STANDARD SUMMARY PROJECT FICHE

1. Basic Information

1.1 Desirée Number: BG 0203.12
1.2 TITLE: REGIONAL STATISTICS IMPROVEMENT AND ASSESSMENT OF THE QUALITY OF THE STATISTICAL DATA
1.3 Sector: Statistics
1.4 Location: Bulgaria

2. Objectives

2.1 Overall Objective
The overall objective of the project is to strengthen the administrative capacity of the National Statistical Institute (NSI), while harmonising the regional statistics methodology with European requirements, applying Nomenclature of Statistical Territorial Units (NUTS) and introducing of EUROSTAT methodology for quality assessment in statistics.

2.2 Project purpose
Development of regional statistics information system and assessment of quality of the statistical data in line with European requirements.

2.3 Accession Partnership and NPAA priority
The project addresses the following priorities in the Accession Partnership and the National Programme for the Adoption of the Acquis:

- Further improve quality and coverage of statistics; ensure adequate resources are available to further strengthen statistical capacities, including at regional level.
- Building administrative capacity (Chapter 12 – NPAA): Harmonization of Legislation; Improvement of organizational-functional structure of the system; Improvement of staff qualification; Development and improvement of IT
- The project will provide for realization of modules: 724 “Data analyses and improvement”, 725 ‘Urban statistics’, 726 ‘REGIO Database’ and 727 “Intra Regional System” (SARE – Eurostat Database) from the National Programme for the Adoption of the Acquis (NPAA).

The project is in coherence with the overall assessment given with the 2001 Regular Report of the Commission on the Bulgaria’s Progress towards Accession, where stated:
(Chapter 12- Statistics)
“...However, in a number of areas, more work is needed on methodology, quality and completeness of data to achieve compliance with the acquis... The building of IT capacity remains a priority. ...further training is needed in making effective use of the equipment and software applications, in particular for staff of the regional statistics infrastructure.”

(Chapter 21 – Regional policy and coordination of structural instruments): As to regional statistics, further efforts are necessary to bring these up to the level required for regional policy planning and programming, in particular for ex-ante evaluation. Bulgaria still needs to improve the system for the collection and processing of relevant statistical information.
2.4. Contribution to the National Development Plan

Under the main objective of strengthening the institutional and administrative capacity for utilization of the structural funds at the moment of accession (Axis 1, NEDP), relevant short-term and medium-term measures have already been identified. One of the short-term measures is to harmonize and elaborate planning region statistical data according to EUROSTAT standards by establishing and adopting a system of indicators.

The Law on statistics defines as “Basic information with public significance” the information gathered from constantly conducted surveys, which are included in the National Plan for Statistical Surveys and which are necessary for the preparation and monitoring of National Economic Development Plan (NEDP). The regional development main objectives, as stated in Axis 5 of the NEDP, are the creation of the perquisites for sustainable and balanced development of the separate regions in the country, decreasing of the inter-regional discrepancies related to the employment and incomes, realization of regional and cross-border cooperation and European integration. For the purpose of completion and monitoring the NEDP, it is necessary NSI to collect, process and submit statistical data about regional development to the Council of Ministers, Minister of the Regional Development and Public Works, regional governors and the municipalities.

3. Description

3.1. Background and justification

The Law on Statistics places on the National Statistical Institute the responsibility to coordinate the State’s statistical activity. Furthermore, the NSI is responsible for giving methodological assistance to, and controlling the statistical surveys carried out by, the other producers of official statistics in Bulgaria. The general provisions of the Law on Statistics conform well to European standards, including the requirements for statistical confidentiality issues and the establishment of National Statistical Council to prepare the National Programme of Statistical Surveys. A separate law on the Census of Population, Housing and Agricultural Farms in the Republic of Bulgaria in 2001 was adopted on 25 February 2000. The Bulgarian Population and Housing Census have been successfully conducted in March 2001 in accordance with the law.

In 1999 – in line with the provisions of the new Law on Statistics – the NSI started, with help from the EU, to prepare a long-term strategy for the development of Bulgarian official statistics. In particular the strategy seeks to ensure full compliance with European requirements in the field of statistics by 2006. Closely related to this strategic plan, a special training strategy for staff has been developed, with the objective of “providing high-qualified, motivated and stable personnel able to conduct statistical activity, effectively in compliance with the European statistical system requirements”.

