

## IPA 2009 Croatia Project Fiche HR2009-02-18-02

### 1. Basic information

- 1.1 CRIS Number: IPA/2009/21661
- 1.2 Title: **Technical assistance in business statistics**<sup>1</sup>
- 1.3 ELARG Statistical code: 18 - Statistics
- 1.4 Location: Central Bureau of Statistics (CBS), Zagreb, Croatia

#### **Implementing arrangements:**

##### 1.5 Implementing Agency:

The CFCA is responsible for the tendering, contracting and disbursement of all the project's components in line with DIS principles and the PRAG.

The PAO for the project is:

Central Agency for Financing and Contracting

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##### 1.6 Beneficiary (including details of SPO):

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There was no need to incorporate in the project title the energy statistics part, while by default energy statistics in the statistical Bureaus or Offices usually falls under business statistics.

#### **Financing:**

1.7 Overall cost (VAT excluded)<sup>2</sup>: 889 000 EUR

1.8 EU contribution: 800 000 EUR

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<sup>1</sup> There was no need to incorporate in the project title part referring to the energy statistics since it is by default part of the business statistics in Bureaus and Offices for Statistics across Europe

<sup>2</sup> The total cost of the project should be net of VAT and/or other taxes. Should this not be the case, the amount of VAT and the reasons why it should be considered eligible should be clearly indicated (see Section 7.6)

1.9 Final date for contracting: 2 years following the date of conclusion of the Financing Agreement

1.10 Final date for execution of contracts: 2 years following the end date for contracting

1.11 Final date for disbursements: 3 years following the end date for contracting

## 2. Overall Objective and Project Purpose

### 2.1 Overall Objective:

The overall objective of the project is **to provide statistics to the Government of Croatia and to the EU in support of the accession process.** In the context of accession process it is considered as the first priority of the Croatian Statistical System to provide necessary statistical information for informed decision-making both by the Government of Croatia and EU.

### 2.2 Project purpose:

The purpose of this project is **to achieve required compliance level with the *acquis communautaire* in the following statistical domains: Short-Term Business Statistics and Energy Statistics**

### 2.3 Link with AP/NPAA / EP/ SAA

**NPAA** references to statistics as follows (quote: NPAA 2008, Chapter 3.18.3 Business Statistics, p. 312):

„Short-term Business Statistics

....

It is planned in 2009 to finalise work on revising all the existing STS Surveys, to develop new national versions of production classifications, weighting systems of the sample frameworks and their application, and to disseminate the back-cast available STS set, and to calculate and disseminate the available STS set based on the new NACE Rev.2/CPA 2008 within the Eurostat timetable for the appropriate indicator. Further work is planned on providing organisational preconditions and resources for the implementation of the entire set of short-term business indicators (STS) based on Regulation (EC) No 1158/2005 of the European Parliament and of the Council of 6 July 2005 amending Council Regulation (EC) No1165/98 concerning short-term statistics and other relevant acts of the *acquis communautaire*. This will be done either by improving the existing indicators and/or by preparing or introducing new STS business indicators, mainly in the field of services (such as *import prices*, *SPPI* ≠ *output prices in services*) or through compilations from secondary (administrative) sources or new collections of data, i.e. through a compilation of sources, with the expert and financial support of the National PHARE 2005 Programme and the National PHARE 2006 and Multi-beneficiary PHARE 2006 Programme.

Two PHARE 2005 projects related to restructuring are being finalized within the Central Bureau of Statistics (CBS), namely a Twinning Contract with Statistics Germany and a Service Contract. Both projects have a component dealing with organisational capacity of CBS. As the result of these projects, a draft of the new organisation structure is submitted into the government procedure.

### *Energy statistics*

Current adjustments pursuant to the Eurostat methodology, which is still in the pilot phase, will be made in 2008 through this Multi-annual development project. It is also necessary to design a monitoring method, to develop statistical standards for energy efficiency monitoring, and to improve the base for developing the Energy Balance of the Republic of Croatia in the area of services and households. Through this multi-annual development project, work on current alignment, based on the Eurostat methodology, will continue in 2009. It is also planned to finalise work on the methodology development for the collection of data for the compilation of priority indicators based on the Eurostat list of *priority indicators*, and to start collecting data for them in 2009 for 2008.“

The objectives of the project follow the priorities of the **Accession Partnership** for Croatia (AP). **Accession Partnership** references to statistics as follows (quote):

“Chapter 18: Statistics

- Strengthen the administrative capacity of the Bureau of Statistics, reform its regional offices and improve coordination with other producers of official statistics,
- continue developing agricultural, macroeconomic and business statistics.”

#### 2.4 Link with MIPD

This project is in line with priorities of the MIPD 2008-2010 as established under the economic area (2nd area of intervention of the MIPD) that states that "possible areas of support over the period 2008-2010 will be on assisting the Croatian authorities to continue developing statistics". Besides, development of statistics is intrinsically a main source of information for decision making processes across all main areas of intervention as established in the MIPD 2008-2010;

#### 2.5 Link with National Development Plan (where applicable)

#### 2.6 Link with national/ sectoral investment plans(where applicable)

### **3. Description of project**

#### 3.1 Background and justification:

Statistics represents a large part of the Acquis and the Acquis implementation is a complex and long procedure requiring permanent efforts. The project's objectives evidence priorities in the area that require continuous work over a long period and in which developments lead to practical improvements of important national statistics during the long- term process of achieving compliance in these fields.

**The project is designed to implement the strategy by targeting at the following priority areas: Short-term Business Statistics and Energy Statistics.**

These statistical domains are considered as priority both by the Central Bureau of Statistics of Croatia and by Eurostat.

