at all acceptable. The introduction of a new survey on manufactured goods in accordance with the **PRODCOM** regulation was postponed to 2012. In the field of **Short-term Business Statistics** KAS started with pilot surveys in 2010, although time and further assistance are needed, before any output of sufficient quality can be produced.
- Methods used for the **Consumer Price Index** are in many aspects close to the HICP.
- The planned **Agricultural Census** will be of major importance to obtain a more complete overview of the agricultural sector and lay a foundation for future development. The assessment team recommends that KAS assumes the main responsibility for the census. It should also be clarified, how the census can best be used to establish the Farm Register for sampling purposes. Further support is needed for other **Agriculture Statistics**.

(15) It is recommended to give priority to the following improvement actions:

- To prepare a result oriented multi-annual programme of all official statistics providing a medium-term strategy for the NSS on approximation of statistical production to the acquis in the field of official statistics.
- To deploy considerable efforts to increase funding of KAS, in particular to ensure sufficient funds for the regular surveys. Human resources need to be strengthened, in particular for National Accounts, Business Statistics, IT and the Methodological Department.
- To review the organisation of KAS, including the role of the regional offices.
- To clarify and state precisely the role of KAS as the coordinator of the NSS, as stated in the new law, by concluding memoranda of understanding with all other producers of official statistics. Memoranda of understanding should also be concluded with all providers of administrative data.
- To develop and implement a quality policy and a dissemination policy.

- To initiate a revision of the Law on Official Statistics in three to five years (further strengthening the position of KAS' CEO; changing the composition of Statistical Council, and further strengthening the mandate of KAS to use administrative data).
- Improvements are needed in several statistical domains, and especially:
 - Increased coverage and improvement of National Accounts.
 - Increased coverage and improvement of Business Statistics, in particular the Business Register and Short-term Statistics.
 - Improvement of the registration of emigrants.
 - Implementation of the latest classification of activities NACE Rev. 2.
 - Use of the planned Agricultural Census to establish a Farm Register for sampling purposes.

1 LEGAL BASIS

1.1 General Overview

- (16) The Law on Official Statistics of the Republic of Kosovo, recently adopted by the Assembly of the Republic of Kosovo on 21.10.2011, provides the legal basis for the production of official statistics in Kosovo from 12 December 2011 onwards (the English text is enclosed in Annex 2 of the report). It is to a large extent in accordance with the “Guidelines and recommendations for drawing-up of a basic statistical legislation in transition countries changing to a market economy” (Pattern for a Statistical Law) developed by Eurostat. Until 11 December 2011 the legal basis for official statistics in Kosovo was Regulation No. 2001/14 on the Establishment of the Statistical Office of Kosovo (UNMIK/REG/2001/14, July 2 2001).
- (17) The Law on Official Statistics does not only apply to the national statistical office, which is according to the new law now called the Kosovo Agency of Statistics (KAS), but to the production and dissemination of official statistics by all authorities in Kosovo, which are authorised by the Programme of Official Statistics to produce and disseminate official statistics.

1.2 Discussion of the Essentials of a Statistical Law in Detail

- (18) The following aspects are considered as essentials of a statistical law:
- Guarantee of professional independence for the producers of official statistics
 - Adoption of a multi-annual statistical programme by the responsible legislative authorities
 - Strong mandate to collect and access data for statistical purposes
 - Firm guarantee of statistical confidentiality
 - Impartial dissemination of the statistical information produced
- (19) Further important aspects, which should also be laid down in the statistical law, are the organisation and coordination of the statistical system (including the mandate of the statistical office), and in addition the role of the National Statistical Council. These aspects will be discussed in later chapters.

1.3 Professional Independence

- (20) According to the Fundamental Principles of Official Statistics, as well as the European Statistics Code of Practice, the producers of official statistics shall be professionally independent. The production of statistics shall be policy-remote and decided solely on the basis of professional reasons. Influence on statistics in order to manipulate the results could be sought in the choice of standards and methods, and the dissemination of the statistical results.

The statistical law should contain sufficient safeguards against all such interventions. Professionalism and independence are the fundamental principles for the credibility of a statistical system; and credibility is of the highest importance, due to the fact that statistical data deemed as unreliable will not be used, and is therefore useless.

- (21) The Law on Official Statistics includes a long list of fundamental principles which shall govern official statistics in Article 3. In the explanation of the principle of professional independence it is explicitly stated (Article 3, 1.6), that ‘official statistics must be developed, produced and disseminated in an independent manner, particularly as regards the selection of techniques, definitions, methodologies and sources to be used, and the timing and content of all forms of dissemination, free from any pressures from political or interest groups, national authorities, without prejudice to institutional or budgetary settings or definitions of statistical needs’. Of particular importance for the professional independence of official statistics are moreover the principles of impartiality, objectivity, reliability and statistical confidentiality. Regulation 2001/14 had included the principle of professional independence as well, however, without any explanation.

According to Article 8, § 3 of the Law on Official Statistics the Chief Executive Officer (CEO) manages the work of KAS. § 1 of Article 8 states that ‘the CEO of KAS shall be appointed according to the legislation in force for the appointment of high civil employees’. The Law on Official Statistics does not contain any specification concerning the qualifications of the head of the statistical office, the term of office of the CEO and rules for a dismissal of the CEO from his or her post. Though the legislation in force for the appointment to senior manager positions in the civil service (Law No. 03/L-149 on the Civil Service of the Republic of Kosovo, and Regulation No. 06/2010 on Procedures for Appointment to Senior Manager Positions in the Civil Service of the Republic of Kosovo) includes detailed rules for the selection procedure and the appointment of high level civil servants, it would have been advisable to establish rules on the qualification, selection, appointment and dismissal procedures as well as a fixed term mandate, within the Law on Official Statistics. As the CEO of the statistical office is responsible for ensuring the professional independence of the organisation, it is recommended to strengthen his/her position by including the above mentioned specifications into the statistical legislation.

- (22) The Law on Official Statistics provides the former Kosovo Statistical Office with the status of an Agency. KAS is according to Article 6, § 1: a professional, independent institution and the coordinator of the statistical system of Kosovo, acting within the framework of the Prime Minister’s Office and no longer of the Ministry for Public Administration. The new status of KAS and the responsibility of the Prime Minister to guarantee professional independence and impartiality of KAS may strengthen its position in the government and improve the image of the institution in the public. Becoming an autonomous budgetary organisation with its own budgetary code (Article 6, § 7) will be of significant importance for the independent conduct of KAS.

- (23) In general, the legal status of a statistical office with regard to professional independence is a good prerequisite to fully apply the principle of independence of the Code of Practice. It

cannot however, be considered as a guarantee. Professional independence of the producers of official statistics has to be accepted in practice and in particular by the Government. In Kosovo a specific situation exists insofar that the Law on Official Statistics, which strongly improves the legal position of KAS regarding its professional independence, was passed only a few days before the Adapted Global Assessment started. Therefore, the new law still needs proper implementation. As already stated above, the previous regulation also included the principle of professional independence, although the position of the Statistical Office of Kosovo was less independent. Following discussions with many interlocutors in the course of the assessment, the assessors have got the impression that KAS can work independently in the selection of the methodology and in the content and timing of its releases. As a good example the CEO of KAS mentioned the publication of the very sensitive preliminary results of the population census, which was fully under the responsibility of KAS.

1.4 Programming

- (24) (24) A national law on statistics should ensure, that a multi-annual statistical programme will be drawn up. The role of such a programme is to describe the scope of statistical activities during the next 4 or 5 years and setting clear priorities. The programme should be adopted by the responsible legislative authorities, giving the programme thus the form of a political decision. The necessary details for the implementation of the programme can be decided at a lower level, e.g. by the Statistical Council or even by the head of the statistical office after consulting an advisory body. Budgetary means needed to implement the programme shall also be part of the programme.
- (25) Article 13 of the Law on Official Statistics is called “The Programme of Official Statistics”. It states, that the programme ‘shall be drafted by KAS with the recommendations of the Council and in consultation with the users and producers of official statistics, for a period of no less than five (5) years and in accordance with the Statistical Programme of the European Union. The programme shall constitute the framework for the production of official statistics in Kosovo, and it is adopted by the Government and published in the Official Gazette of the Republic of Kosovo. According to Article 14 of the Law ‘the Program[me] shall specify for each of its elements the coverage, the type, the frequency and the topics of the characteristics to be drawn from the relevant sources’. For the implementation of the programme, KAS shall draft annual plans in consultation with users and producers of official statistics, which shall be adopted by the Government and published in the Official Gazette, and which shall determine the required resources from the Kosovo budget. Moreover, KAS has to prepare reports on the implementation of the annual plans. Implementation of the programme is mainly the task of KAS, though if stipulated in the programme, other authorities may be responsible for some elements. The Central Bank of Kosovo and the Ministry of Finance are explicitly mentioned. With regard to the budgetary safeguards, ‘KAS shall be funded by the budget of the Republic of Kosovo and donors’ (Article 6, § 6). It is furthermore stated that ‘KAS is an autonomous budgetary organisation with its own budgetary code’.
- Regulation 2001/14 did not stipulate that a multi-annual programme and an annual plan had to

be prepared. Nevertheless, the former Statistical Office of Kosovo prepared already a Strategic Development Plan (SDP) 2009 – 2013 and Annual Working Plans. The SDP presents the vision of the Government of Kosovo for the development and improvement of statistical information in line with international standards. It includes already elements of a multi-annual programme, such as “Priority objectives for 2009 and 2010” and “Objectives for 2011 – 2013”, as well as a survey plan and tables with the financial needs. The wider system of official statistics is mentioned, but not with concrete strategies for the statistics compiled by other producers. The Annual Working Plans included current work and development work of the previous Statistical Office of Kosovo. Reports on the implementation of the plan were regularly prepared and submitted to the Ministry of Public Administration. However, the objectives of the SDP for the years 2009 – 2011 were only partly implemented.

- (26) One major problem for the development of official statistics in Kosovo, mentioned in the Strategy, has now been solved, with the Law on Official Statistics adopted and in force. KAS should now use the opportunity to draft as soon as possible a multi-annual programme for the years 2012 – 2016 which shows clearly the developmental activities and the results of these activities needed to align with the European requirements, as well as the resources and international assistance necessary to fulfil the programme.

1.5 Mandate for Data Collection

- (27) A statistical law shall provide producers of official statistics with the right to decide upon the most appropriate way to acquire the necessary basic information for the compilation of their statistics from all data sources. Public organisations should be obliged to give access to administrative data for statistical purposes and to cooperate closely with the statistical institutions, and statistical units to provide the information needed.
- (28) Chapter V of the Law on Official Statistics starts with Article 19 and a very important rule. It gives KAS the right to decide on the data sources to be used with regard to quality, timeliness, costs and burden on respondents. All types of sources can be used, such as responses from statistical units called upon to supply information, administrative records or estimations on the basis of information already available in KAS. According to Article 21 statistical units are strictly obliged to provide KAS or other producers of official statistics with complete and correct data necessary for the production of the statistics included in the programme of official statistics in appropriate form, timely and free of charge, as determined by the producer of official statistics. In practice, while response rates in household surveys and price surveys are good, they are insufficient for businesses.
- (29) All bodies of public administration are obliged to provide KAS with access to all administrative data sources, notably to registers and other data files, to the extent that this is necessary for the production of official statistics. KAS has already concluded some memoranda of understanding with holders of administrative data, with further memoranda planned. According to Article 29 of the Law, ‘KAS shall have the right to adjust the data obtained from

administrative data sources in order to harmonise them with the definitions and classifications used for the statistical registers kept by KAS'. It would be useful if KAS had in addition the right to oversee and advise on the organisation and set-up of administrative data to be used for statistical purposes, e.g. to ensure that KAS is always informed and consulted before new administrative data is collected or changes are made to administrative data.

- (30) Regulation 2001/14 already included rules that gave the producers of official statistics the right to collect data from statistical units and to access administrative data. The rules in the new law are more unambiguous and precise.
- (31) In practice KAS cooperates with holders of administrative data to increase the usability of administrative data for statistical purposes. However, from discussions with the management and other staff of KAS, it seems that there is still room for improvement, and the new law shall be used to conclude further memoranda of understanding.
- (32) The Law on Official Statistics gives KAS and the other statistics producers the right to impose fines on any respondent not providing accurate, complete and updated data in time as requested by the producers of official statistics for primary data collections. It also allows to impose fines on any respondent who does not allow access to all administrative data sources, unless otherwise prevented by a special law. The penalty provisions apply to legal persons, to the responsible persons of such institutions, and to natural persons. Penalty provisions were already included in Regulation 2001/14, but up to now they have only been used to remind the management of enterprises that they can be fined, but fines have not been issued in practice. KAS' policy is to cooperate closely with businesses and to convince the management to provide the required data.
- (33) KAS recognises the necessity to introduce new and more efficient ways of data collection using modern electronic communication instruments (delivery of data using electronic questionnaires via the internet in business statistics; using computer assisted interview techniques in household statistics – CAPI, CATI).