NSI had put efforts to ensure that the quality of the service, which is provided, is as high as possible, including a major commitment to staff training and a start to the development of a system of performance indicators. Much still remains to be done as regards both the scope and the quality of Bulgaria’s statistics to bring the system up to the standards required in the European Union.

The project seeks at improving the information system of NSI for providing regional statistic, as well as assessment of the quality of the statistical data and consists of two components for these areas.

Component 1. Information System for Providing Regional Statistics

Regional statistics data, giving the picture of socio-economic status differences among regions, constitute the essential component to create a national regional policy and regional development programmes and if prepared according to the EU standards, will also be applied for international comparison concerning regions by national and foreign organizations, and in the future for the use
of the EU Structural Funds. At the stage of accession to EU, it is very important for Bulgaria to provide the comparable statistical data for the regions in order to be able to plan the regional development and to apply successfully for the EU pre-accession funds.

The realization of the strategies and programmes, which are co-financed by the EU programmes, in the field of the regional development and economic and social cohesion are defined in the decree 145 of Council of Ministers/27.07.2000, which has been adopted on the base of article 88 of the European Agreement for Association between European Communities and their Member States on one hand and Bulgaria on the other hand. These strategies and programmes are differentiated in six planning regions on the territory of the Republic of Bulgaria. NSI is obliged to build up a system for collecting the necessary statistical information on the level planning regions according to decree 3 of Council of Ministers/2000, which defines the coordination of the activity on the Bulgarian preparation for joining EU.

The information system for regional statistics should contain the data for all bodies of statistics. Thus, better information services for users of regional information will be achieved. This Information System should ensure full compliance with the acquis communautaire in the field of regional statistics and fulfillment of all EUROSTAT requirements.

The component “Information system for regional statistics” is linked with the priority as set out in the EC Regulation 2052/88; Regulation 2081/93 “Funds and their effectiveness and coordination of their activities between themselves and with the operations of the European Investment Bank and the other existing financial instruments” and Regulation 1260/99 “Laying down general provisions on the Structural Funds”.

Building-up an information system, which contains information at regional level (NUTS II), according to the Regulation 2081/93 requirement, will ensure the implementation of the abovementioned items, namely: collection and supply of data for indicators in EUROSTAT Regio DB (module 726) and the indicators available at a lower level (NUTS 5) will serve for the development of Urban Statistics in addition to the specific Urban indicators.

The information system for regional statistics should set in order all the existing data at regional level so as the activities related to regional planning to be in compliance with the acquis. It will provide:

- Comparable information for developing and updating of the National Economic Development Plan (NEDP);
- Provide information to monitor the realization of the above-mentioned NEDP through providing information for the system of indicators for monitoring of NEDP;
- Harmonized information for EUROSTAT Regio DB;
- Improvement of the dissemination of regional information to all users through: hard copies, CDs, disks, etc.;

Component 2. Assessment of the quality of the statistical data

The component relates to the main subject of the statistical surveys as defined in the Strategy for Development of Statistics – 2000 – 2006. Survey on quality of the statistical information is amongst the main priorities, included in the Strategy and it relays to the implementation of the European Methodology for assessment of the quality of statistical data and improvement the confidence in statistics. The activities on the data quality assessment will follow the EUROSTAT principles for data quality and this will be the base for development of statistical methodology on assessment of quality. Assessment of the quality of statistical data will be also used in the future as a base for introducing of a system for quality management of statistical information in line with achieving the requirements of the International Standard ISO 9004 “Quality management systems”.
Bulgarian statistics is constantly seeking ways for improvement the methodology of the surveys and strikes to reduce the risk of making errors in the whole work process – from collecting initial data till receiving of the final information product. The basis for achieving quality statistics is the sound methodology and organization of the statistical surveys and high qualification of the staff. One of the major failures this project is also designed to overcome is that the existing methods and approaches regarding measurement of the quality of the information are not uniform and differs in the respective surveys. These methods and approaches are connected with the accuracy in the registration (collection) of data and correctness of their processing as well as with the scope of the statistical units and the compliance (comparability) of the statistical data.

The possibilities for assessment and minimizing of different kinds of errors (based on samples and non-sampling) is necessary to be studied: errors of the scope; errors related to non-respondents; errors of the respondents; errors related to used methods; errors of the interviewers; systematic errors etc.