One of CBS priorities is development of a complete range of Business Short-Term Statistics. As the work on development of large part of these statistics is well under way, through several development projects funded from pre-accession funds, there is still a need for introduction of new surveys correspondent to missing parts – 7

additional indicators - in Short-Term Business Statistics, in line with acquis requirements. Number of new surveys to be introduced needs to be defined in the first phase of the project implementation, depending on availability of data sources.

While the major part of energy statistics is already in line with the acquis, there is still a need for further introduction of energy statistics surveys as well as further development of quality in energy statistics. Number of new surveys to be introduced needs to be defined in the first phase of the project implementation, depending on availability of data sources that also have to be fully available for the purpose of this project.

The beneficiary of the project is CBS, Business Statistics Sector.  
CBS of course, also covers energy statistics as a second component to the project

Members of the Management Board and statistical experts working in correspondent organisational units involved in preparation of the project documentation. There are no outside stakeholders involved in the activities planned through this project.

Achieving the results foreseen in this Project Fiche will do a step toward high quality statistics, comparable to the statistics of Member States. This Project addresses some of the sectors of the statistics which have already been the object of the national CARDS and PHARE programmes as we have detailed in the following paragraph 3.5. Synergy of the projects contributes to the efforts CBS has made in order to support the goals set in the strategic and other relevant documents. These goals and already achieved results through other projects are connected and analysed in order to avoid overlapping.

This project consists of the following components:

- Short-Term Statistics,
- Energy Statistics,

The current project is dealing with CBS human resources and its quality and efficiency through:

- training (seminars, workshops)
- exchange of experiences (study visits)
- development of the organization.

### 3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable)

The project is expected to have a significant impact on the administrative capacity of CBS in relation to the tasks emerging from the European Statistical System to the National Statistical Institutes of EU member states.

In practice it means that CBS will develop several segments of the Croatian Statistical System compliant with the *acquis communautaire*. Following the development of specific statistical domains, established systems are becoming sustainable through establishment of necessary internal organisational structures, appropriate production processes and related procedures, supported by the Government budget for statistics.

There is no Cross border impact relating to that project.

### 3.3 Results and measurable indicators:

#### Results and measurable indicators in relation with activity 1 – Short-Term Statistics

Results – Methodology for data collection of missing indicators in Business Short-Term Statistics developed, number of STS surveys in weak areas defined and prepared, pilot surveys carried out for each new survey, survey results compiled, data on STS in weak areas available and transmitted to Eurostat.

Measurable indicators - Data on STS in weak areas available; pilot surveys carried out; 25 CBS staff trained;

#### Results and measurable indicators in relation with activity 2 – Energy Statistics

Results - Methodology for data collection of additional energy surveys prepared, number of surveys on energy statistics defined and prepared, pilot surveys carried out for each new survey, energy statistics database established and structured, survey results as well as other available energy data uploaded into the database; energy database completed with improved and consolidated energy data, prepared for dissemination to national decision makers as well as for transmission to Eurostat.

Measurable indicators - Energy statistics available; pilot survey carried out; 10 of CBS staff trained.

### 3.4 Component:

The project includes components related to development of specific statistical subject-matter statistics – to be implemented through one Technical Assistance project.

Co-financing is ensured through the Government budget for CBS

#### **Activity 1 - Short-Term Statistics**

- 1.1 Development of methodology for missing STS indicators,
- 1.2 Definition and preparation of new surveys
- 1.3 Development of IT support – applicative software for new surveys,
- 1.4 Carrying out of pilot surveys,
- 1.5 Organisation of training,
- 1.6 Production and evaluation of survey results,
- 1.7 Preparation of transmission tables for each indicator,
- 1.8 Transmission of data to Eurostat,
- 1.9 Drafting quality reports for Eurostat

#### **Activity 2 – Energy Statistics**

- 2.1 Development of methodology for additional energy statistics surveys,
- 2.2 Definition and preparation of new surveys
- 2.3 Development of IT tools – applicative software for new surveys,
- 2.4 Carrying out of pilot surveys,
- 2.5 Production and evaluation of survey results,
- 2.6 Establishing and setting up of an energy statistics database,
- 2.7 Consolidation of energy data from available sources,
- 2.8 Transmission of high quality data to Eurostat,
- 2.9 Drafting quality reports for Eurostat.

**Profile of team leader/key expert for Short-Term Statistics:**

- Experience in developing statistical surveys in the area of Business Short-Term Statistics
- Experience in corresponding methodology and production and evaluation of survey results
- 10 years of working experience in developing statistical surveys in the area of Business Short-Term Statistics including development of corresponding methodology, carrying out of corresponding surveys and evaluation of survey results
- Experience with similar project in Short term Statistics is mandatory

**Profile of key expert for the Energy Statistics:**

- Experience in developing statistical surveys in the area of Energy Statistics
- Experience in corresponding methodology and production and evaluation of survey results
- 7 years of working experience in developing statistical surveys in the area of Energy Statistics including development of corresponding methodology, carrying out of corresponding surveys and evaluation of survey results
- Experience with similar project in Energy statistics is mandatory

**Profile of two IT key experts:**

- Experience in developing applicative software in statistics
- Experience in corresponding IT development tools
- 10 years of working experience in developing applicative software in statistics
- Experience with similar project of developing applicative software in statistics is mandatory

**3.5 Conditionality and sequencing:**

The CBS restructuring proposal and a proposal for integrating of county statistical offices should be approved by the government and be concretely implemented at the time of the start of operations of this project. The mentioned precondition is partially fulfilled, thanks to the government approval of the restructuring proposal for integration of county statistical offices (June 2009); real and concrete implementation as per reform plan should be verified before being able to tender services under this project. Further on, amendments to the Law on official statistics were also approved by the parliament in June this year.