1.6 Statistical Confidentiality

- (34) Statistical confidentiality is one of the most important principles of official statistics. In order to safeguard the trust of respondents, their data must not be used in individual form and in a context where individual decisions are taken. A possible exception is the use of such data for scientific purposes, but under very strict and restrictive conditions. A law on statistics moreover should demand the installation of a technical data protection architecture which ensures the functioning of the confidentiality rules in all stages of the statistical production process.

- (35) Confidentiality of statistical data is regulated in the Law on Official Statistics, both as one of the principles on which official statistics is based in Kosovo, and in Chapter IX “Confidentiality and Protection of Statistical Data” in a total of 9 Articles. Confidential data obtained exclusively for the production of official statistics shall be exclusively used for statistical purposes. Persons who are involved in the production of official statistics and therefore have access to confidential data shall not use confidential data for their own needs or for performing tasks for other persons. Liability of such persons shall continue, even after the cessation of their functions. Statistical results must not be disseminated if they contain or reveal confidential data, with the exception of information about the economic or the environmental situation, in cases where this is necessary for ensuring significant information, and provided that the statistical programme foresees the dissemination of such information. Access to individual statistical data without identifiers may be granted for scientific and research projects, though under strict conditions stipulated in a contract. Last but not least, the authorities competent for the production of official statistics shall take all regulatory, administrative, technical and organisational measures necessary for the protection of confidential data against unlawful disclosure. Strict rules for the confidentiality and protection of data were also laid down in Regulation 2001/14.
- (36) The assessors are convinced, that statistical confidentiality is embedded in the culture of KAS as well as of the statistics department of the Central Bank of Kosovo, the other major producer of official statistics in Kosovo. Individual data collected and processed for statistical purposes by KAS are protected against disclosure. KAS established technical provisions that prevent its databases from destruction, misuse, misappropriation and unauthorised use, and staff sign legal confidentiality commitments as part of their contracts. Internal written instructions and guidelines for staff on how to deal with micro-data in all phases of the production and dissemination processes are however, not yet available.
- (37) The Law on Official Statistics provides the CEO of KAS with the right to grant access to individual statistical data without identifiers for the purpose of carrying out scientific and research projects. Results of such projects must not refer to individual units. A special agreement on data confidentiality has to be concluded and the standard of protection of the confidential data within the research project must be ensured, in accordance to this Law.
- (38) It seems necessary for KAS to draft a document on the implementation of the confidentiality rules in the new law, which should be adopted by the Prime Minister as a directive. It should be applicable for all producers of official statistics and it should include clear rules for the provision of micro-data to researchers, in particular as to which institutions or individuals may receive such data and which procedures are to be followed.

1.7 Impartial Dissemination

- (39) According to the Fundamental Principles and the European Statistics Code of Practice, dissemination is to be made on an impartial basis to honour citizen's right to public information. Statistical offices have the responsibility to ensure that statistical results are made public. A pre-announcement of important releases is a useful tool to guarantee the technical autonomy in dissemination.
- (40) The Law on Official Statistics explicitly determines the definition of the principle "Impartiality", and chapter VIII, "The Dissemination and Use of Official Statistics", states that the results of official statistics shall be disseminated in such a way, that all users have equal and simultaneous access. All appropriate media may be employed, that make it possible for the users to reach the information. Statistical data shall be accompanied by information on the methods used for the production of statistics and on the principles applied, in order to facilitate interpretation and evaluation of the data. Furthermore, producers of official statistics are obliged by law to publish - three months before the end of the year - a calendar of dates at which official statistical results will be released in the following year. Any deviation from the dates stated in the calendar shall be announced. A detailed description and assessment of the dissemination policy of KAS can be found below in Chapter 3.5.

1.8 Issues that may be considered for a future Revision of the Law

- (41) Though the Law on Official Statistics was passed only very recently, and though it will be already, in the present version, a solid legal basis for the Statistical System of Kosovo, a few amendments and clarifications should be considered in a future revision process.

Few issues of special importance for the good functioning of a statistical system are described in the following:

- Article 8 "The Chief Executive Officer of KAS" should be called "Role and Tasks of the Chief Executive Officer of KAS". The article should also underline the role of the CEO for the professional independence of the Agency (see as an example, the statistics law of Ireland). He or she should have a fixed-term contract of five to seven years, which is renewable at least once. It should further deal with the qualifications, the procedures of the appointment and the protection against an early dismissal of the CEO. Examples for such regulations could include the statistics laws of Turkey and Bulgaria.
- A change of the composition of the Statistical Council should be considered. The composition laid down in the Law does not reflect the composition of KAS' stakeholders. The private sector of the economy and civil society will be represented, though only through three of a total of thirteen members. Moreover, the members from civil society and from business community are to be appointed by the other members of

the Council, which means from the members of ministries and other public bodies. It is recommended to initiate a change of the Council's composition by increasing the number of representatives of the private sector of the economy and civil society. Because the necessary change of the Law will need some time, additional representatives of the user groups from private sector of the economy and civil society could already be invited as guests.

- Articles 7, 19 and 23 give KAS the right to access the information collected, processed and stored by all bodies of public administration in the domain of their respective competencies. However, a further strengthening of the rules regarding the use of administrative data seems to be advisable. The Law on Official Statistics should therefore be amended by a rule obliging all other public institutions to inform KAS of the implementation of any new administrative data files or any changes of existing data files, and it should allow KAS the right to intervene, so that the needs of statistics are taken into account (see examples in the statistical laws of Ireland and Norway). Moreover, KAS should be provided with the metadata for the administrative data they use. An alternative to an amendment of the Law could be the adoption of a directive by the Prime Minister, and as long as a legal basis does not exist, such rules should be included in memoranda of understanding.

1.9 The legal basis for regular Stakeholder Involvement

(42) A Statistical Council will be established by the Law on Official Statistics with the tasks to provide advice on the preparation and implementation of the multi-annual statistical programme and the annual plan, and on the development and functioning of official statistics. For the development of the Council's opinions and proposals, working groups may be established. The way of appointing the members of the Council and their terms of office are laid down in the Law.

(43) The Council shall consist of a chairperson and twelve (12) members. The CEO of KAS is a member of the Council. The following institutions shall be represented in the Council with one representative:

- Ministry of Finance
- Ministry of Trade and Industry
- Ministry of Education
- Ministry of Health
- Office for Strategic Planning
- Central Bank of Kosovo
- Tax Administration
- Ministry of Labour and Social Welfare
- Ministry of Agriculture, Forestry and Rural Development
- University, with a recognised research expert from the field of statistics
- Civil society representing think tank organisations

— private sector of the economy

The given composition of the Statistical Council does not provide enough representation for main stakeholders of official statistics in Kosovo (see above).

- (44) Stakeholders of the statistical system are also the producers of official statistics in other countries and international organisations. According to the Law on Official Statistics, KAS shall ensure comparability of statistics with other European states by applying international standards and active participation in international statistical cooperation. Moreover, the transfer of individual data without direct identifiers to the statistical services of international organisations is regulated in Article 44 of the Law on Official Statistics. Being a potential candidate for membership in the European Union, the Statistical System of Kosovo has close connections with the European Statistical System, in particular with Eurostat, but also with international organisations such as the International Monetary Fund (IMF) and the World Bank. An important donor is the Swedish International Development Cooperation Agency (SIDA), which cooperates closely with Statistics Sweden.
- (45) Kosovo has subscribed to the General Data Dissemination System (GDDS) of the IMF, and a subscription to the Special Data Dissemination Standard (SDDS) should be envisaged.

1.10 Other relevant Legislation

- (46) The following legal acts are of relevance for the System of Official Statistics in Kosovo:
- The Strategic Development Plan of Statistical Office of Kosovo for the period 2009 – 2013 – approved by the Government of Kosovo, 10.09.2009
 - The Law on Population and Housing Census, No. 03/L-237, dated 07.10.2010 as the legal basis for the Population and Housing Census conducted in April 2011
 - The Law on the Central Bank of the Republic of Kosovo, No. 03/L-209, dated 27.07.2010; according to Article 25 the ‘Central Bank shall collect, compile, analyse, abstract and publish statistics and information relevant to the carrying out of its tasks’. The Central Bank is authorised ‘to define, by regulations, the statistical information so required...’. The Law determines, moreover, the obligation of legal and natural persons to respond, and the duty of the Central Bank to disseminate its statistics, under consideration of statistical confidentiality.
 - The Law on Civil Service of the Republic of Kosovo, No. 03/L-149, dated 13.05.2010
 - The Regulation on Procedures for Appointment to Senior Management Positions in the Civil Service of the Republic of Kosovo, No. 06/2010, dated 04.10.2010

- The Regulation on Procedures of Recruiting in the Civil Service, No. 02/2010, dated 20.09.2010
- The Draft Law for Prevention and Fight against Cyber Crime
- The Administrative Instruction on the Safety Access to Databases, No. 01/2010, dated 24.03.2010
- The Administrative Instruction for Information Security Management, No. 02/2010, dated 26.05.2010
- The Law on Management of Public Finances and Responsibilities, No. 03/L-048, dated 13.03.2008.

(47) **Assessment**

The new Law on Official Statistics, which was passed by the Assembly of Kosovo on 21 October 2011, is now a solid legal basis for the production of official statistics in a modern, democratic society and market economy. It is broadly in line with the Fundamental Principles of Official Statistics of the United Nations and the corresponding part of the European Statistics Code of Practice. The Law includes provisions for all essentials of a statistical law, and – not least – it is applicable for the production of all official statistics in Kosovo. A few amendments and clarifications should nevertheless be considered in a future revision process. A major issue should be to further strengthen the position of the Chief Executive Officer (CEO) of the Kosovo Agency of Statistics (KAS), who should have a fixed-term contract of five to seven years, which should be renewable at least once. The required qualification, the procedures of the appointment and the protection against an early dismissal should also be laid down in the Statistics Law. It is moreover recommended to change the composition of the Statistical Council, and to further strengthen the rules regarding the access to and the usability of administrative data.

The assessors came to the conclusion, that the principles of professional independence and statistical confidentiality are not only guaranteed by law, but are also ensured in practice by KAS. There is, however, a risk in other institutions producing official statistics, that new indicators have to be approved not only by the head of the respective statistics department/unit, but by a higher hierarchical level of the institution.

The Law on Official Statistics has given the Statistical Council an important role as advisor of the National Statistical System of Kosovo. It is therefore of utmost importance that the members of the Council represent all groups of stakeholders of official statistics adequately. Though the present composition of the Council with more than 75% of members being from Ministries and other public bodies cannot be seen as a good representation of the

stakeholders. The private sector of the economy and the civil society are clearly underrepresented and so a change of the Council's composition should therefore be considered. Because the necessary change to the Law will need some time, additional representatives of the user groups from private economy and civil society could already be invited as guests.

The future programme of official statistics, which by law has to be discussed with the Statistical Council and adopted by the Government, should be prepared as a comprehensive document, that can be used as an internal instrument within the National Statistical System for the coordination of the system, and as an external instrument to inform the public of the work of official statistics. It should include strategic guidelines of official statistics, the output which is planned to be produced and all planned developmental projects of the statistics producers. It would be useful to include an estimation of the budget needed for the implementation of the programme, as annual plans have to be prepared by KAS, which include the yearly activities for the implementation of the programme and also their projected costs. Both the mid-term programme as well as the annual plans should not only show the activities, but also the results strived for and the dates at which the results shall be presented (milestones). A system for the monitoring of the results should also be developed (see also the recommendations in the part on the Statistical Service).

Already the previous legal basis of official statistics in Kosovo included rules that gave the producers of official statistics the right to collect data from statistical units and to access administrative data. With the new Law on Official Statistics, KAS is given the right to decide on the data sources to be used. Statistical units are strictly obliged in all surveys and censuses to provide KAS or other statistics producers with complete and correct data. Response rates in Business Statistics are, nevertheless, too low. Penalty provisions in the Law are up to now only used to remind the management of enterprises that they can be fined, but unless response rates improve in Business Statistics, the full use of the instruments provided by the new Law should be considered. The need to introduce new and more efficient ways of data collection is recognised.

Already at present KAS uses a lot of administrative data in all areas of statistics on the basis of a predominantly good cooperation with the data owners. Further improvement of the use of administrative data for statistical purposes is recognised by KAS and is a clear objective of the office. The new Law on Official Statistics and the new status of KAS will further strengthen the position of KAS towards the holders of administrative data. KAS already has concluded memoranda of understanding with some providers of administrative data, e.g. Ministry of Environment and Spatial Planning, and further memoranda should be sought, in particular with the Tax Administration. It is recommended to include a paragraph in the Law on Official Statistics, or to adopt a directive, obliging all other public institutions to inform KAS, when there are plans to establish new administrative data processing systems/registers or when changes of existing data processing systems are planned. KAS should be given the right to influence such administrative data systems to improve their usability for the production of official statistics. KAS should on the other hand be more proactive in

supporting the Ministries to properly run their administrative data systems and it should increase the quality control of the administrative data they use for statistical purposes and ensure that they are provided with metadata describing the administrative data.