3.2. Linked activities
The National Statistical Institute works in accordance with the Europe Agreement for Association and follows the principles, priorities, intermediate objectives and conditions contained in the Accession Partnership with the Republic of Bulgaria. NSI works closely with the Statistical Office of the European Union (EUROSTAT) in accordance with the Common Declaration on Statistical Co-operation signed in 1994 between EUROSTAT and the Phare beneficiary countries. Volume No. 10 of the EUROSTAT series “Portrait of the regions” is dedicated to Bulgarian regions. It was produced in close co-operation and collaboration between EUROSTAT and NSI, and was financially supported by Phare Programme. It is designed to provide in-depth regional studies to meet the need for detailed regional information for Bulgarian regions. The project started and it was completely finished during 2000.

The National Statistical Institute was a beneficiary under the National Phare Programme 9806-03-02 “Compliance of Bulgarian statistical practice with the requirements of membership of EU”. The third component of the project “Building up a prototype of the Register of Populated Places” included developing of one of the tools for preparation of regional statistics – Bulgarian Register of Populated places (so called Bulgarian Settlement Register).

Another Phare project (BG00.06.04 “Institution building and development of the national statistics system”) was designed and implemented with the aim to support the conduction of population and housing census 2001. Besides the assistance for the Census (component 1), the project embraces another five areas, namely: “Elaboration of financial accounts”, “Improvement of foreign trade statistics”, “Development and improvement of statistical infrastructure”, “Improvement of statistical information dissemination”, “Development and improvement of IT system”.

World Bank assists a survey on poverty in Bulgaria. The responsible body for its conduction is Ministry of Labor and Social Policy jointly with NSI.
3.3. Results

**Component 1. Information system for regional statistics**

- Built functioning information system for regional data, comprising:
  - Elaborated concept for developing the information system. The concept contains: set of indicators, sources of information, block-schemes for the next steps of the building of the information system.
  - Installed hardware
  - Database management software and developer kits designed;
  - Built customized applications.
  - Loaded Database with data.
  - Trained operators.
  - Autonomously operating users.

- NSI data processing and transmission capacities adapted to the needs of regional development and the produced statistics are appropriately applied in view of Bulgarian pre-accession strategy.

- Assessment of available data sources and preparation of proposals for future development in this area.

- Improvement of the workability of the regional statistics structures in terms of data processing and data communication capacity.

**Component 2. Assessment of the quality of statistical data**

- Methodology for assessment of data quality developed;
- Methodological instructions for the implementation of the Quality reports in statistical surveys;
- Standard Quality Report produced, comprising: a) data - received as a result of statistical surveys, and b) combined data used from registers (administrative data) and statistical surveys;
- Profile of users’ satisfaction of the quality of the statistical data;
- A concept for reducing the respondents’ burden using the data quality assessment.

3.4. Activities

**Component 1. Information system for regional statistics**

The main activities are scoped within the following two stages:

Stage one – concept building:
- Organizing of a workshop for 50 NSI participants with specific focus on identification of the main customers and the respective needs of regional data.
- Conduction of a survey in order to identify and describe the sources of information and availability of data;
- Comparative analysis of the Best International Practice, with specific focus on European requirements, in the field of:
  - Design of information system for regional data;
  - Methodological problems in linking the regional information with different sources (administrative registers, databases, statistical surveys);
- Preparation of a concept for development of the information system, containing: set of indicators and coding, sources of information, block-schemes for the next steps of the building of the information system.
- Meta-information description – definitions and methodology of indicators, description of the surveys/sources;
- Analysis of the NSI central and regional hardware and software resources;
- Preparation of detailed technical specification for procurement of equipment;
Stage two – procurement of equipment (hardware and software)

- Tendering, contracting, installation and implementation of data processing equipment (hardware);
- Development of specialized statistics software, comprising of: database inputs; structure of the database; programming of the logic checks; relations to/from other databases; customers’ outputs (fixed); customers’ outputs (flexible); user-friendly help model; users manual and other documentation;
- Installation and testing of the software.
- Training of the NSI staff (Central office and Regional statistical offices) – demonstration of the information system for regional statistics and training of users. The training will comprise of publicity seminars and practical workshops for some 30-35 members of the NSI central and regional structures.