Assumptions for achieving expected results in this project are availability and involvement of sufficient number of CBS staff, well-trained and motivated for carrying out project activities. Currently the new organisational chart with increased number of staff is submitted into the government procedure. Simultaneously CBS submitted into the government procedure the draft proposal for integrating county statistical offices into the CBS organisational structure. CBS is also preparing changes and amendments to the Law on Official Statistics including new CBS structure and integration of county statistical offices. To a large extend these assumptions concerning staff depend on government approval of the restructuring of the CBS.

### 3.6 Linked activities

From 2001 up to now CBS used technical assistance within the framework of CARDS 2001 programme. In February 2005 a Twinning project with the budget of 0.85 million Euro was concluded. The title of the twinning project was “Support to the Central Bureau of Statistics of the Republic of Croatia in data collection and adoption of the acquis” and it was implemented in cooperation with Statistics Denmark.

Further developments were carried out within the framework of CARDS 2002 and CARDS 2003 projects.

A priority area of the 2002 CARDS programme was defining a strategy for regional and local development. To support the achievement of this objective, a twinning project “Establishment of a system for producing regional accounts at NUTS II level” with a budget of 0.40 million Euro was concluded.

The 2003 National CARDS Programme included four projects – Public Finance Statistics, Upgrading of the Labour Market Statistics, Structural Business Statistics and National Methodology for statistical registers: Population Register and Register of Employed Persons, in statistical co-operation for a total amount of more than 1.5 million Euro.

The first project dealt with public finance with the objective to develop a methodology for the production of key public finance statistics. This project was implemented by the CBS in close co-operation with the Ministry of Finance and the Croatian National Bank.

A second project aimed at the upgrading of labour market statistics. A main component of the project was the revision of the methodology for data collection, processing and analysis in the field of labour market statistics.

The third and fourth project under the 2003 CARDS programme covered regional statistics in supporting the production of regional statistics for the main social and economic indicators as well as development of a segment of short-term statistics and it was part of a broader project on administrative capacity building, national, regional and local development.

Further technical assistance was provided in the framework of a PHARE 2005 project. Project objectives were to improve the CBS organisational capacity by means of establishing a new structure, including the system of regional offices, as well as to enhance the following priority areas: Business Register and Classifications, National Accounts, Business Statistics, Household Based Surveys and Agricultural Statistics.

Further, a Twinning Light project was carried out in the within the PHARE 2005 programme, on INTRASTAT – trade of goods statistics between EU member states. Within this project methodological foundations for this survey in the Republic of Croatia were established. Besides CBS, the project included Customs Administration and Tax Administration, as partners.

Within PHARE 2006 national programme, a new Technical Assistance project titled “Major revision of classifications and upgrading of subject-matter statistics“ started in January 2009 with the objective of supporting development of the following statistical domains – Implementation of the new National Classification of Activities NKD 2007 in business statistical surveys, establishment of Time-Use Survey, development of Migration Statistics and Population Projections and Science& Technology Statistics.

Substantial technical assistance has been provided by Statistics Sweden through bilateral co-operation in the creation of a central metadata repository, a public macro database, as well as in procurement of relevant IT equipment. Further on, assistance

was provided in a number of other areas, including general management, survey methodologies, relations with media, EU relations, dissemination, gender statistics, quality assurance and environmental statistics. The co-operation was based on exchange of experience through seminars, study and consultative visits.

CBS, as the Croatian national statistical office, is a beneficiary of direct grants from Eurostat, along with other national statistical offices from candidate countries.

Within Multi-Beneficiary PHARE 2005 Programme, 20 different statistical domains were developed. The programme ended by the end of 2008.

Currently, a Multi-Beneficiary PHARE 2006 Programme is in progress, providing financing for development of 19 different statistical domains, including Short-Term Statistics.

CBS established bilateral co-operation with INSEE (France) in a number of statistical areas: Classifications, Short Term Statistics (STS), Structural Business Statistics (SBS), Energy Consumption, Research and Development (R&D) indicators and GBAORD survey, Household Budget Survey (HBS), Statistics of Income and Living Conditions (SILC), Sampling. The co-operation is based on exchange of experience through seminars, study and consultative visits.

The co-operation with Statistics Austria and with Statistics Lithuania was carried out in the area of strategic management and planning.

The Feasibility Study regarding the reorganisation of the CBS and county state administration offices responsible for official statistics matters was carried out through the World Bank Trust Fund for Statistical Capacity Building.

### 3.7 Lessons learned

So far CBS had the opportunity to implement several development projects within national CARDS and PHARE programmes.

Development projects included one CARDS 2001 Twinning project and one CARDS 2002 Twinning project (both with Statistics Denmark as a senior partner, and Statistics Sweden and Statistics Finland as junior partners), one CARDS 2003 Twinning Light project (again with Statistics Denmark) and one CARDS 2003 Twinning project (with Statistics Finland as a partner). Both the beneficiary (CBS) and the twinning partners (Statistics Denmark, Statistics Sweden and Statistics Finland) are very satisfied with the results achieved. The implementation logic (long-term advisor and a series of short term missions) has proved to be an efficient way to assist the CBS. The recommendations addressed to the CBS by the subject matter experts ensured the sustainability of the project and facilitated its follow-up. Although the implementation period of twinning projects (twinning light project lasts six months) was two years it was impossible to conclude all activities, particularly those related to the operational Statistical Business Register. It was a lesson learned that a lack of human resources, particularly IT experts, is a serious constraint for the future development of the Central Bureau of Statistics and its activities.

All projects in question were finalized successfully. A very good example of a good project is provided by independent monitoring carried out on CARDS 2001 Twinning project, evaluating the project, its objectives and achieved results, rated it among the best ones so far financed under the CARDS Programme: "Relevance and quality of



design – rated **a**, Efficiency of implementation to date – rated **b**, Effectiveness to date – rated **a**, Impact to date – rated **b**, Potential sustainability – rated **b**”.