2 NATIONAL SYSTEM OF OFFICIAL STATISTICS

(48) Regulation No. 2001/14 did not mention the National System of Official Statistics of Kosovo. It was only a regulation on the establishment, working principles and the tasks, etc. of the Kosovo Statistical Office. The new Law on Official Statistics, however, includes a chapter (No. III) on the “Organisation, Status, Tasks and Coordination of the Official Statistics System”. In Article 5 it is stipulated that the tasks of official statistics are performed by the Kosovo Agency of Statistics (KAS), the Central Bank of Kosovo, the Ministry of Finance, and other authorised bodies determined by the programme. That means, that the new law together with the future multi-annual programme of official statistics (which is to be approved by the Government of the Republic of Kosovo and published in the Official Gazette), determines the institutions responsible for producing and disseminating official statistical information. Article 6 of the Law regulates that KAS is the coordinator of the statistical system of Kosovo. In addition, principle No. 9 in Article 3 determines that KAS is the coordinator of the official national statistical system and that it is responsible for the harmonisation of official statistical data.

2.1 Structure of the Statistical System of Kosovo

(49) KAS is in charge of the vast majority of the production of official statistics in Kosovo (about 80% according to KAS’ own self assessment). Because a programme of official statistics in accordance with the new Law on Official Statistics does not exist yet and the Strategic Development Plan for the period 2009 – 2013 is a plan only for KAS, it has not been completely clear, which institutions belong to the National Statistical System. As already set out above, the Law on Official Statistics mentions explicitly:

- Kosovo Agency of Statistics (KAS)
- Central Bank of Kosovo
- Ministry of Finance

The Strategic Development Plan 2009 – 2013 names in addition line ministries providing public services, such as Health, Education and Justice.

The delimitation of the National Statistical System of Kosovo and the determination which institutions are other authorised bodies producing official statistics (public institutions named in the statistical programme as producer of a specific statistics) will be clearer in future from a legal point of view. However, it appears that it is not transparent for the users of statistics to

define which data (published by public institutions other than KAS) can be considered as official statistics (as having been compiled according to the strict rules of the Law on Official Statistics), and which data is merely administrative data that have not been subjected to official statistics rules.

(50) The Bank of Kosovo is responsible for Monetary and Financial Statistics and External Sector Statistics (Balance of Payments Statistics, Trade in Services and Foreign Direct Investment Statistics, and International Investment Position and External Debt Statistics). Main data sources for the production of monetary statistics are regular data collections from commercial banks and other financial corporations. These surveys, together with other surveys compiled by the Central Bank, also provide data for the estimation of the trade in services and of money transfers for balance of payments purposes. External trade in goods statistics (produced on the basis of figures provided by the Customs Administration) are a further major source for the Balance of Payments. The publication of new data is mainly, but not always, under the full responsibility of statisticians.

(51) *Assessment*

According to the new Law on Official Statistics, the Statistical System of Kosovo consists of the Kosovo Agency of Statistics (KAS), the Central Bank of Kosovo, the Ministry of Finance, and of other authorised bodies determined by the statistical programme. KAS is in charge of about 80% of the production of official statistics. Because a programme of official statistics in accordance with the new Law on Official Statistics does not exist yet and the Strategic Development Plan 2009 – 2013 is a plan only for KAS, it is not completely clear, which institutions will belong to the National Statistical System. In general, in a rather small country like Kosovo it would be more efficient to concentrate nearly all statistical expertise in one institution. Statistical units in other public authorities (with the exception of the Central Bank) can tend to be rather small and will therefore be lacking highly professional expertise.

2.2 Programming and Coordination Mechanisms

(52) Statistical systems with some degree of decentralisation need to be well coordinated for the sake of the efficiency of the system. The statistical office should be given a leading role as the coordinator of the system, and the other producers should use the same standards, in particular regarding classifications provided by the statistical office. In addition, they should harmonise their methods with the methods used by the statistical office, and, last but not least, should coordinate their work programme with the overall statistical programme to avoid any duplication. They should also provide their results to the statistical office for further dissemination. The statistical office in turn should support the work of the other producers, in particular by providing methodological assistance.

(53) According to the new Law on Official Statistics, KAS will be provided with a strong role as the coordinator of the Statistical System of Kosovo. In Article 3 a principle of coordination and harmonisation is laid down: ‘KAS coordinates the state statistical system and is responsible for the harmonisation of official statistical data’. A similar formulation can be found in Article 6: ‘KAS is the coordinator of the statistical system of Kosovo’. Article 7 of the Law designates KAS as the leading institution in the field of official statistics. KAS is, inter alia, responsible for:

- preparing the draft programme of official statistics and the draft annual plan in consultation with the Statistical Council
- preparing and organising the implementation of the activities determined by the programme
- developing and determining the statistical methodology, classifications and standards for producing official statistics
- monitoring the carrying out of statistical tasks assigned to other authorities by the statistical programme
- preparing and submitting to the Government and the Assembly, draft reports on the implementation of the programme, the planned and the actual use of budgetary funds.

(54) Article 12 stipulates that, methods, classifications and standards used by other authorities producing official statistics (Central Bank, Ministry of Finance and other authorities named in the programme) shall be determined by KAS in accordance with the programme of official statistics and the annual plan.

In contrast, the tasks of the other authorities producing official statistics are limited to the production of the specific statistics mentioned in the programme.

(55) Regulation No. 2001/14, the legal basis of the Statistical Office of Kosovo until November 2011, includes some rules which can be interpreted as providing the statistical office with the function of a coordinator of official statistics. According to Article 2 the office shall ‘perform all functions of a Regulatory Authority in statistical services’ and the office shall ‘develop and implement the overall strategy, policy and standards for collection of data, compilation of statistical data, electronic data processing and dissemination of statistical information and data’. These rules are, however, not very clear and precise, and the Regulation does not contain any information in regards to the National Statistical System and other producers of official statistics.

(56) The new Law on Official Statistics also assigns the Statistical Council with an important role in the coordination of the statistical system. According to Article 10 the ‘Council shall be established to give advice for the preparation and implementation of the official statistics programme and for overall development and functioning of KAS’.

(57) The new Law on Official Statistics gives KAS comprehensive responsibility to coordinate the System of Official Statistics in Kosovo. The most important instruments for the coordination of the Statistical System are the competences to prepare the draft programme and

the annual plans of official statistics; to organise the implementation of the activities determined by the programme, and; to develop and determine the statistical methodology and standards for producing official statistics. With that, KAS has in principle, the possibility to influence the content of the statistics produced by others, the standards and methods they use, and the way in which the results are disseminated. At least the development of a common programme of all statistics producers helps to avoid the duplication of surveys at a national level. Being in charge of organising the implementation of the activities determined by the programme means for KAS, that they have to cooperate with all other authorities producing official statistics in regard to the development of the standards and methods used in the production of official statistics, and; to monitor the carrying out of the production processes by the other authorities and the quality of their statistical data. The monitoring of the programme's implementation is undertaken by reports prepared by KAS on the implementation of the programme and the annual plan, which are submitted via the Statistical Council and the Office of the Prime Minister, to the Government and the Assembly for approval. In the future the reports should include information about the implementation of all official statistics, including the work of the other producers of official statistics. Reports on the performance of the multi-annual programme should be prepared and submitted at the middle and at the end of programme implementation. An important instrument for the coordination of the National Statistical System is the conclusion of memoranda of understanding with all other producers of official statistics. Memoranda of understanding should also be prepared with all providers of administrative data.

(58) KAS has already signed memoranda of understanding with the following institutions:

- World Bank Liaison Office
- Multilateral agreement with Ministries of Environment and Spatial Planning; Health; Agriculture, Forestry and Rural Development; and Office of Water and Waste Regulation
- Ministry of Environment and Spatial Planning
- Ministry of Local Government Administration
- Ministry of Transport and Post-Telecommunication
- Ministry of Culture, Youth and Sports.

All these memoranda are not memoranda with other authorities producing official statistics, but with ministries agreeing to the inter-institutional exchange of administrative data from the respective ministry to KAS. The memorandum with the World Bank Liaison Office is a contract on the provision of confidential data and the rules to be followed by the World Bank Liaison Office. The conclusion of memoranda with other holders of administrative data is planned.

(59) *Assessment*

The main instrument of KAS for the coordination of the Statistical System of Kosovo will be its responsibility to prepare the multi-annual programme of official statistics and to secure

its implementation, to develop and determine the statistical methodology and standards for producing official statistics as well as memoranda of understanding with the other authorities producing official statistics. Though KAS has already concluded some memoranda of understanding with providers of administrative data, memoranda with the other statistics producers are mostly missing. Comprehensive memoranda of understanding should be concluded as soon as possible with all other producers of official statistics. They should include the other authorities' guarantee to comply with the Fundamental Principles, and to provide the human and financial resources for the implementation of their statistics, along with the establishment of a working group for the coordination of the activities of the parties; KAS' obligation to determine standards and to provide guidelines; the exchange of data in compliance with confidentiality rules, and; the exchange of information on the implementation of the programme.

KAS should also make efforts to reach agreements with all providers of administrative data. Such agreements should on the one hand include rules for data sharing, but they should also express the willingness of both sides to avoid duplication of work and to improve the administrative data files so that they can be used for statistical purposes.

The Law on Official Statistics gives comprehensive competencies to KAS in its function as the coordinator of the Statistical System in Kosovo. KAS, however, can only use these competencies, if it has the resources required to fulfil the labour-intensive tasks connected with effective coordination. Such resources are not sufficiently available at present.

It is welcomed that the future yearly reports on the implementation of the annual plans will not only include the results of activities of KAS (as was the case up to now) but of the whole Statistical System of Kosovo. Reporting on the multi-annual programme should be delivered in the middle and at the end of programme implementation.

3 NATIONAL STATISTICAL SERVICE

3.1 Institutional Mission

(60) KAS describes its mission as follows:

“The mission is to fulfil the needs of users with objective statistical data and analysis in order to support the Kosovo Government and provide proper information for decision-makers and other users in Kosovo.”

(61) KAS’ mission is further described as:

“The main objective of KAS is statistical data collection, processing, analysing and publishing. It also provides estimations and surveys on demographic, social and economic occurrences in the society of Kosovo. In order to achieve this objective, KAS uses methodology, nomenclatures and classifications accepted by international statistical organisations.”

(62) *Assessment:*

The mission should include the coordination role of the statistical system. In the foreseen five year programme, a vision should be included describing how KAS and the statistical system will look in 2016/17. The multi-annual programme should follow the concept of Result Based Management and not only describe the planned activities.

3.2 Organisation of the National Statistical Service

3.2.1 Organisation of KAS

(63) According to the new Law, KAS is an independent institution, provider, coordinator and distributor of official statistics, that operates under the Office of the Prime Minister.