Component 2. Assessment of the quality of statistical data

In implementing this project component the beneficiary institution will receive TA with the aim to specify the basic concepts and definitions on quality in statistics based on the EUROSTAT recommendations, as well as to define methods and indicators for quality assessment of data input, data processing and data output of the statistical surveys. Important issue this component is designed for is to establish the basic principles of the Standard Quality Reports used for statistical surveys, by incorporating all the aspects and principles on data quality:

- Assessment of the quality of data input and processing: sampling errors; non-sampling errors: in the scope, measurement, data processing (including description of the methods for editing and imputation); non-response; models for assessment of errors.
- Assessment of the variation in the exhaustive and sample surveys.
- Estimate of the variation in the simultaneous usage of statistical and administrative data.
- Assessment of the quality of data output – calculation of different quantitative indicators of the final statistical results (coefficients and quality indices).

In regard to harmonization of the statistical surveys methodology and analysis with the EU requirements, Standard Quality Reports should be prepared, comprising data provided by NSI as a result of the following surveys:

1. Labor force survey – quarterly, regular, reporting unit is the household;
2. Employed persons, hours worked, wages and salaries and other labor costs – annual exhaustive survey with using of administrative data, reporting unit is the enterprise;
3. Employed persons, hours worked, wages and salaries and other labor costs – quarterly sample survey with using of monthly data, reporting unit is the enterprise;
4. Structural Business Statistics – annual regular survey, reporting unit is the enterprise;
5. The attitude of the business towards statistical confidentiality – single, inquiry and reporting unit is the enterprise;

Within this project component a profile of the users’ satisfaction of the quality of the statistical data is to be elaborated and a concept for reducing the respondents’ burden using the data quality assessment.

Workshops with EU experts will be organized during implementation of the second project component with specific focus on their methodological and practical experience on the assessment of quality on data input, data processing and data output and preparation of Standard Quality Report for the selected statistical surveys.

3.5. Lessons learned

The Bulgarian Statistical System has made considerable progress towards transforming itself into a statistical system similar to those in EU Member States. A new legal basis has been established. As a result of harmonization of statistics with EU standards in the National Statistical Institute, the Bulgarian National Bank, the Ministry of Regional Development and Public Works, the Ministry of
Finance, the Ministry of Agriculture, and other bodies, Bulgaria is now able to supply many of the statistics required of Member States. This has been achieved partly as result of substantial programmes of EU assistance.

Regional statistics became an essential part of the institutional framework for integrated development, both for determining eligibility and for programming and monitoring purposes in relation to applications for the EU structural funds assistance. However, during the preparation of the NEDP it appeared that key regional statistics for Bulgaria were missing and the structures for their preparation were not fully operational. Therefore, the gaps in the current statistics methodology and management system need to be improved to correspond to the EU practice.

Proper development of the system depends also on the availability of funding. Additional resources are necessary to develop the modified or new surveys etc needed in many areas of statistical work. The NSI has benefited considerably from help provided with through the Phare National Programmes. However, there will inevitably be a continuing need for funds to maintain and update both the hardware and software facilities in the future. This project will help to overcome some of these gaps. It is also evident that with more data availability their quality gains importance among the users. This project is a first step to tackle this request.

4. Institutional Framework

The main beneficiary of this project will be the National Statistical Institute of Bulgaria. The National Statistical Institute of Bulgaria is a state agency to the Council of Ministers with 1,713 employees of which 452 are employed in the Central office in Sofia and 1,252 are employed in the 28 Regional Statistical Offices. Its role is to collect, produce and disseminate statistical data. In addition, the NSI manages certain administrative registers, such as BULSTAT, Register of territorial units and Business register.

One President and two Vice-presidents manage the NSI. There are eight departments:
- Business statistics department;
- National economic accounts and balances department;
- Demographic and social statistics department;
- European integration and coordination department;
- Administrative registers department;
- Information technologies and infrastructure department;
- Financial and economic activities and property management department;
- Administrative – legal and information services department.

In 1999 – in line with the provisions of the new Law on Statistics – the NSI started, with help from the EU, to prepare a long-term strategy for the development of Bulgarian official statistics. In particular the strategy seeks to ensure full compliance with EU requirements in the field of statistics by 2006. The National Statistical Council adopted it, on 16 March 2000.

The National Statistical Council has a key role to play in the development of Bulgaria’s national statistical system. It is an inter-institutional body responsible for co-ordination of overall process in the field of Bulgarian statistics.

