

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

Draft Report

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PREFACE

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

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

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

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

EXECUTIVE SUMMARY

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

- (1) The peer review team formed a good impression of the progress made by MONSTAT with regard to the institutional aspects reviewed, as well as the accessibility of statistical information. Stakeholders interviewed praised the progress made by MONSTAT in the last two years, emphasising, in particular, the professionalism shown in implementation of the population census in 2011 and MONSTAT's increased demonstration of independence more generally. As a result, its image in the population had improved significantly.
- (2) Discussions with both management and stakeholders of MONSTAT gave the review team assurances that MONSTAT respects in practice the principles of professional independence, impartiality and objectivity, and statistical confidentiality, when producing and disseminating official statistics.
- (3) The MONSTAT is an independent administration body according to the Law on State Administration. The Law on Statistics and Statistical System of Montenegro (69/2005) specified the legal frame for the production and dissemination of official statistics and also the framework for the organisation of the system of official statistics of Montenegro. In the report on the Adapted Global Assessment (AGA) of the Montenegrin statistical system in 2010 it was stated that the existing Law was broadly in accordance with the UN Fundamental Principles of Official Statistics and the corresponding parts of the European Statistics Code of Practice. The AGA report contained some recommendations for improvements of the Law. The majority of these recommendations are included in the recently adopted Law on Official Statistics and Official Statistics System (18/2012), which entered into force on 29 March 2012.
- (4) The Law on Official Statistics and Official Statistical System provides MONSTAT with a clear and broad legal mandate to collect and access the data needed for the implementation of the five-year Programme and the Annual Plan. The new Law strengthens MONSTAT's data collection mandate, specifying that the use of administrative data is a priority. MONSTAT will develop a strategy and an action plan for the wider use of administrative data and will investigate how its influence on the content and the quality of administrative data can be strengthened. To improve the response rates of its surveys, MONSTAT plans to establish web based electronic data collection from businesses. In household surveys computer assisted interview techniques are planned to be used.
- (5) The peer review team saw clear indications that MONSTAT is underfinanced and understaffed, relative to the tasks they face to reach compliance with

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

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

1 FINDINGS PER PRINCIPLE

1.1 PRINCIPLE 1: PROFESSIONAL INDEPENDENCE

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

Overall assessment:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.2 PRINCIPLE 2: MANDATE FOR DATA COLLECTION

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

Overall assessment:

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

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

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

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

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

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

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

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

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

According to Article 28 of the Law, all surveys and censuses of official statistics in Montenegro are obligatory. It is stipulated that reporting units in general are obliged to

provide accurate and complete data, free of charge, in the contents and form determined by the producer of official statistics and within the deadlines defined in the Annual Plan.

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

1.3 PRINCIPLE 3: ADEQUACY OF RESOURCES

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

Overall assessment:

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

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

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

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

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

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

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

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

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

1.4 PRINCIPLE 4: QUALITY COMMITMENT

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

Overall assessment:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1.5 PRINCIPLE 5: STATISTICAL CONFIDENTIALITY

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

Overall assessment:

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

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

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

1.5.1 Indicator 5.1 Statistical confidentiality is guaranteed by law.

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

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

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

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

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

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

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

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

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

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

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

1.6 PRINCIPLE 6: IMPARTIALITY AND OBJECTIVITY

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

Overall assessment:

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

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

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

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

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

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

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

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

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

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

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

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

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

The Law stipulates that the producers of official statistics shall prepare, update and publish a dissemination calendar. It shall be published not later than 20 December 2012 for the following year and shall include the dates of the publication of statistical data. It is moreover stated that any deviation from the time schedule determined by the calendar shall be announced and explained publicly. MONSTAT publishes a release calendar for all official statistics, not only for statistics produced by MONSTAT.

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

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

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

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

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

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

1.7 PRINCIPLE 15: ACCESSIBILITY AND CLARITY

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

Overall assessment:

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

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

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

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

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

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

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

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

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

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

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

See comments at Principle 5, Indicator 5.6.

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

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

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

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

2 CO-ORDINATION ROLE OF THE NATIONAL STATISTICAL INSTITUTE

Overall assessment:

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

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

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

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

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

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

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

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

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

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

3 GOOD PRACTICES TO BE HIGHLIGHTED

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

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

4 LIST OF IMPROVEMENT ACTIONS

List of Improvement Actions by Principle of the Code (DRAFT, 8.3.12)

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

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

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

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

5 ANNEXES

ANNEX 1: AGENDA OF THE LPR

ANNEX 2: LAW ON OFFICIAL STATISTICS AND OFFICIAL STATISTICS SYSTEM