(64) The organisational structure is composed of the CEO and six departments as follows:

Production departments:

- Department of Economic Statistics and National Accounts
- Department of Population Statistics
- Department of Social Statistics
- Department of Agriculture and Environment Statistics

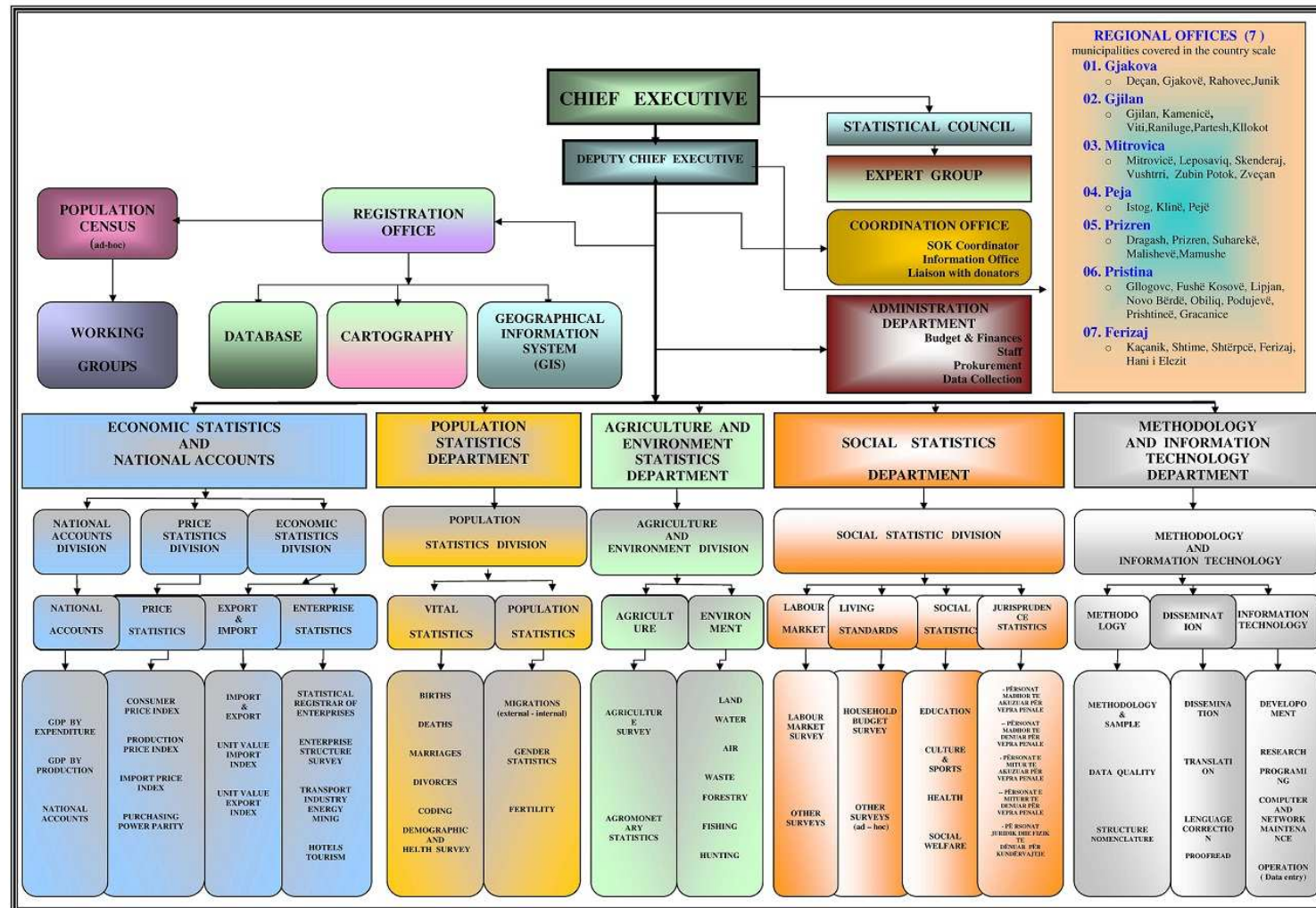
Supporting Departments:

- Department of Methodology and Information Technology
- Department of Administration

The CEO is a non-political civil servant and her/his selection is made based on Law No. 03/L-149 on Civil Service of the Republic of Kosovo, on Regulation No. 06/2010 on the

Procedures for Appointment to Senior Management Position in the Civil Service of the Republic of Kosovo and UNMIK Regulation No. 02/2010 on Procedures for Civil Service Recruitment.

Figure 1: Organisational structure of KAS



- (65) The Department of Economic Statistics and National Accounts (DESNA) consists of National Accounts, Price Statistics, External Trade Statistics and Business Statistics with the statistical Business Register. The role of this department is to publish reliable macro-economic indicators on a monthly, quarterly and annual basis. Collection and publication of data, such as the consumer price data and the export-import data are carried out monthly, with production and consumption of electricity, energy production, data on transport and telecommunications, registered vehicles and hotels, also compiled monthly. For other indicators such as: producer prices, import prices, National Accounts, Government Accounts and the Structural Business Survey, data is collected on a quarterly and annual basis.
- (66) The Department of Population Statistics (DPS) consists of the Population Statistics Division only. There are two sections within this division: Demographic Statistics Section and Population Statistics Section. The Demographic Statistics Section is responsible for births, deaths, marriages and divorce statistics. The Population Section is responsible for internal migrations, external migrations, gender, assessments, prognoses and population projections, and different surveys.
- (67) The Department of Agriculture and Environment Statistics (DAES) consists of two sections; The Agricultural Section and the Environmental Section. The Agricultural Section deals with production of Agricultural Statistics based on the agricultural households' survey (agricultural population and its structure, land surface, land use, crop production, livestock and livestock production, forestry, the use of mineral and organic fertilisers, pesticides, agricultural machinery, agricultural labour, farm expenses, etc.) The Agro Monetary Statistics (currently managed by the Agricultural Section) includes five components: Prices and price index in agriculture calculated and published monthly, quarterly and annually; Economic Accounts in Agriculture which are calculated and published annually; the labour force in agriculture and income of the agricultural household sector are in the plan for future development. The Farm Accounting Data Network (FADN) is left to be developed by the Ministry of Agriculture, Forestry and Rural Development. The Environmental Section of KAS deals with the production of environmental indicators on air, water, energy, biodiversity and waste. This section currently carries out two annual surveys, which are the Municipality Waste Survey and Industrial Waste Survey.
- (68) The Department of Social Statistics (DSS) has one division divided into four sections. The sections are the: Living Standards Section, Labour Market Statistics Section, Jurisprudence Statistics Section and Other Social Statistics Section (statistics on education, culture, sports, social welfare and health statistics). In the mid-term plan, the DSS is expected to establish a new division, the Living Standards and Labour Market

Division, which is aiming to promote efficiency regarding the management and productivity of data.

- (69) The Department of Methodology and Information Technology (DMIT) has one division divided into three sections: the Methodology Section, the Information Technology Section and the Dissemination Section. The Methodology Section is responsible for implementing the statistical methodology and selection of samples for all surveys. The Information Technology Section is responsible for the management and maintenance of the computer network and data entry, implementation of software, and innovations in the field of programming. The Dissemination Section coordinates all publications of KAS and is responsible for their distribution, editing and translations. It is also responsible for the library.
- (70) The Administration Department (AD) has four sections: Personnel Office, Procurement Office, Budget and Finance Office and Section of Management and Control of Public Assets (KAS assets).

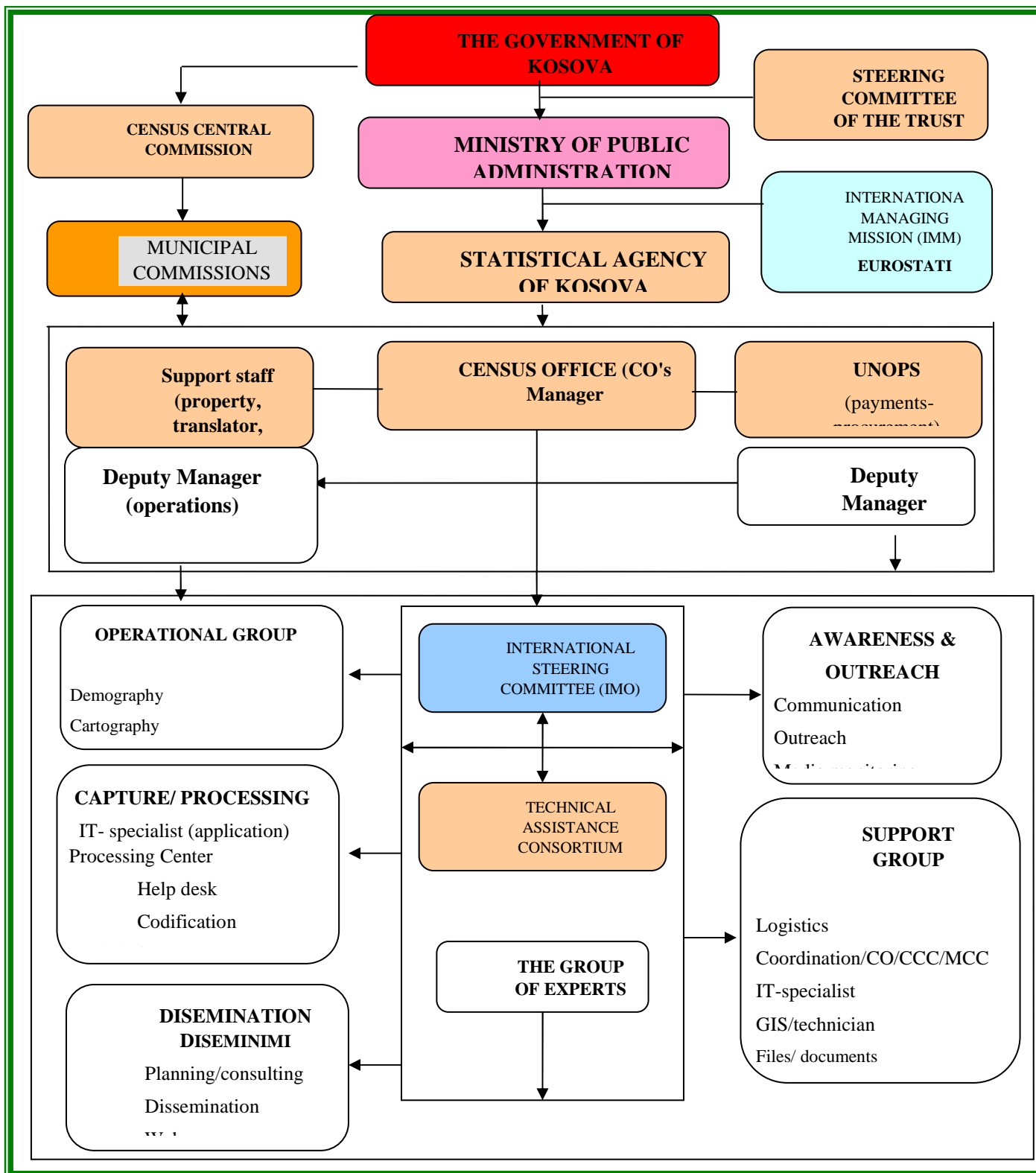


Figure 2: Organisational structure of the Population Census Office (October 2010)

(71) The Population Census Office (PCO) operates within KAS since 2005, is led by a manager, who has two deputy managers.

(72) A reorganisation of KAS is planned for 2012 to increase the efficiency of the organisation.

3.2.2 Organisation of Regional Offices

(73) KAS operates 7 regional offices:

- Gjakova; 4 persons
- Gjilan; 4 persons
- Mitrovica; 5 persons
- Peja; 5 persons
- Prizren; 6 persons
- Pristina; 9 persons
- Ferizaj; 4 persons

(74) The offices are responsible for the collection of primary data. They are equipped with computers and linked to the head office by the internet.

(75) *Assessment*

A careful review of the organisation is needed to facilitate the implementation of the new Law and the eventual approval of ten new positions. The role as statistical system coordinator must be clarified.

The role of the regional offices should be reviewed particularly. Few, if any, statistical offices have succeeded to decentralise any statistical work other than data collection and sometimes data entry. But, regional or local interviewers do not necessarily need offices.

3.3 Resource Management

3.3.1 Finance and Budgeting

(76) The total annual budget (including administrative expenses) was 0,022 % of GDP in 2008 and 0,024 % in 2009, or 39 cent per capita in 2008, 44 cent in 2009 and 45 cent in 2010.

Table 1: Annual budget, allocated and actual, in Euro

Categories	actual			Allocated
	2008	2009	2010	2011
Salaries	391,109	429,686	516,049	582,798
Goods and services	323,566	430,191	132,699	182,000
Utilities	22,898	22,622	22,029	37,500
Capitals	67,018	-	250,718	270,000
Total actual	804,591	882,499	921,495	
Total allocated	840,659	947,356	988,354	1,072,298

(77) The contribution from the government increased by 10% (actual) from 2008 to 2009, by 4% (actual) to 2010 and 8% (allocated) to 2011. The majority of the increase in the budget was allocated in 2010 and 2011 to capital expenditure. However, there has been a significant decrease in the budget allocation to goods and services (including surveys) in 2010 and 2011. During the budget year, KAS does not have the possibility to reallocate funds between the four budget categories. The actual budget was 93% of the allocated budget in 2010.

(78) Activities included in the annual plan are funded mainly by the regular budget, except some ad-hoc projects financed by donors.

The main donors that actually support KAS to perform statistical activities are:

- SIDA / SCB - Development of statistics in the Statistical Office of Kosovo.
- The European Union – The EU provide support via the multi-beneficiary IPA programmes for statistical assistance, which cover a range of pilot projects, while the national IPA and CARD programmes for statistical assistance provide support to the population and housing census.
- DFID/World Bank – New sampling frame for households, user training and LFS.

(79) The cost of production of statistics compared to the users' needs is regarded as adequate by KAS, while the response burden is regarded as high.

(80) Around 55 % of the total budget for 2011 is used for salaries, around 15 % for goods and services and 25 % for investments. In comparison, approximately 50 % of the budget was used for goods and services in 2009. According to article 33 in the new law, KAS can carry out services on commission. Publications are free of charge.