The Global Assessment of the Statistical System of the Republic of Croatia done by Eurostat and UNECE in June 2004 was extremely useful as guidance during the preparation of the current project and will be important point for the planning of all future developments.

Implementation of national PHARE projects can be considered as the next level of development projects in which CBS applied a more complex approach, combining different types of technical assistance. In the national PHARE 2005 programme, there are five different projects – two twinning projects, one twinning light project, one technical assistance project and one supply project – meant to be started simultaneously, due to complexity of tasks, including even close coordination and cooperation between each twinning project with the technical assistance project.

The main lesson learnt at the very beginning is that it is almost impossible to succeed in simultaneous start of several projects, causing delays and tremendous effort spent on coordination of activities. Further on, the next few paragraphs are dedicated to the justification of the application for the TA assistance instead of twinning kind of support. It is of our opinion, that the standard template of Project Fiche through this 3.7. lessons learned section, enables reasonable form for expressing are views in stead of making it as an additional annex to the project fiche.

Another important lesson, at least in the area of statistics, is related to gradual shifting from twinning projects to technical assistance projects:

- Technical assistance programmes funded by EU in statistics started with several consecutive twinning projects, resulting in increasing level of knowledge and skills necessary for implementation of acquis. Simultaneously, CBS experts increased their participation in Eurostat working group meetings, adding value to their awareness of requirements of the European Statistical System. Through both types of participation, CBS benefited in increasing awareness of statistical acquis and practical aspects of its implementation in EU member states. This corresponds to the first phase in achieving compliance with statistical acquis.
- Gradually, CBS started to implement technical assistance projects as a complementary tool with twinning projects, which provided additional and necessary inputs for more demanding development activities. Namely, they enabled longer term engagements of consultants, required by the gradually increasing complexity of tasks in establishing statistics. It enabled at-the-job exchange of experiences, knowledge and skills, occasionally requiring inventing completely new solutions, inherent to specific Croatian conditions. This complementary usage of different types of assistance corresponds to the second phase in achieving compliance with statistical acquis, indicating much higher level of CBS capability. It still relied on advice gained through twinning, but introduced team work on specific tasks requiring longer periods of joint effort with consultants from technical assistance projects.
- With the current high level of active participation in working group meetings in Eurostat and engagement in different other development expert groups, combined with insufficient CBS resources for the development tasks, it became necessary to devote efforts in achieving compliance in ever more complex tasks in a very rational and cost-effective way. It is estimated that technical assistance projects

give opportunity to use this approach, while twinning projects, although useful in providing experience, knowledge and skills, require excessive effort and resources (which are scarce) from CBS staff in relation to a very short time left for achieving overall objective – integration into the European Statistical System.

- The next stage regarding development projects involves direct engagement of CBS through grants. This stage started already by implementing two consecutive EUROSTAT grants, each comprised of 20 different development sub-projects. It leads CBS to developing administrative capacities necessary for active participation in the European Statistical System, in which NSI develop new acquis assisted by grants.

Consequently, in the area of statistics, it is considered that technical assistance in majority of developing statistical domains needs to be carried out through service contracts. CBS applied this approach both in the national PHARE 2006 and IPA 2008 programmes, with high expectations regarding efficient and successful completion of these projects.

In this project, there is a sufficient level of knowledge and skills available in CBS. Further, current CBS experiences in technical assistance programmes show that there is a sufficient level of knowledge and skills available on the market. It is necessary to emphasize that companies involved in technical assistance programmes in statistics possess or can engage necessary knowledge and skills, enabling not only for required expertise but also for a quick answer to changes which occur during project implementation.

The most important aspect of technical assistance programmes is availability of contracted experts for longer periods, which enables joint practical work with CBS experts, as the most effective method of implementing project activities. This approach provides not only for exchange of experiences in the form of recommendations and advise but also for developing of taylor-made solutions to practical problems, usually specific for a beneficiary country.

At the end, to conclude that the previous and current EU assistance in the CBS clearly shows the fine balance between the Twinning and TA sort of support, thus putting an emphasis on reason for justifying and fairly lobbying for the TA sort of funding.

#### 4. Indicative Budget (amounts in EUR)

			SOURCES OF FUNDING										
			TOTAL EXP.RE	TOTAL PUBLIC EXP.RE	IPA COMMUNITY CONTRIBUTION		NATIONAL PUBLIC CONTRIBUTION						PRIVATE CONTRIBUTION
ACTIVITIES	IB (1)	INV (1)	EUR (a)=(b)+(e)	EUR (b)=(c)+(d)	EUR (c)	% (2)	Total EUR (d)=(x)+(y)+(z)	% (2)	Central EUR (x)	Regional/Local EUR (y)	IFIs EUR (z)	EUR (e)	% (3)
Technical Assistance	x	-	889 000	889 000	800 000	90	89 000	10	89 000	0 00	0 00	0 00	0
TOTAL IB			889 000	889 000	800 000	90	89 000	10	89 000	0 00	0 00	0 00	0
TOTAL INV													
<b>TOTAL PROJECT</b>			889 000	889 000	800 000	90	89 000	10	89 000	0 00	0 00	0 00	0

NOTE: DO NOT MIX IB AND INV IN THE SAME ACTIVITY ROW. USE SEPARATE ROW

Amounts net of VAT

(1) In the Activity row use "X" to identify whether IB or INV

(2) Expressed in % of the **Public** Expenditure (column (b))

(3) Expressed in % of the **Total** Expenditure (column (a))

### 5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Project Completion
Service contract	2Q/2010	4Q/2010	3Q/2012

All projects should in principle be ready for tendering in the 1<sup>ST</sup> Quarter following the signature of the FA

### 6. Cross cutting issues (where applicable)

#### 6.1 Equal Opportunity

Based on fundamental principles of promoting equality and combating discrimination, participation in the project will be guaranteed on the basis of equal access regardless of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

#### 6.2 Environment

N/A

#### 6.3 Minorities

Based on fundamental principles of promoting equality and combating discrimination, participation in the project will be guaranteed on the basis of equal access regardless of sex, racial or ethnic origin, religion or belief, disability, age or sexual orientation.