Main beneficiaries of the NSI products (processed data) are the Government (especially Ministry of Regional Development and Public Works, Ministry of Finance, Ministry of Labor and Social Policy) and other public institutions, non-governmental organizations, universities, scientific and research institutions, international statistical organizations etc. some of which are in the same time suppliers of raw data. Main beneficiaries are also private bodies as main customers in statistics. Under the conditions of developing of information society the process of carrying out a
statistical activity is no longer a matter of importance to one institution. Specialization of parties in concrete domains of performance contributes to increasing the effectiveness of the overall National Statistical System and raising the statistical information quality. Other bodies of statistics, beside the NSI implementing also EC requirements are: Bulgarian National Bank (BNB), National Center for Health Information (NCHI), National Social Security Institute (NSSI), Customs Agency (CA), etc. Further development of inter-institutional co-operation and co-ordination of activities between different institutions - suppliers and users of data is of great importance.

5. Detailed Budget

<table>
<thead>
<tr>
<th>Phare Support</th>
<th>Phare Support</th>
<th>Total Phare (=I+IB)</th>
<th>National Co-financing*</th>
<th>IFI*</th>
<th>TOTAL</th>
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<tbody>
<tr>
<td>Investment Support</td>
<td>Institution Building</td>
<td>225 000</td>
<td>525 000</td>
<td>750 000</td>
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<td>Component 1</td>
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<td>Component 2</td>
<td>250 000</td>
<td>250 000</td>
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<td>Total</td>
<td>225 000</td>
<td>775 000</td>
<td>1 000 000</td>
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6. Implementation Arrangements

6.1 Implementing Agency

The Implementing Agency of the Project is the Central Finance and Contracting Unit (CFCU). The CFCU will be the Contracting Authority and in that capacity will issue and evaluate tenders, conclude contracts and authorize the treasury to make contractually related payments.

CFCU, Ministry of Finance
102, Rakovsky Street
1040 Sofia
Tel. (++359 2) 9859 2766 & Fax (++359 2) 9859 2773

The PAO of the project will be Mr Katev, Deputy Minister, Ministry of Finance.

In order to ensure good and timely implementation of the project Mr. Sergey Tsvetarsky, head of “Regional statistics and environment” division will be officially appointed as a Senior Program Officer (SPO).

Address: 2, P. Volov str.
1504 Sofia, Bulgaria
tel: (+359 2) 9857 702 & fax: (+359 2) 9857 527

The technical side of the programme implementation, regarding the project will be covered by the SPO. The qualified personnel of the NSI will co-operate with EU experts in the areas covered by the two components: information system for providing regional statistics, assessment of the quality of statistical data. The active participation by the Bulgarian Statistical Institute is crucial for the successful outcome of this project. As well as providing personnel, documentation, logistical support and office space to the Contractor’s team, the beneficiary institution will at all times collaborate with the Project Leader and Short-term experts with a view to achieving the project’s objectives. A Steering Committee will be established. The members of the Committee will be representatives from: NSI (project leaders of the two components, representatives from “European integration and international cooperation” division, EC Delegation, CFCU, Eurostat, the Contractor company.
6.2 Twinning - N/A
6.3 Non-standard aspects - N/A

6.4 Contracts
It is planned to conclude two contracts within this project:

- TA Contract € 775,000
- Supply Contract € 300,000

7. Implementation Schedule

7.1 Start of tendering
TA project tendering – first quarter of 2003;
Launching tender procedure on procurement of equipment – 4th Quarter 2003

7.2 Start of project activity
TA Contract - Second half 2003
Supply Contract – Second Quarter 2004

7.3 Project Completion
Second quarter of 2005

8. Equal Opportunity
The project will be implemented according to the regulations of Bulgarian law providing equal opportunities for both men and women together with ethnic minorities.

9. Environment - N/A

10. Rates of return
The National Statistical Institute (NSI) is a public institution, financed from the budget and generation of revenues from activities is not a goal.

11. Investment criteria

11.1. Catalytic Effect
The establishment of an information system for regional statistics data will improve the capacity of the NSI central and regional offices in accelerating the process of programming, management, monitoring and evaluation of national and regional programmes.

11.2. Co-financing:
The total amount of national co-financing for this project is € 75,000, ensured through the state budget.