(81) Since the new Law entered into force, KAS became an autonomous budgetary organisation with its own budgetary code (Article 6, § 7). This is expected to make it

easier for KAS to increase its future budget. The new Law also gives KAS the possibility to provide services on commission.

- (82) Also activities which are not directly related to the collection and processing of data are included in the annual statistics production programme (various trainings). All activities listed in the annual plan are supported by KAS' budget, which until the adoption of the new Law was approved by the Ministry of Public Administration (MPA). New activities that emerge as essential needs are financed from the budget of KAS or from donors.
- (84) At the end of each year, KAS prepares an annual report on conducted activities and gives justifications on those activities that have not been conducted. Up to now, KAS had to present it to the MAP. This report used to be summarised in the context of MPA's Annual Report and to be printed out in hard copies and published on their website. From 2012 onwards, KAS reports directly to the Prime Minister's Office.
- (85) The Ministry of Finance is carrying out control and monitoring during the implementation of KAS' budget plan. Various auditing missions are checking the procedures performed by KAS, in order to be in compliance with the legislation of Kosovo.
- (86) SIDA has given training in Results Based Management at KAS, but the content has not been implemented in practice yet.
- (87) *Assessment*

Though the financial contribution from the Government has increased and still is rising, it is far from adequate according to the self-assessment. In particular, the budget for surveys has decreased significantly impacting for example on both the Labour Force Survey and the Agriculture Household Survey which were discontinued in 2010 due to lack of funds. The LFS will start up again in 2012, but the main field costs will be covered by DFID. KAS has asked the government for additional funding for 2012. Taking into account the ambitions for harmonisation and compliance with European requirements, the resources available are still far from adequate. Based on experience from other countries in adapting to European requirements, the financial and human resources of KAS need to increase. This development requires planning and well defined priorities over several years, with Result Based Management being an efficient tool for this planning and monitoring. KAS should elaborate a policy for services on commission, so costs (including overhead costs) could be covered for more extensive services.

3.3.2 Staff, Recruitment, and Training

(88) The current (July 2011) number of staff is 126, a decrease of 7 employees since 2008. Of these, 87 work at the head office, whereas 37 are located in the regional offices.

Table 2: Number of KAS staff 2008-2010

	2008			2009			2010		
	Total	Centre	Regions	Total	Centre	Regions	Total	Centre	Regions
Total staff	133	95	38	132	94	38	130	92	38
From which IT	3	3	0	3	3	0	3	3	0
Male	72	45	27	70	43	27	69	42	27
Female	61	50	11	62	51	11	61	50	11
Master degree	3	3	0	3	3	0	5	5	0
Faculty	62	54	8	63	55	8	59	51	8
High school	22	13	9	22	13	9	22	13	9
Secondary	46	25	21	44	23	21	44	23	21

(89) Only half of the staffs have an academic degree, equivalent to bachelor degree with 3-4 years university studies.

(90) **Table 3: Number of KAS staff by departments and qualifications, July 2011**

	Total	CEO office	DESNA	DPS	DAES	DSS	DMIT	DA	PCO
Total staff	89	5	20	4	9	13	21	14	3
Master degree	5				2	1	1		1
Faculty	50	4	15	2	5	8	8	7	1
High school	11	1	5	2	1	2			
Secondary	23				1	2	12	7	1

Table 4: Number of staff at regional offices by qualifications, July 2011

	Total	Gjakovë	Gjilan	Mitrovica	Pejë	Prizren	Prishtinë	Ferizaj
Total staff	37	4	4	5	5	5	9	5
Faculty	10	1	1	2	0	0	3	3
High school	10	1	0	2	4	3	0	0
Secondary	17	2	3	1	1	2	6	2

(91) Within the DMIT only one person is working on methodology.

(92) The majority of the data collection is carried out by the regional staff of KAS. Besides having important roles in the censuses, they regularly collect the data for HBS and CPI. However, in 2008 and 2009 an external company was hired to carry out the fieldwork for the LFS and the AHS. The same contracted company also collects the data for Business Statistics.

-
- (93) KAS has free access to the labour market and there is available competence to recruit. KAS employees (officials and managers) have the status of civil servants, in accordance with Law No. 03 / L -149, dated on 13.05.2010 and in accordance with Regulation 02/2010 on the procedures of recruitment of civil service, dated on 20.09.2010.
- (94) SIDA has supported a programme for university students including training in English, statistics and practical work at KAS. The SIDA funded volunteers were supposed to be recruited by KAS, but due to the limited budget, none of the SIDA trainees have been hired by KAS. Nine trainees were funded by SIDA until December 2011. The trainees all expressed interest in continuing to work for KAS for the next years.
- (95) The personnel unit at the Administrative Department is responsible for recruitment procedures as well as movement and promotion of staff. Staff recruited has to meet several requirements, for instance concerning legal requirements for the level of education required and professional skills necessary for the appropriate position (according to general rules of the law on civil servant status) and the internal regulations of the institution, which cover the main responsibilities and duties of each section. The recruitment procedure for civil servants is based on open competition and on merit.
- (96) Staff turnover is not a problem in general, but is critical, for example, in National Accounts.
- (97) Evaluation of civil servants' performance is conducted annually by a direct superior according to hierarchy. Evaluation is made based on the Law on the Civil Service of the Republic of Kosovo, No. 03/L-149, dated 13.05.2010
- (98) KAS has no programmes for training of employees that would be covered from Kosovo's budget, with trainings in various areas being provided by different donors. Other trainings have been conducted annually by KIPA (Kosovo Institute for Public Administration). According to the Civil Service Law, the programmes are mandatory for every employee who has the status of a civil servant and works in the field of procurement and personnel, while the trainings for Public Finance Management (PFM) have been provided by the Treasury Department of the Ministry of Economy and Finance.
- (99) The top management of KAS consists of the CEO and the directors of the six departments, and has regular meetings on Mondays for discussions and decision making. Ad-hoc meetings are also rather frequent, for discussions, coordination and follow up. Furthermore, there are regular meetings within the directorates and in this way staff is

informed about important decisions taken. A trade union for the staff has recently been established.

(100) *Assessment*

In its self-assessment, KAS evaluates the number of staff as inadequate, while the quality of staff resources is regarded as adequate. This is because the staff has gained significant competence in various trainings and technical assistance funded by different donors.

It is also stated that the scope and the detail of KAS statistics is adequate to users' needs. The present number of staff and the competence is, however, far from sufficient to allow KAS to produce statistics according to the acquis, and the capacity of the statistical institute needs continued strengthening during the coming years. In this context it should be considered that at present only 87 staff members are working at the head office and that in several subject areas there are just a few experts or in some cases only one. Just one expert has a higher academic degree (MA/PhD). With a relatively high number of new staff it will also take time to build the necessary competences for statistical work in general, and especially to acquire insight into the details of EU requirements. Thus, it is important for KAS to develop the five year programme with an estimate of resources and international assistance required.

Competent staff is a critical factor for the efficient production of high quality statistics. At present KAS have 9 unfilled positions. At the same time as they have 9 well trained students with more than a year of practical experience at KAS, and hoping to be able to stay for the next years.

There seems to be a well structured recruitment procedure, but there is no follow up of newcomers by introducing them to different parts of the organisation, as confirmed by the meeting with new employees. Training has so far being totally dependent upon donors. Staff satisfaction appears also to be rather high, based on discussions with the younger members of staff. However, it might be useful at some stage to implement a staff satisfaction survey.

3.3.3 Information Technology

(101) The computing resources are regarded as inadequate because of the limited number of staff working in IT. Currently only one person is employed there. KAS has often engaged external IT experts for short periods to conduct statistical activities. IT staff of the Population Census Office occasionally helps in KAS statistics activities. The quality of IT staff is adequate according to KAS, because current IT staff have gained considerable knowledge from international experts. SIDA is currently and has since a long time been funding a local IT person.

(102) The computer resources and hardware situation is very good, with all staff connected to internet. More hardware will be available after the Population Census.

(103) In 2010, KAS intended to start collecting data electronically (survey of labour force) but the survey was stopped due to a lack of funds. For the new quarterly LFS starting in January 2012, KAS will use CAPI for the first time.

(104) Following the introduction of CAPI for the LFS in 2012, there is no obstacle that prevents greater use of new technology, except that the staff number needs to be increased and adequately trained for each new piece of software.

(105) The following software is in use:

Data collection	On paper - classical way of collecting survey data; In electronic format - only some administrative data.
Processing	SQL Server 2005, CSPRO, Access, Excel, GIS
Analysis	Microsoft Office 2003 and 2007, SPSS, EUROTRACE, STATA, R, MAPINFO
Distribution	Microsoft Office 2003 and 2007, GIS EDAMIS, MAPINFO

(106) **Assessment**

KAS is relatively well equipped at its main office with IT hardware and software, with the regional offices also linked to the network. Subject matter specialists do most of the data processing without much specific IT support. Furthermore, continuous training, both of staff of the IT department as well as of statisticians in other parts of the organisation, is necessary to improve overall efficiency and a proper use of the different tools. IT clearly needs some more staff members.

3.4 Internal and External Monitoring of Quality and Performance

(107) The new statistical law includes an article on the quality of official statistics with the European Statistics quality components, such as relevance, accuracy, timeliness, punctuality, etc. KAS, however, has no policy or system for regular quality monitoring and there is no metadata system in place. There are no formal processes in place to deal with quality considerations, including trade-offs within quality (e.g. between timeliness and accuracy). Kosovo began participating in the IMF's General Data Dissemination System (GDDS) in 2011 and plans to move to the Special Data Dissemination Standard (SDDS) in the future.

(108) There is no central responsibility for quality monitoring and reporting.

(109) KAS describes several procedures to monitor quality linked to the different stages of the statistical production process, from survey planning and survey design via data collection and data processing to data analysis and dissemination. The Eurostat recommendations and best practices are mostly used as guidelines. Development of quality and training is mainly provided by international experts. Each survey and census has enumerators' manuals also available for external users. The following documents are also available for external use:

- Handbook of agriculture (Eurostat manual translation)
- Inventory of farm structural survey / census of agriculture
- Inventory about the price of agricultural and economic estimates in agriculture
- Inventory of sources and methods used for National Accounts

(110) Training addressing quality is integrated in all other training (enumerators and supervisors training as well as general training such as the Statistics in Action Courses provided by SIDA/Statistics Sweden).

(111) The quality of statistics production processes is monitored step by step starting from the first stage of data collection in the field, passing through the entire hierarchy of staff (officers of certain statistical areas, leaders of sectors, directors of divisions and departments, up to the Chief Executive Officer). The results of quality monitoring are presented in brief descriptions of most publications, including used methodology, data coverage and accuracy, sample errors, etc.

(112) Under a DFID project, two trainings have been held aiming to increase the quality and managing the performance at all levels of management of KAS' central and regional offices.

(113) **Assessment**

The main problem is the limited use of statistics at large. For example, there has been almost no reaction to the cancellation of the LFS since 2010. If there is limited demand for statistics, then there is also limited external interest in quality. The main assessors are currently Eurostat, the IMF and the World Bank.

KAS has implemented several routines and practices in order to assess and improve quality of different surveys, especially with the support of international specialists. They are mostly following the Eurostat guidelines. There seems to be some awareness of the general quality principles and quality is said to be monitored through the management hierarchy. Training is also being provided to assist in addressing quality issues.

There is no policy or central unit guiding quality monitoring and development, and there are no systematic indicators on quality. There are no internal and systematic reviews of the quality of specific statistical surveys and products either. KAS should develop a policy and a plan for improved quality management (including

organisational measures, procedures, training and specific actions). An important part of this will be to improve documentation/metadata (including that of methodological and quality issues to improve transparency). There is, in general, an adequate balance between accuracy and timeliness.

3.5 Dissemination

- (114) All monthly and quarterly publications are now published on the internet only, while yearly publications are being both printed and published on the internet. All users have access to the media releases at the same time. Approximately 90% of production is available on KAS' website.
- (115) KAS has no price policy. All statistical data are provided free of charge and are available to all users in printed format (publications) and on the website.
- (116) There is a release calendar published in advance, but no monitoring of punctuality. The media releases are ad-hoc (selective) and not at a specific time. Delays are only advertised for postponed press conferences.
- (117) KAS has no document specifying the procedures to prevent leaks of information, but in the signed contract of each employee of KAS, is included a part on confidentiality and protection of data, and it is also specified in Article 3 of Regulation 2001/14 on the Establishment of the Statistical Office. No leakage of information has occurred during the last three years.
- (118) There is no written rule to handle errors in published data, but usually KAS informs users by e-mail about all changes. The corrected data are available to all users on the website of KAS, and for annual data also in print format.
- (119) KAS provides users with customised statistical data (not analysis) upon request. In many cases the results of this data have been published on users' websites and in such cases KAS is mentioned as the source.
- (120) Statistical tables are mostly accompanied by explanations in text and general information about the source of the data and methodology used are included in publications. On KAS' website there is a standard explanation on the methodology of each statistical production. Methods and procedures are published in parallel with the statistics, but KAS has no standard for metadata. When important changes are made, the methods and procedures are updated immediately. The metadata will be prioritised in the future.