## ANNEXES

- 1- Log frame in Standard Format
  - 2- Amounts contracted and Disbursed per Quarter over the full duration of Programme
  - 3- STS developments within EU funds – state of art
  - 4- Description of Institutional Framework
  - 5 - Reference to laws, regulations and strategic documents:
    - Reference list of relevant laws and regulations
    - Reference to AP /NPAA / EP / SAA
    - Reference to MIPD
    - Reference to National Development Plan
    - Reference to national / sector investment plans
  - 6- Details per EU funded contract (\*) where applicable:
    - For *TA contracts*: account of tasks expected from the contractor
    - For *twinning covenants*: account of tasks expected from the team leader, resident twinning advisor and short term experts
    - For *grants schemes*: account of components of the schemes
      - For *investment contracts*: reference list of feasibility study as well as technical specifications and cost price schedule + section to be filled in on investment criteria (\*\*)
      - For *works contracts*: reference list of feasibility study for the *constructing works* part of the contract as well as a section on investment criteria (\*\*); account of services to be carried out for the *service part* of the contract
- (\*) non standard aspects (in case of derogation to PRAG) also to be specified
- (\*\*) section on investment criteria (applicable to all infrastructure contracts and constructing works):
- Rate of return
  - Co financing
  - compliance with state aids provisions
  - Ownership of assets (current and after project completion)

**ANNEX 1: Logical framework matrix in standard format**

<b>Technical assistance in business statistics</b>	Programme name and number IPA 2009	
<b>Central Bureau of Statistics</b>	Contracting period expires: 2 years following the date of conclusion of the Financing Agreement	Disbursement period expires 3 years following the end date for contracting
	Total budget : <b>889 000 EUR</b>	IPA budget: <b>800 000 EUR</b>

Overall objective	Objectively verifiable indicators	Sources of Verification	
To provide statistics to the Government of Croatia and EU in support of the accession process.	EU compatible statistical indicators for all public sector necessary for decision-making processes available	Official Gazette, CBS publications, EUROSTAT publications, International organisations' publications	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
To increase compliance level with the acquis communautaire in the areas of Short-Term Business Statistics and Energy Statistics.	Sustainable system for production of additional Short-Term Statistics indicators established and tested for regular production  Sustainable system for production of additional Energy Statistics indicators established and tested for regular production	<ul style="list-style-type: none"> <li>• CBS official web site and CBS intranet</li> <li>• CBS publications, Eurostat, UN publication, ILO publication, UNICEF publication</li> <li>• CBS Annual Implementation Plan</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate financial and human resources</li> <li>• Staff allocated for the project and retained in the organisation at the end of the project implementation date</li> </ul>

		CBS publications	
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
<p>1. STS surveys in weak areas prepared, pilot surveys carried out, survey results compiled, data on STS in weak areas available and transmitted to Eurostat.</p> <p>2. Methodology for data collection of additional energy surveys prepared, pilot surveys carried out, energy statistics database established and structured, survey results as well as other available energy data uploaded into the database; energy database completed with improved and consolidated energy data, prepared for dissemination to national decision makers as well as for transmission to Eurostat.</p>	<p>1.1. Data on STS in weak areas available; 1.2. pilot surveys carried out 1.3. Number of CBS staff trained;</p> <p>2.1. Energy statistics available; 2.2. pilot survey carried out, 2.3. Number of CBS staff trained 3.1. Vacancy statistics available, 3.2. Pilot survey carried out, 3.3. Number of CBS staff trained</p>	<ul style="list-style-type: none"> <li>• CBS Internet and Intranet web site</li> <li>• Internal documentation, various reports and methodologies</li> <li>• Training documentation, study visits' reports, consultants' reports and written recommendations</li> <li>• Project reports</li> <li>• Annual Implementation Plan, CBS publications</li> <li>• Eurostat reference database</li> <li>• Eurostat progress reports</li> </ul>	<ul style="list-style-type: none"> <li>• Allocation of staff involved in the project activities,</li> <li>• Continuous training of new staff.</li> </ul>
Activities	Means	Costs	Assumptions
<p>1.1 Development of methodology for missing STS indicators,</p> <p>1.2 Definition and preparation of new surveys</p> <p>1.3 Development of IT support – applicative software for new surveys,</p> <p>1.4 Carrying out pilot surveys,</p>	<p>Service contract with one project leader/key expert and three other key experts:</p> <ul style="list-style-type: none"> <li>- STS – one expert,</li> <li>- Energy Statistics – one expert</li> <li>- IT – two experts,</li> </ul> <p>Transferring of knowledge and skills for development in specific statistical domains</p>	<p><b>0 8 M EUR</b></p>	<ul style="list-style-type: none"> <li>• Availability of sufficient staff, well-trained and motivated for carrying out project activities</li> <li>• Sufficient number of staff involved in the project activities.</li> </ul>

<p>1.5 Organisation of training,  1.6 Production and evaluation of survey results,  1.7 Preparation of transmission tables for each indicator,  1.8 Transmission of data to Eurostat,  1.9 Drafting quality reports for Eurostat  2.1 Development of methodology for additional energy statistics surveys,  2.2 Definition and preparation of new surveys  2.3 Development of IT support – applicative software for new surveys,  2.4 Carrying out of pilot surveys,  2.5 Production and evaluation of survey results,  2.6 Establishing and setting up of an energy statistics database,  2.7 Consolidation of energy data from available sources,  2.8 Transmission of high quality data to Eurostat,  2.9 Drafting quality reports for Eurostat.</p>	<p>through on job training and tailor-made courses.  Transferring of experiences from EU member states through study visits.</p>		
			<p>The CBS restructuring proposal and a proposal for integrating of county statistical offices should be approved by the government and be concretely implemented at</p>



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the time of the start of operations of this project
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**ANNEX II: amounts (in €) Contracted and disbursed by quarter for the project**

<b>Contracted</b>											
Contract 1		889 000									
<b>Cumulated</b>		889 000									
<b>Disbursed</b>	<b>2010</b>				<b>2011</b>			<b>2012</b>			
	<b>I</b>	<b>II</b>	<b>III</b>	<b>IV</b>	<b>I</b>	<b>II</b>	<b>III</b>	<b>I</b>	<b>II</b>		
Contract 1				266 700	177 800	177 800	177 800	89 900			
.....											
<b>Cumulated</b>				266 700	177 800	177 800	177 800	89 900			

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## ANNEX III: STS developments within EU funds – state of art

12<sup>th</sup> of January 2009.

STS-R Annexes								Actions on non-available indicators					
STS code	STS description	Current Status	Backcasting	NACE Rev.2 implementation	WDA	Improvement/ extending	Expert view/ assistance	Feasibility study	Development/ know-how	Expert view/ assistance	Implementation/ carrying out pilot	Implementation/ pilot calculations	WGA New/ know-how

Annex_ A: INDUSTRY														
A: 110 (PEEI)	Production	WDA	√	CBS	CBS	MB PHARE 2006/ Lot 2	National PHARE 2006 /Comp.1- EDC	MB PHARE 2006/ Lot 2						
A: 120	Turnover		N	PHARE 2005 /Twining 1 2008-2005	CBS	MB PHARE 2006/ Lot 2 2008-2005	National PHARE 2006 /Comp.1- EDC	PHARE 2005 /Twining 1 2008-2005		PHARE 2005 /Twining 1	PHARE 2005 /Twining 1	PHARE 2005 /Twining 1 in 2009 EDC	MB PHARE 2006/1.1 2000-2004	MB PHARE 2006/1.1 2000-2004
A: 121	Domestic turnover		N	PHARE 2005 /Twining 1 2008-2005	CBS	MB PHARE 2006/ Lot 2 2008-2005	National PHARE 2006 /Comp.1- EDC	PHARE 2005 /Twining 1 2008-2005		PHARE 2005 /Twining 1	PHARE 2005 /Twining 1	PHARE 2005 /Twining 1 in 2009 EDC	MB PHARE 2006/1.1 2000-2004	MB PHARE 2006/1.1 2000-2004
A: 122	Non-domestic turnover		N	PHARE 2005 /Twining 1 2008-2005	CBS	MB PHARE 2006/ Lot 2 2008-2005	National PHARE 2006 /Comp.1- EDC	PHARE 2005 /Twining 1 2008-2005		PHARE 2005 /Twining 1 2008-2005	PHARE 2005 /Twining 1 2008-2005	PHARE 2005 /Twining 1 in 2009 EDC	MB PHARE 2006/1.1 2000-2004	MB PHARE 2006/1.1 2000-2004
A: 130 (PEEI)	New orders received		N	PHARE 2005 /Twining 1 2008-2005	CBS	MB PHARE 2006/ Lot 2 2008-2005	National PHARE 2006 /Comp.1- EDC	PHARE 2005 /Twining 1 2008-2005		PHARE 2005 /Twining 1 2008-2005	PHARE 2005 /Twining 1 2008-2005	PHARE 2005 /Twining 1 in 2009 EDC	MB PHARE 2006/1.1 2000-2004	MB PHARE 2006/1.1 2000-2004
A: 131	Domestic new orders		N	PHARE 2005 /Twining 1 2008-2005	CBS	MB PHARE 2006/ Lot 2 2008-2005	National PHARE 2006 /Comp.1- EDC	PHARE 2005 /Twining 1 2008-2005		PHARE 2005 /Twining 1 2008-2005	PHARE 2005 /Twining 1 2008-2005	PHARE 2005 /Twining 1 in 2009 EDC	MB PHARE 2006/1.1 2000-2004	MB PHARE 2006/1.1 2000-2004

A: 132	Non-domestic new orders	N	PHARE 2005 /Twining 1 <u>2008-2005</u>	CBS	MB PHARE 2006/ Lot 2 <u>2008-2005</u>	National PHARE 2006 /Comp.1- EDC	PHARE 2005 /Twining 1 <u>2008-2005</u>		PHARE 2005 /Twining 1 <u>2008-2005</u>	PHARE 2005 /Twining 1 <u>2008-2005</u>	PHARE 2005 /Twining 1 in 2009 EDC	MB PHARE 2006/1.1 <u>2000-2004</u>	MB PHARE 2006/1.1 <u>2000-2004</u>
A: 210	Number of persons employed	(√) P	MB PHARE 2006/1.1	CBS	na.	MB PHARE 2006/1.1	MB PHARE 2006/1.1						
A: 220	Hours worked WDA	N	MB PHARE 2006/1.1 <u>2002-2000</u>	CBS	MB PHARE 2006/ Lot 2 <u>2008-2003</u>	MB PHARE 2006/1.1 <u>2002-2000</u>	PHARE 2005 /Twining 1 <u>2008-2003</u>			PHARE 2005 /Twining 1 <u>2008-2003</u>		MB PHARE 2006/1.1 <u>2002-2000</u>	MB PHARE 2006/ Lot 2 <u>2008-2003</u>
A: 230	Gross wages and salaries	(√) P	MB PHARE 2006/1.1	CBS	na.	MB PHARE 2006/1.1	MB PHARE 2006/1.1						
A: 310	Output prices	N	na.	na.	na.	na.	na.	National PHARE 2006 /Comp.1	National PHARE 2006 /Comp.1	National PHARE 2006 /Comp.1	-	National PHARE 2006 /Comp.1	-
A: 311 (PEEI)	Output prices of domestic market	√	MB PHARE 2006/ Lot 2 <u>2004-2000</u>	CBS	na.	National PHARE 2006 /Comp.1	National PHARE 2006 /Comp.1		National PHARE 2006 /Comp.1	National PHARE 2006 /Comp.1	CBS	National PHARE 2006 /Comp.1	-
A: 312(313)	Output prices of non-domestic market	N	na.	na.	na.	na.	na.	National PHARE 2006 /Comp.1	National PHARE 2006 /Comp.1	National PHARE 2006 /Comp.1	-	National PHARE 2006 /Comp.1	-
A: 340	Import prices	N	na.	na.	na.	na.	na.	National PHARE 2006 /Comp.1	National PHARE 2006 /Comp.1	National PHARE 2006 /Comp.1	-	National PHARE 2006 /Comp.1	-