-
- (121) For important statistical data, KAS organises meetings with the main users of statistical data in order to have their input and comments. After all discussions, KAS decides about the final content or format of statistical products. Also all users can provide feedback on KAS' presentations and publications by e-mail, since each department has its own e-mail address. The e-mail addresses are available through KAS' website or through paper publications.
- (122) KAS' staff is not trained for media appearances. Only the Population Census Office staff has been trained for media appearances and for writing press releases.
- (123) For the future it is foreseen to create a more modern website with a dynamic dissemination database using PC-Axis. This will allow users to prepare tables themselves based on the information that they want. Extending the data coverage of this database will also take some time.
- (124) The new statistical law regulates that official statistics shall be disseminated in such a way that all users have equal and simultaneous access.
- (125) Within KAS, there is a dissemination unit composed of methodology, dissemination and IT. Their main task is to prepare publications and to improve the professional design of press releases.
- (126) Publications of KAS:
- Monthly publications:
 - o Consumer price index
 - o External trade
 - Quarterly publications:
 - o Quarterly Bulletin
 - o Statistical repertoire on economic enterprises in Kosovo
 - o Agriculture Output and Input Price Indices
 - o Hotel statistics
 - o Import Price Index
 - o Producer Price Index
 - o Energy Balance in Kosovo
 - Annual publications:
 - o Kosovo in Figures
 - o Births in Kosovo
 - o Deaths in Kosovo

- Marriages and divorces in Kosovo
- GDP, expenditure and production approach
- Government Accounts
- Household Budget Survey
- Social Welfare statistics
- Poverty statistics (published jointly with the World Bank)
- Education statistics
- Culture statistics
- Sport statistics
- Health statistics
- Causes of death in Kosovo
- Jurisprudence statistics for juveniles
- Jurisprudence statistics for adults
- Women and Men in Kosovo
- Agriculture Output and Input Price Indices
- Other publications:
 - Economic calculations in agriculture 2005-2008
 - Some facts about the environment
 - Industrial Waste Survey 2010
 - Municipal Waste 2010

Table 5: Number of publications in 2010, by department and periodicity

Department	Monthly		Quarterly		Annual		Total
	Web	Printed	Web	Printed	Web	Printed	
Economic	24		20		7	7	51
Population					6	6	6
Social			6		10	10	16
Agriculture, Environment					6	6	6
Methods, IT			4	2	7	7	11
TOTAL	24		36	2	36	36	96

(127) **Assessment**

KAS is providing equal access to all users and there is a publication calendar. The descriptions of the data (metadata) are limited and not systemised. There are several improvements that should be implemented:

- *KAS should develop a written dissemination policy.*
- *The policy should provide guidelines for the design of tables and graphs, also to be applied for dissemination on the web.*
- *The publication calendar should be used more actively as a tool to improve timeliness.*
- *It would be useful to implement a fixed release time, for instance 10.00 a.m.*
- *There is a strong need to develop the use of the website for more user-friendly and flexible dissemination. Thus a dissemination database, including more complete metadata covering different aspects related to data quality, will be an important step forward.*
- *Further actions in relation to the training of users, especially media, might be considered.*
- *A user satisfaction survey should be considered.*
- *KAS, in cooperation with its main partners, should continue the process of subscribing to SDDS.*

3.6 Relations with main Users of Statistical Information

(128) In the self-assessment, KAS evaluates the scope and details of Kosovo statistics as adequate compared to the needs. There are no procedures to identify and profile the users across domains. There are no formal procedures to identify user needs, but according to different user requests KAS has a database to identify the profile of different users groups, such as key users, the media, general public etc. and their statistical needs. There are no user consultations required in the statistical law. There are no procedures to assess the continuing needs for all Kosovo statistics for discontinuing unused statistics. All users are treated with the same priority. Agreements with main data users do exist. Meetings with the scientific community to assess needs or to improve methodology are rare.

(130) KAS has not carried out any customer/user satisfaction survey, but is planning to do so soon, in order to identify and improve customer/user satisfaction.

(131) As described in paragraph 45, The Statistical Council is heavily represented by the ministries, but with limited representation from the private sector and the academic world, even though they are main users of statistics.

(132) *Assessment*

KAS has no systematic contacts with the main users (some of them are also producers of statistics). When preparing the new five years programme, main stakeholders should be involved in a systematic way, guaranteeing that their needs are taken into account. User contact in general could be better structured and developed, and one possibility would be to establish user groups for consultation related to specific subject areas. It would be especially important to develop the contacts with the business community and media, for instance by offering some seminars/training on how to access and use official statistics.

3.7 International Cooperation

(133) The Kosovo Agency on Statistics has close cooperation with various international institutions. In particular, KAS has established good relations with international organisations such as Eurostat, the World Bank, IMF, UNFPA, DFID, SIDA, and UNICEF.

(134) Within the statistical system, KAS has the responsibility for international cooperation through planning and following international recommendations (Article 7, § 2.11 and articles 43 and 44 of the new Law.) In order to improve coordination of donors and planning of activities to prevent duplication of activities, KAS completes the questionnaire on donor's activities once a year, which is sent to Eurostat. The questionnaire includes the activities of ongoing projects of KAS. In addition, the Chief Executive Officer holds meetings with donors in order to avoid duplication of projects in the same areas. There is no person (except the CEO) or unit responsible for donor coordination within KAS. Requests for projects which are overlapping do occur, and donor coordination needs to be strengthened.

(135) KAS relies on funding by donors to carry out some of its regular activities and for some donor-funded projects KAS pays supplementary salaries to staff involved. KAS needs to build up the capacity to carry out its tasks within available resources to avoid dependence on donor support for normal activities.

(136) KAS continuously encourages its staff to participate in international conferences, seminars and meetings in order to build and increase capacities, develop new research areas, implement international recommendations and improve methodology. Most of the meetings are funded by donors.

(137) **Assessment**

KAS has an active approach towards international cooperation and most of its staff has now a good knowledge of the English language. With a relatively large component of donor-funded projects it is important for KAS to ensure proper project coordination, within the office and with national and international stakeholders. KAS must develop clear priorities and plans, and only accept a donor-funded project if it has the capacity to carry out the projects. A possibility could be a strengthened planning unit linked to international cooperation. KAS should use assistance from donors to build capacity within the office to ensure that the projects are sustainable and that the activities continue after the projects end.

4 STATISTICAL DOMAINS

4.1 Classifications

(138) KAS' organisation does not contain a separate unit for classifications. Responsibility for classifications seems to rest within KAS in the different departments, which are the main users of the various classifications (e.g. NACE with the Economic Statistics Department, COICOP with the Social Statistics Department, etc.)

(139) The Classification of Economic Activities in the European Union NACE Rev. 1 is used in Kosovo as national Classification of Economic Activities without any adjustments for specifics of the country. Former versions of NACE have served as the basis for national activity classifications since 1994. KAS in collaboration with the Ministry of Trade and Industry (MTI), which is responsible for the registration of businesses in Kosovo, already some time ago started with preparatory work for the implementation of the revised European activity classification NACE Rev. 2, but the work is still at an early stage. NACE Rev. 2 has been applied in the EU since January 2008. The MTI is implementing a World Bank project on the introduction of NACE Rev. 2 for the administrative business register. However, as KAS is the main user of the classification, and is by law responsible for the introduction of new classifications, KAS should take the leading role in implementing NACE Rev. 2.

(140) As central classification for goods and services, the European Classification of Products by Activity (CPA 2002) is used. There are no concrete plans yet for a conversion to CPA 2008.

(141) The European Classification of Types of Construction is not yet applied in Kosovo Statistics.

-
- (142) In Foreign Trade Statistics the European Combined Nomenclature for the classification of goods is used within the customs procedure, statistical processing, and the publishing of the data. For analytical purposes the Standard International Trade Classification (SITC) is also used.
- (143) The Statistical System of Kosovo has taken on further important international classifications. The Classification of Individual Consumption by Purpose (COICOP) is used in the Household Budget Survey, in the calculations of the consumer price index and of private household consumption in National Accounts. The Classification of the Functions of Government (COFOG) is used in Government Finance Statistics and for the calculation of general government consumption in the compilation of GDP from the expenditure side. A further classification used includes the International Standard Classification of Occupations (ISCO 88).
- (144) Kosovo has not yet prepared the definition of territorial units (statistical regions) for Kosovo aligned with the Nomenclature of Territorial Units for Statistics (NUTS).
- (145) **Assessment**

It is of high importance that the revised activity classification NACE Rev. 2 will be implemented very soon by KAS in cooperation with the Ministry of Trade and Industry, which is responsible for the registration of businesses in Kosovo. Preparations already began some time ago, but there are still no concrete plans as to when the conversion will be carried out. KAS clearly has to take the initiative. A problem seems to be that there is no clear responsibility for classifications within the organisation of KAS. It is moreover recommended that, after the implementation of the new activity classification, a new product classification according to CPA 2008 will be implemented.

4.2 Demographic and Social Statistics

4.2.1 Demographic Statistics

- (146) Reporting units of data for Demographic Statistics in Kosovo are the Civil Status Offices (registry offices). The data collected and presented regularly focus on vital events such as births, deaths, marriages and divorces. Data is collected by special statistical questionnaires.

-
- (147) Data on Causes of Death in Kosovo for 2010 are under preparation. Codification for this data has been enabled by the support of the UNFPA and a joint project between the Department of Population Statistics and the National Institute of Public Health, Kosovo. Population estimates up to this point have been conducted via the use of rates on natural increase only, due to the lack of fully-fledged census. Expected life, fertility and other parameters about population that were conducted in 1999, 2003 and 2009 were done through Demography and Health surveys. However, hindered by various technical difficulties, statistics on vital events are not in line with EU standards since the questionnaires were designed in cooperation with CIDA (Canadian International Development Agency). KAS plans to harmonise the forms with EU standards from 2013.
- (148) So far KAS has not been engaged in population projections. However, it is planned to publish such projections at the end of 2013 on the basis of the results of the recent census.
- (149) Data is collected by KAS annually for nativity, mortality and violent death. Data on births and deaths is not fully covered (10% for births and 25% for deaths).
- (150) KAS has data on immigration by sex and citizenship and immigration by country of previous residence, and asylum seekers.
- (151) Currently, KAS is working closely with the Directorate for Migration and Foreigners and Department Borders, Asylum and Migration under the Ministry of Internal Affairs on the datasets that are available for creating a database.
- (152) This year the fifth publication “Women and Men” will be published. KAS used all the available data sources which offered complete statistical information and put them in such an order as to facilitate the portrayal of the gender situation in the economic and social areas. Those publications are the result of a close cooperation of KAS with the Office of Gender Equality at the Prime Minister’s Office.
- (153) *Assessment*
A major quality problem of demographic statistics of Kosovo is the uncertainty concerning the population that should be registered as living in Kosovo, as emigrants living abroad for long time still might be registered as living in the country.

4.2.2 Population Census

(154) Requirements for updated population statistics in Kosovo were greater than in other countries in the region, since the last Population Census had been carried out in 1981.

(155) The Census in Kosovo is in compliance with international methodological recommendations for the Population and Housing Censuses of 2010, prepared by the United Nations Economic Commission for Europe in cooperation with the Statistical Office of the European Communities (Eurostat). The Census could not be carried out in the three northern municipalities and some other areas. For Population Statistics purposes KAS will be able to estimate figures for these areas on the basis of data from the Census preparations.

(156) The financial means for the Census have been provided by Kosovo Government and donors. On the initiative of the European Commission Liaison Office, a Trust Fund has been established which is managed by UNOPS (United Nations Office for Project Services).

(157) *Assessment*

The Population Census was carried out successfully and the processing is going on according to plans. The preliminary count shows a population of 1.7 million compared to the 2.2 million anticipated based on projections.

4.2.3 Household Budget Survey

(158) KAS has been carrying out a Household Budget Survey (HBS) continuously since 2002. Data is collected from 2,400 households throughout Kosovo all year round in accordance with the European Union (EU) standards and international best practices. The level of response is about 80%, if the replaced households are considered as non-response. Data is aggregated according to the international standard of COICOP-HBS (Classification of Individual Consumption by Purpose).

(159) Sampling is two-stage: in the first stage 300 Enumeration Areas (EA) are chosen and then in the second stage 8 households in each EA and 4 as reserve in case of non-response. KAS, for the first time since the war, has updated all Enumeration Areas: 400 EA in 2007, 100 EA in early 2008, 1000 EA in mid 2008 and around 3300 EA in early 2009 by enumerating all dwellings and households.

-
- (160) Data is collected through a combination of interviews and diary keeping. According to the manuals, the enumerators should visit the households five times during the four weeks diary period. Due to resource constraints only two visits are performed.
- (161) Processing and analysing of data is done with MS Access and STATA. Data is published every year, in printed form and on KAS' website. The publication is in three languages (Albanian, Serbian and English) and is distributed to all ministries and other users within 9 months after the survey year.
- (162) HBS can deliver all income variables according to EU-SILC, except the longitudinal household income, as there is no panel. Some 'subjective' SILC poverty questions are planned to be incorporated from 2012.
- (163) KAS will deliver HBS data to Eurostat from 2012, but data can be delivered in EU-format from 2002. In 2010 KAS delivered the HBS Minimum Quality Report to Eurostat. HBS is fulfilling all minimum criteria.

(164) *Assessment*

The HBS is carried out according to ILO and EU recommendations and fulfills the EU minimum quality criteria. Data is used for updating the basket for CPI and in National Accounts, as well as for the general study of living conditions. The World Bank uses the data for regular poverty analysis together with KAS. HBS can deliver all income related variables according to EU-SILC, and some poverty related SILC questions are planned to be surveyed from 2012.

4.2.4 Labour Force Survey

- (165) The Labour Force Survey (LFS) has been introduced by KAS in 2001. It was conducted each year in September in accordance with EU standards with a sample of 4000 households. It already used NACE Rev. 2. In 2009, the data collection was outsourced to a private company. It was planned to change to a continuous survey with quarterly releases from 2010, but due to a lack of resources it was discontinued.
- (166) The 2008 the LFS questionnaire was redesigned to comply with the then 2008 level of EU recommendations.
- (167) LFS has been based on the same sample design as the HBS. In 2009 the sample was 400 EAs with 3,857 households and 22,520 persons. The interviews have been face-to-face using a paper questionnaire. MS Access was used to enter the data and MS Excel for tabulation.

-
- (168) A printed report has been prepared each year presenting an analysis of the LFS results, graphs and standard tables. The publication is in three languages (Albanian, Serbian and English) and has been distributed to all ministries and other users. The results are also published on the website.
- (169) All outputs have been in percent and by male, female and total. The outputs are: Population, Employed, Unemployed and Inactive. Dissemination of the data has been 9 months after the LFS was conducted.
- (170) A continuous LFS, with quarterly results in line with EU requirements, is planned from the first quarter of 2012, including a panel component. The new LFS will use a one stage sample with 3,840 households and computer aided personal interviews (CAPI).
- (171) Transmission of the LFS data to Eurostat is expected from 2012.
- (172) Until now, LFS was supported by the European Union via the IPA programme for statistical assistance. The 2012 LFS is expected to be funded by DFID (managed by the World Bank).

(173) **Assessment**

Until it was discontinued in 2010, the Labour Force Survey appeared to be rather compliant with the major relevant EU regulations, based on the support of international experts. The new LFS starting in 2012 will be fully compliant with EU requirements. The documentation of quality should, however, be improved. The main problem is that the introduction of the quarterly survey in 2012 is dependent on external funding. It is essential that KAS carries out the quarterly LFS from its own budget from 2013. Kosovo should not rely on donor support to carry out regular surveys.

4.3 Macroeconomic Statistics

4.3.1 National Accounts

- (174) Responsibility for the compilation of National Accounts by the Kosovo Agency of Statistics (KAS) rests with the National Accounts Division, which is one of three divisions of the Department for Economic Statistics and National Accounts. The division has at present 5 members of staff; an increase of the number of staff would be urgently required. The present staff has between 3 and 7 years of experience in National Accounts. Staff turnover is considered to be a problem.

-
- (175) KAS started with the implementation of National Accounts in the frame of the project “Support to the Statistical Office of Kosovo”, carried out between 2003 and 2006 and financed by the European Agency for Reconstruction. The estimations are based, in principal, on the UN System of National Accounts - SNA1993 - and the European System of Accounts – ESA 1995. Further assistance was provided by EU financed projects and by the International Monetary Fund. Gross Domestic Product (GDP) and its components are estimated for the total economy by the production and the expenditure approach at current and constant prices. The most recent publication on KAS’ website includes GDP by the expenditure approach in current prices 2004 – 2010, in constant prices 2006 – 2010, GDP by the production approach in current prices 2005 – 2007 and in constant prices only for 2006. Moreover, Supply and Use Tables (SUT) and the production and generation of income accounts by institutional sectors for the years 2005, 2006 and 2007 have been elaborated.
- (176) GDP by the expenditure approach and GDP by the production approach are not compiled and published simultaneously. The preliminary GDP by the expenditure approach is disseminated approximately ten months after the reference year. The compilation of GDP by the production approach takes much more time. A transparent revision policy does not exist so far.
- (177) Rough estimates of the unobserved economy are included in the GDP estimations. It seems, however, that a systematic approach has not yet been applied.
- (178) The main sources used for the estimation of GDP by the production and the expenditure approach are the results of the Structural Business Survey, the Household Budget Survey, the Labour Force Survey, the Agriculture Household Survey, External Trade Statistics, various price indices compiled by KAS (CPI, PPI, Prices in Agriculture, Unit Value Index), Balance of Payments Statistics, and more administrative data, in particular information from tax declarations, government revenues and expenditure, data on financial institutions from the Central Bank, and indicators of agricultural production.
- (179) Concerning the production approach in current and constant prices, GDP and the aggregates of the production account are compiled by industries, consisting of 13 activities in total, using the European Classification of Economic Activities (NACE Rev. 1). Annual GDP at constant prices is estimated in the prices of the previous year. However, improvements of price statistics, in particular the producer price index, are needed. The double deflation method can only partly be used. In general, constant price calculations need improvement.
- (180) On the expenditure side of GDP the following categories are compiled directly using available data:

-
- Final consumption expenditure of private households,
 - Final consumption of government,
 - Final consumption of non-profit institutions,
 - Gross fixed capital formation,
 - Changes in inventories,
 - Exports and imports of goods and services.

(181) In the frame of the regional IPA project 2007, a publication “Detailed description on sources and methods used for estimation of non-financial National Accounts” was drafted. Moreover, a “Self-Assessment” including the identification of strengths and weaknesses in National Accounts was elaborated.

(182) In the frame of the European Union project “Further support to KAS” the Supply and Use Tables (SUT) and the production and generation of income accounts by institutional sectors for the years 2005 and 2006 have been elaborated. Data for 2006 has been published in June 2009, with data for 2007 in December 2009.

(183) Quarterly National Accounts have not been compiled in Kosovo up to now, due to the lack of necessary data sources (mainly short-term economic and social statistics).

(184) **Assessment**

The National Accounts Division of KAS is faced with a long list of requirements to develop additional parts of the National Accounts System, and to improve at the same time the quality of the data that is already compiled. However, KAS will not be able to implement the necessary improvements with its current very small number of staff. Strong efforts are needed to enhance coverage and improve National Accounts in Kosovo. From theme 2.01 “Annual National Accounts” of Eurostat’s Statistical Requirements Compendium, KAS is at present only able to provide GDP and its components by the expenditure approach in current and constant prices until 2010; GDP by the production approach, the production and income generation accounts by institutional sectors and Supply and Use Tables only until 2007. What is additionally lacking are income aggregates, the full set of annual sector accounts, input-output-tables, regional accounts, quarterly GDP estimations and quarterly sector accounts.

In 2010 KAS prepared with IPA support an “Action Plan for compiling and publishing comprehensive statistics on national accounts and labour market”. That Plan is in principle a useful instrument to organise the future development of National Accounts together with the development of standards and sources that are needed for the enhancement of coverage and improvement of National Accounts data. However, it

appears that the Action Plan already needs a complete update, due to many important actions that were planned for 2011 which could not be fulfilled. It is moreover recommended that the Plan should be much more prepared in the form of a mid-term operational plan, which would include the setting of objectives and clear priorities in accordance with the demands of the main users, including the European Commission. It should detail the activities to be carried out with the support of assistance projects, the results of the activities and the milestones (at least two milestones per year for each activity) at which concrete results have to be provided, together with a system for the monitoring of the fulfilment of the activities. It should be made clear that not everything can be worked on at the same time.

In principle, the improvement and enhancement of coverage of the annual National Accounts calculations should have first priority in KAS. The simultaneous calculation of GDP by the production and the expenditure approach is of particular importance here. It is also supported that KAS is establishing experimental estimations of quarterly GDP from the production and the expenditure side. The usability of quarterly data from the side of the Tax Administration should be tested together with the division of Business Statistics.

The National Accounts division needs the provision of data of high quality from various statistical areas, and in particular from Business Statistics. The system of Business Statistics should be developed in the direction, that all the needs of National Accounts can be fulfilled through regular surveys and administrative data. The National Accounts division should actively make proposals for the development of Business Statistics. The same holds true for Price Statistics. Improvements in the various price data sources are needed before the methodology of constant price estimations can be brought in line with EU requirements.

The National Accounts division of KAS will need a noticeable increase in its staff capacities and continuing support by Eurostat and the European Statistical System for a longer period in order to reach compliance with European legislation in the field of National Accounts.

4.3.2 Government Finance Statistics

- (185) According to the self-assessment, KAS is responsible for the production of Government Finance Statistics in Kosovo. Responsibility rests with the National Accounts division, which is part of the Economic Statistics and National Accounts

Department. The division has at present 5 staff members who are in charge of National Accounts as well as of Government Finance Statistics.

(186) Data is published only annually on the website of KAS. Moreover, data is passed on to international organisations, mainly the IMF.

(187) According to KAS, Government Finance Statistics are largely in compliance with the Government Finance Statistics Manual of the IMF of 2001 (GFSM 2001). Parts of the government operations are recorded on an accrual basis; in particular the income side is mostly recorded on a cash basis. The full general government sector, including local authorities, social security funds and extra budgetary funds, is covered. Tables of expenditure by COFOG (Classification of the Functions of Government) are also produced.

(188) Data for the compilation of Government Finance Statistics is provided mainly by the Treasury Department and the Property Tax Department of the Ministry of Finance and Economy. Further providers of administrative data are the Kosovo Pension Savings Trust, the Donor Coordination Unit of the Prime Minister's Office and the Central Bank of Kosovo.

(189) *Assessment*

The Kosovo Agency of Statistics produces Government Finance Statistics following international rules. Large parts, in particular of the income side, are still calculated on a cash basis. An estimation of this data on an accrual basis should be possible. Data is published annually on the website of KAS and some data is transmitted to international organisations. It should be considered and discussed with the data providers to calculate and publish not only annual, but in addition also quarterly data. The necessary information should be available in the Ministry of Finance. Results of Government Finance Statistics are used by KAS for the calculation of the aggregates of the General Government Sector of National Accounts.

4.3.3 External Trade Statistics (Goods)

(190) External Trade Statistics are produced by the Economic Statistics division which is one of three divisions of the Department for Economic Statistics and National Accounts. One staff member in the Economic Statistics division is responsible for the monthly compilation of external trade data based on customs declarations.

The customs declaration used in Kosovo is identical in form and content with the Single Administrative Document which is in use in the EU countries for the exchange of goods with non-EU countries. The information on the document is captured by the Customs Information System. Data is provided to KAS by the Customs authorities (administrative source) on the 20th of each month following the reference period.

The Central Bank of Kosovo is processing monthly external trade data in parallel with KAS due to different requirements in timeliness and concepts on the basis of the same data from the Customs authorities.

(191) KAS compiles statistics on international trade broken down by partner countries (Geonomenclature – Nomenclature of countries and territories), and by commodities according to the Combined Nomenclature (CN) and the Standard International Trade Classification (SITC). Until March 2011, data was published monthly, 45 days after the reporting period; from April 2011 data is published after 35 days. Annual data for 2010 has been published as provisional data 45 days after the reference period, final annual data in May 2011. At present the website of KAS only includes tables on foreign trade statistics.

(192) KAS compiles and publishes foreign trade data compiled by the special trade system only. A supplementary compilation by the general trade system is planned for 2012.

(193) *Assessment*

External trade statistics appears to be already well developed. There are nevertheless still a few problems. Data is only calculated according to the special trade system, but the calculation of both, special trade and general trade data, will be carried out soon. The necessary information can be provided by the Customs Administration. An improvement in timeliness was reached this year. Customs Administration provides its data until the 20th of the month after the reference period and the publication of the statistics is now until 35 days after the reference period. Until March 2011 it was 45 days. The possibility to further improve the timeliness of the data should be examined. An earlier completion of external trade statistics data could possibly solve the problem that KAS and the Central Bank both compile external trade statistics data. It is recommended that the two institutions find a way to avoid such a duplication of work as soon as possible.