Annex_ B: CONSTRUCTION													
B: 110 (PEEI)	Production	WDA	(√)	CBS	CBS	MB PHARE 2006/ Lot 2		MB PHARE 2006/ Lot 2					
B: 115	Production of building constructs	WDA	(√)	CBS	CBS	MB PHARE 2006/ Lot 2		MB PHARE 2006/ Lot 2					
B: 116	Production of civil engineering	WDA	(√)	CBS	CBS	MB PHARE 2006/ Lot 2		MB PHARE 2006/ Lot 2					
B: 130	New orders		(√)	<b>DELETED FROM NEW STS REGULATION - NOT REQUIRED ANY MORE</b>									
B: 135	New orders for building construct.		(√)										
B: 136	New orders civil engineering		(√)										
B: 210	Number of persons employed		(√) P	MB PHARE 2006/1.1	CBS	MB PHARE 2006/1.1	MB PHARE 2006/1.1	MB PHARE 2006/ Lot 2					
B: 220	Hours worked	WDA	N	MB PHARE 2006/1.1 <u>2002-2000</u>	CBS	MB PHARE 2006/ Lot 2 <u>2008-2003</u>	MB PHARE 2006/1.1 <u>2002-2000</u>	MB PHARE 2006/ Lot 2		PHARE 2005 /Twining 1 <u>2008-2003</u>		MB PHARE 2006/1.1 <u>2002-2000</u>	MB PHARE 2006/ Lot 2 <u>2008-2003</u>
B: 230	Gross wages and salaries		(√) P	MB PHARE 2006/1.1	CBS	MB PHARE 2006/1.1	MB PHARE 2006/1.1	MB PHARE 2006/ Lot 2					
B: 320	Construction costs		N	na	na	na	na		National PHARE 2006 /Comp.1	IPA 2009	IPA 2009	IPA 2009	IPA 2009
B: 321	Material costs		N	na	na	na	na		National PHARE 2006 /Comp.1	IPA 2009	IPA 2009	IPA 2009	IPA 2009
B: 322	Labour costs		N	na	na	na	na		National PHARE 2006 /Comp.1	IPA 2009	IPA 2009	IPA 2009	IPA 2009
B: 411	Building permits: dwellings		√	na	na.	na	na						
B: 412	Building permits: m <sup>2</sup> useful floor area		√	na	na	na	na						

Annex_ C: RETAIL TRADE														
C: 120	Turnover	WDA	(√)	CBS	CBS	MB PHARE 2006/ Lot 2	National PHARE 2006 /Comp.1- EDC	PHARE 2005 /Twining 1						
C: 210	Number of persons employed		(√) P	MB PHARE 2006/1.1	CBS	na.	MB PHARE 2006/1.1	MB PHARE 2006/1.1						
C: 330/123 (PEEI)	Deflator of sales ( <i>volume of sales</i> )	WDA	(√)	CBS	CBS	MB PHARE 2006/ Lot 2	National PHARE 2006 /Comp.1- EDC	PHARE 2005 /Twining 1						
Annex_ D: OTHER SERVICES														
D: 120 (PEEI)	Turnover	WDA	P	MB PHARE 2006/1.1 exl. G and I	CBS	MB PHARE 2006/3.1-3.2	MB PHARE 2006/1.1	MB PHARE 2006/1.3	MB PHARE 2006/1.1	MB PHARE 2006/1.1	MB PHARE 2006/1.1	CBS	MB PHARE 2006/1.1	MB PHARE 2006/3.1-3.2
D: 210	Number of persons employed		(√) P	MB PHARE 2006/1.1	CBS	na.	MB PHARE 2006/1.1	MB PHARE 2006/1.1						
D: 310 (PEEI)	Output prices		N	na	na	na	na	na	MB PHARE 2006/ Lot 2	MB PHARE 2006/ Lot 2	MB PHARE 2006/ Lot 2	National PHARE 2006/Comp.1	National PHARE 2006/Comp.1	National PHARE 2006/Comp.1

	<b>MB PHARE 2006 : CBS</b>	<b>End of project December 2009.</b>
	<b>MB PHARE 2006 : Foreign experts – INE/CBS</b>	<b>End of project December 2009. (planned 11 missions)</b>
	<b>MB PHARE 2006: Lot 2 – STS via EC/ICON</b>	<b>End of experts missions (exc. SPPI) May 2009.</b>
	<b>National PHARE 2005: Twinning 1 – Comp.2</b>	<b>End of project March 2009.</b>
	<b>National PHARE 2006: EC via ICON Comp.1 (part STS)</b>	<b>Start of project 1.1.2009. (18 months)</b>
	<b>National IPA 2009: STS Comp. proposal</b>	<b>Under application – foreseen to start 2010</b>

√ - compliant

na – not applicable

(√) - almost compliant

EDS – electronic data collection

N - not available

P - Partially compliant

#### 4- Description of Institutional Framework

The beneficiary of the Project is CBS. The operation of the Bureau is based on The Law on Official Statistics in line with EU requirements. Its regular statistical surveys are based on the Programme of Statistical Activities of the Republic of Croatia 2008-2012, which also involves other institutions and ministries that make, together with the CBS, the system of official statistics. The project will be managed by CBS and co-financed by the Croatian Government. CBS headquarters are located in Zagreb with its cca 470 employees. There are also a number of the state administration offices within the counties and the administrative body of the City of Zagreb authorised to perform official statistics tasks.