4.3.4 Balance of Payments Statistics

(194) The legal mandate of the Central Bank of the Republic of Kosovo (CBK) to collect, process and disseminate Balance of Payments Statistics is derived from Article 25 of the Law on CBK, No. 03/L-209 and the recently adopted Law on Official Statistics. The representative of the Central Bank stated that moreover a memorandum of understanding with KAS has been concluded.

The Balance of Payments division is part of the Statistics Department of the Central Bank of Kosovo and has 6 staff members.

(195) The methodological framework for Balance of Payments Statistics in Kosovo is based on the guidelines of the IMF methodology (IMF Balance of Payments Manual, 5th edition, 1993 – BPM5). Concepts, definitions and classifications are broadly in accordance with BPM5. The majority of individual transactions are recorded on an accrual basis. Data on the basis of the new IMF Balance of Payments Manual BPM6 are already sent to the IMF for an assessment.

(196) Data for the compilation of Balance of Payments Statistics are provided from various sources, which include among others: reports from commercial banks and other private entities; data from monetary statistics; data on imports and exports of goods directly provided by the Customs Administration; administrative data from various Ministries and Agencies and from international organisations, and estimates based on statistical research carried out by CBK. Such estimations are applied due to limitations in data sources for some items, such as travel services, remittances, trade credits, costs of freight services and insurance of goods etc.

The Central Bank of Kosovo disseminates annual Balance of Payments data within the GDDS recommendation of six months and quarterly data three months after the end of the reference period. Balance of Payments Statistics are published through the Monthly Statistics Bulletin, the Balance of Payments Bulletin, the Annual Reports of CBK, and on the CBK's website. The advance release calendar is in full conformity with GDDS requirements and is available on the CBK's website. CBK reserves the right to revise published data, in accordance with its revision policy. Necessary explanations are given to the public. Monthly estimations of Balance of Payments Statistics are carried out on an experimental basis. The Central Bank of Kosovo also publishes Foreign Direct Investment Statistics according to the methodology of BPM5.

(197) **Assessment**

It appears that Balance of Payments Statistics reached relatively high compliance with European and international requirements. Concepts, definitions and classifications are broadly in accordance with the IMF Balance of Payments Manual, 5th edition, 1993 – BPM5. Estimations are applied due to limitations in data sources for some items, such as travel services, remittances, trade credits, costs of freight services and insurance of goods, etc.

It is surprising that data on imports and exports of goods are provided by the Customs Administration directly to the Central Bank of Kosovo for compiling external trade of goods data for the Balance of Payments. That means that two institutions calculate foreign trade in goods data, which leads to a duplication of work and which includes the risk to produce and disseminate differing data for the same phenomena. A Committee for External Trade Statistics with members from KAS, CBK and the Customs Administration exists for the coordination of the data compilation. It became, however, not completely clear, whether the Committee functions properly. In other countries, Central Banks use Foreign Trade Statistics of the statistical institutes which they convert into their concepts, and that should also be the approach taken in Kosovo in future.

4.3.5 Consumer Price Index

(198) The elementary monthly CPI started from May 2002 and is continually published in the three official languages. Prices have been collected in the seven regional centers of Kosovo in urban and rural areas during the period from the 10th to 20th of each month. From January 2005 price collection expanded to three new centers: Istog, Podujeva and Suha Reka. Prices are currently not collected in Serbian areas.

(199) CPI is calculated for about 370 items and services, approximately with 4800 prices in each month in more than 600 outlets. Results are presented according to COICOP (Classification of Individual Consumption by Purpose). Basic indices are aggregated to higher levels using the Laspeyres formula. The concepts and definitions follow the Consumer Price Index Manual: Theory and Practice (ILO, IMF, OECD, Eurostat, United Nations, and World Bank).

(200) The Consumer Price Index is calculated in the following hierarchy:

- Total index (CPI)
- Index by 12 main groups
- Index by subgroups
- Index by product

Reference period is May 2002=100.

(201) The weight structure until December 2009 was only based on HBS expenditure, while from January 2010 the weight structures from both National Accounts and HBS are used.

(202) HICP, starting from the year 2009, is in the process of implementation.

(203) Technical assistance has been given by Statistics Sweden and Eurostat.

(204) *Assessment*

KAS calculates already a rather advanced national Consumer Price Index. Methods used are in many aspects close to the HICP, i.e. domestic concept is used.

4.4 Business Statistics

(205) Responsibility at KAS for annual and short-term Business Statistics and the Business Register sits with the Economic Statistics division in the Department for Economic Statistics and National Accounts (4 staff members are working in the division; 1 for Business Register, 3 for annual Business Statistics and for short-term Business Statistics).

(206) KAS maintains the Statistical Business Register which shall be the central repository of information on businesses in Kosovo and which shall provide statistics in Kosovo with a comprehensive frame for all Economic Statistics. Administrative data provided by the Agency of Business Registration in Kosovo and the Tax Authority of Kosovo are the main source of the Business Register. Results from annual and short-term business surveys are used as well. The Register is regularly updated based on data collected from the administrative sources and from survey data.

(207) The variables of the Business Register are mainly based on European recommendations: Identification variables (such as name, address, and legal form); stratification variables (including main economic activity, number of persons employed, and turnover); and demographic variables (for example the start-up date). Classification

used in the Statistical Business Register as well as in the administrative registers is still NACE Rev. 1. A unique identification number used by all institutions and assigned by the Agency of Business Registration makes the linking of all available information possible.

(208) The Business Register contains at present only legal units which are treated as equivalent with enterprises. Local units cannot be identified. Though KAS makes great efforts to maintain the Business Register as best as possible, the quality of the Business Register still suffers from problems related to the insufficient quality of the information from administrative sources, lacking the deactivation of non active units, limited information on the description of the economic activity, and a lack of comprehensive information on the number of employed persons and turnover figures.

(209) *Assessment*

The quality of the statistical data in the Business Register still seems not to be sufficient. However, improvements can be reached by a better use of all available administrative information, in particular from the Tax Administration. The planned signing of memoranda of understanding with the Business Registration Agency and the Tax Administration, after the passing of the Law on Official Statistics will help to improve the quality of the Register. The usability of the register of the Alliance of Kosovo Businesses and possibly of the registers of other business associations should be examined. The Alliance of Kosovo Businesses seems to be willing to conclude a memorandum of understanding with KAS. Weaknesses of the Business Register are still the lack of a conversion to NACE Rev. 2 and the missing inclusion of information on local units. At a future date, information on enterprises and enterprise groups should be included as well.

4.4.1 Structural Business Statistics (SBS)

(210) Structural Business Statistics (annual structural statistics of non-agricultural enterprises) have been compiled by KAS since 2005. The annual survey is based on the SBS regulation. Activity classification is still NACE Rev.1. Most variables of Annex 1 of the SBS regulation and nearly all relevant economic activities are included in the survey. Exceptions include Financial Intermediaries, Education and Health. The sampling frame for Structural Business Statistics is the Statistical Business Register which is, as previously mentioned, not satisfactory yet. In general, only companies with turnovers of more than 50,000 € are interviewed (in branches where no company has more than 50,000 € smaller ones are included in the sample). Response rate is rather low and went down in the course of the years.

(211) The results of the survey are compared and aligned with tax data. Data has only been published until the reporting year 2007. The years 2008 and 2009 are still in process, and for 2010 data entry still has not been carried out.

(212) *Assessment*

Structural Business Statistics (SBS) have been compiled in Kosovo since 2005. The annual survey is largely based on the SBS regulation. However, rather low response rates, the necessity to compare and adjust the data against tax information, and a severe lack of timeliness of the results, with data for 2008 and 2009 not yet available, damage the usability of the SBS. An improvement of the quality of the statistics with regard to the accuracy and timeliness is urgently required. KAS intends to present the data of SBS in the mid-term within 12 months after the reference period.

4.4.2 PRODCOM

(213) PRODCOM provides data on the value and the volume of the production of nearly 4000 manufactured goods. Classification is the PRODCOM list which is updated yearly.

(214) KAS does not produce any PRODCOM data yet. The preparation of a pilot survey was planned for 2011, but had to be postponed.

(215) *Assessment*

The introduction of a new survey on manufactured goods in accordance with PRODCOM regulations should now be started in 2012.

4.4.3 Short-term Business Statistics (STS)

(216) European Short-term Business Statistics comprise monthly and quarterly economic indicators such as the index of industrial production, output prices, construction production, retail trade turnover etc. Short-term data on all service activities are also to be provided. The classification to be used as from 2009 is NACE Rev. 2.

(217) KAS started with first quarterly pilot surveys only in 2010. The surveys cover variables for the sectors Industry and Construction according to NACE Rev.1. The data collection for 2011 was delayed because of the Population Census. The third quarter 2011 is now in the field. The sampling frame is the Statistical Business Register, which needs to be improved.

(218) **Assessment**

As KAS started with STS statistics only in 2010, it is clear that there are remaining challenges which have to be solved before any output with sufficient quality can be produced. KAS will need further support to complete the pilot and to develop a full scale survey. As in the case of Structural Business Statistics, Short-term Business Statistics are also confronted with the insufficient quality of the Business Register. The improvement of the Register is a precondition for the production of reliable Business Statistics. It is recommended that the usability of quarterly data from the Tax Administration for the development of STS is examined.

4.5 Agriculture Census and Agriculture Statistics

(219) Agriculture Statistics are produced mainly through the Agriculture Household Survey (AHS). The purpose of this survey is to provide statistical data for the agriculture sector, namely: agriculture population and its structure, land area, land use, irrigation, crop area and crop production, livestock, livestock production; forestry; agricultural inputs; labour force in agriculture and farm expenditure. The survey aims to assess the level of development of the agricultural sector and provides the basis for future monitoring of trends in the sector.

(220) The Agriculture Household Survey (AHS) is an annual sample survey, which has been conducted each year since 2001. However, in 2010 the survey was discontinued due to a lack of funds, and it was not resumed in 2011. AHS was conducted in November and only in rural areas with a sample size of 4500 agricultural households. The method of data collection has been face-to-face interviews (with about 60 enumerators) based on a paper questionnaire. Data entered in MS Access and analysed with SPSS.

(221) Final publications contain methodological remarks including detailed definitions connected to the published data and general information about the implementation of the survey. The publication is in three languages (Albanian, Serbian and English) and is distributed to all ministries and other users. The data of the AHS also can be accessed on KAS' website.

(222) AHS was supported by SIDA/Statistics Sweden in 2001 and 2002. From 2004 to 2006, the Agriculture Statistics Policy Advisory Unit Kosovo (ASPAUK) project of EAR (the European Agency for Reconstruction) supported the AHS. From 2006 until 2009 support came again from SIDA and from the IPA multi beneficiary programme, mainly on sample design, data analysing and inventory documents for the Farm Structure Survey/Agriculture Census.

-
- (223) KAS is currently working on the preparation of an Agriculture Census (AC) which they aim to carry out in 2013.
- (224) Regarding agro-monetary statistics, KAS compiles Agriculture Prices (AP) and Economic Accounts in Agriculture (EAA).
- (225) In the field of Agriculture Prices and Agriculture Price Indices, KAS has collected the prices for agriculture output and input products on a monthly basis in the seven regions since November 2003. Prices are collected at farms, markets, agriculture pharmacy enterprises and other places where prices on agriculture products are available. Every item is monitored around the 15th of each month (in the middle of the day). Prices are producer/purchasing prices (in line with EU methodology). From the AP data, average prices, monthly, quarterly and yearly elementary and aggregated indices for output and input are calculated and published.
- (226) The plan is to change the base year for the index in line with EU methodology to 2010 = 100. Since there are a lot of varieties for output products, the plan is to increase the number of items for vegetables and fruits and to collect prices for different types of age category for livestock. It is also required to increase the number of items in data collection for prices on the input side.
- (227) The EAA compilation started in 2010 and EAA have been compiled for the period 2005-2008. Compilation of EEA is based on the calculation of output, intermediate consumption and value added with producer, current and constant prices. The two major data sources for EAA are two surveys carried out at KAS: Agriculture Household Survey and Agricultural Price Statistics. Other data sources are administrative data from the Ministry of Agriculture and veterinary services. If there are no data sources for certain items, experts' opinions have been used.
- (228) EAA data has been published for the first time for period 2005 – 2008. Data is published in paper form and on KAS' website in three languages: Albanian, Serbian and English.

(229) **Assessment**

The planned Agriculture Census will be of major importance to get a more complete picture of the situation within the agricultural area and to lay a foundation for future development. The assessment team recommends that the main responsibility for the Census is assigned to KAS as the main producer of official statistics.

It should also be clarified, how the Census can best be used to establish a farm register, which can be used in the future as sampling frame.

Further support is needed to agriculture statistics.

5 ANNEXES

Annex 1: Agenda and persons met during assessment mission

Annex 2: Law on Official Statistics of the Republic of Kosovo

Annex 3: Strategic Development Plan 2009 – 2013