It is considered that there is a need for restructuring of the CBS and its functions including roles played by the 20 county statistical offices and the statistical office in the City of Zagreb. Described restructuring plan was approved by the government in June 2009. Further, it is considered necessary to reinforce CBS in staff and other resources, necessary for regular functioning of the Croatian Statistical System in the framework of the European Statistical System. Namely, growing number of tasks regarding achieving compliance with the *acquis communautaire* is met by limited resources available – staff, premises, financing, IT equipment and other.

Following the institutional re-organisation, there was established a formal and functional PIU within the Director General's Office at the Central Bureau of Statistics, consisting of 4 employed persons, and supported by additional 4 persons from the International relations Unit, upon necessity. The PIU is responsible for the implementation of this project.

The Steering Committee will be established for this Project. The Steering Committee will be headed by the CBS Director General or a person appointed by the Director General, while other members will be the Contractor, EC Delegation, CFCA and CODEF. Representatives from all CBS departments involved in the project can be invited to take part without voting rights.

Each component will have a Component Leader to co-ordinate the realization of the planned activities and ensure effective project management and absorption. The Project Implementation Unit (PIU) will have a general co-ordinating role and be in charge of all organisational and monitoring matters regarding regular meetings, dissemination of information to all relevant parties, study visits and all other ad hoc organisational and co-ordination issues.

The support by Phare is provided implying sufficient human resources and adequate financing from the State Budget.

The project will be carried out through a service contract with a private company.

#### 5 - Reference to laws, regulations and strategic documents:

##### Reference list of relevant laws and regulations

- Law on Official Statistics (Narodne novine No.: 103/03)



- Programme of Statistical Activities 2008 – 2012
- Annual Implementation Plan 2008

Reference to AP /NPAA / EP / SAA

**Accession Partnership** references to statistics as follows (quote):

“Chapter 18: Statistics

- Strengthen the administrative capacity of the Bureau of Statistics, reform its regional offices and improve coordination with other producers of official statistics,
- continue developing agricultural, macroeconomic and business statistics.”

**NPAA** references to statistics as follows (quote: NPAA 2008, Chapter 3.18.3 Business Statistics, p. 312):

„Short-term Business Statistics

....

It is planned in 2009 to finalise work on revising all the existing STS Surveys, to develop new national versions of production classifications, weighting systems of the sample frameworks and their application, and to disseminate the back-cast available STS set, and to calculate and disseminate the available STS set based on the new NACE Rev.2/CPA 2008 within the Eurostat timetable for the appropriate indicator. Further work is planned on providing organisational preconditions and resources for the implementation of the entire set of short-term business indicators (STS) based on Regulation (EC) No 1158/2005 of the European Parliament and of the Council of 6 July 2005 amending Council Regulation (EC) No 1165/98 concerning short-term statistics and other relevant acts of the *acquis communautaire*. This will be done either by improving the existing indicators and/or by preparing or introducing new STS business indicators, mainly in the field of services (such as *import prices*, *SPPI*  $\neq$  *output prices in services*) or through compilations from secondary (administrative) sources or new collections of data, i.e. through a compilation of sources, with the expert and financial support of the National PHARE 2005 Programme and the National PHARE 2006 and Multi-beneficiary PHARE 2006 Programme.

#### *Energy statistics*

Current adjustments pursuant to the Eurostat methodology, which is still in the pilot phase, will be made in 2008 through this Multi-annual development project. It is also necessary to design a monitoring method, to develop statistical standards for energy efficiency monitoring, and to improve the base for developing the Energy Balance of the Republic of Croatia in the area of services and households. Through this multi-annual development project, work on current alignment, based on the Eurostat methodology, will continue in 2009. It is also planned to finalise work on the methodology development for the collection of data for the compilation of priority indicators based on the Eurostat list of *priority indicators*, and to start collecting data for them in 2009 for 2008.“

Reference to MIPD

„Under **Component I**, pre-accession assistance to Croatia will inter alia support public administration reform, judicial reform, and anti-corruption policy. Assistance will also focus on structural reforms in public finance, economic restructuring, business environment, **statistics**, land reform and labour market reform.“

Reference to National Development Plan

N/A

Reference to national / sector investment plans

N/A

6- Details per EU funded contract where applicable:

For *TA contracts*: account of tasks expected from the contractor

- Develop methodology for missing STS indicators,
  - Define and prepare new surveys,
  - Develop of IT support – applicative software,
  - Carry out pilot surveys for each new survey,
  - Organise training,
  - Produce and evaluate survey results,
  - Prepare transmission tables for each indicator,
  - Draft quality reports for Eurostat
  - Train CBS staff
- 
- Develop methodology for additional energy statistics surveys,
  - Define and prepare new surveys,
  - Develop IT tools – applicative software,
  - Carry out pilot surveys for each new survey,
  - Produce and evaluate survey results,
  - Establish and set up an energy statistics database,
  - Consolidate energy data from available sources,
  - Draft quality reports for Eurostat.
  - Train CBS staff