11.3. Additionality:
Phare intervention will not displace any public or private sector financing under this project.

11.4. Project readiness and Size:

11.5. Sustainability:
The project sustainability is based on full compliance with EU norms and standards. Future maintenance and operating costs will be covered by the state budget. Phare funding has been used and will be used only for improvement and development.
11.6. Compliance with state aids provisions:
The project is in compliance with state aids provisions and with item 92(3)a of the Treaty of Rome. IT solutions to be provided with this project are based on EU standards.

12. **Conditionality and sequencing**
The project will start after the signing of the financial memorandum between Bulgaria and the European Union, which is foreseen by the end of 2002. The legal basis relevant to the project is attached to the project fiche (Annex 5). The implementation of the project should proceed according to the mentioned above time schedule in the following sequence of activities:

- Preparation of ToR for the TA contract 4th Quarter 2002
- TA tendering and contracting 1st Quarter 2003
- Start up TA contract 3rd Quarter 2003
- Preparation TS for equipment 4th Quarter 2003
- Supply contract tendering 4th Quarter 2003
- Procurement of equipment 2nd Quarter 2004
### LOGFRAME PLANNING MATRIX FOR Project

**Regional Statistics Improvement and Assessment of the Quality of the Statistical Data**

<table>
<thead>
<tr>
<th>Programme name and number</th>
<th>Contracting period expires Nov 2004</th>
<th>Disbursement period expires Nov 2005</th>
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<tbody>
<tr>
<td></td>
<td>Total budget :</td>
<td>Phare budget :</td>
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<td>1.075 MEUR</td>
<td>1.00 MEUR</td>
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#### Overall objective

The overall objective of the project is to strengthen the administrative capacity of the National Statistical Institute (NSI), while harmonising the regional statistics data collection methodology with European requirements applying Nomenclature of Statistical Territorial Units (NUTS) and introducing of EUROSTAT methodology for quality assessment in statistics.

#### Objectively verifiable indicators

- Required Statistical Data compliant with EU regulations are provided to EUROSTAT and to national institutions at central and regional levels responsible for programming, monitoring and evaluation of the regional development programmes;
- Produced statistics are widely used for the elaboration of the national plans and pre-accession strategies.

#### Sources of Verification

- National Plans and Strategies;
- EUROSTAT regular publications

### Project purpose

Development of regional statistics information system and assessment of quality of the statistical data in line with European requirements.

#### Objectively verifiable indicators

- EUROSTAT approval on the adjustment of the BG regional statistics and its consistency with EU regulations;
- User satisfaction level increased;
- Increased number of fulfilled requests;
- Quality of statistical data increased

#### Sources of Verification

- Regular Project Progress Reports
- Project monitoring and evaluation report
- EUROSTAT assessment report
- NSI Annual Report

#### Assumptions

- Continued governmental and international support for development of statistical system;
<table>
<thead>
<tr>
<th>Component 1. Information system for regional statistics</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Built functioning information system for regional data</td>
<td>- Set of indicators and sources of information available</td>
<td>- Project Progress Reports;</td>
<td>- Better coordination between central, regional and local administration on collecting relevant information;</td>
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<tr>
<td>- NSI data processing and transmission capacities adapted to the needs of regional development and the produced statistics are appropriately applied in view of Bulgarian pre-accession strategy.</td>
<td>- Installed hardware</td>
<td>- National Plans and Strategies using the regional statistics data;</td>
<td>- Improved collaboration between the NSI staff (central and local offices) with the private business sector on achieving and disseminating information;</td>
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<tr>
<td>- Assessment of available data sources and preparation of proposals for future development in this area.</td>
<td>- Database management software and developer kits designed and set up</td>
<td>- NSI information and publications in the scope of regional statistics provided to EUROSTAT</td>
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<td>- Improvement of the workability of the regional statistics structures in terms of data processing and data communication capacity.</td>
<td>- Built customized applications.</td>
<td>- Information about the quality of statistical data presented to the users;</td>
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<td>- Functioning user interface;</td>
<td>- Report on the estimation of respondents’ burden as a result of improvement of the quality of their statistical data.</td>
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<td>- Loaded Database with data.</td>
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<td>- Autonomously operating users.</td>
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<td>- Definitions and methodology of the indicators on data quality</td>
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<td>- Manual for quality assessment available;</td>
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<td>- Prepared Standard Quality Reports;</td>
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<td>- Information about the quality of statistical data presented to the users;</td>
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<td>- Report on the estimation of respondents’ burden as a result of improvement of the quality of their statistical data.</td>
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| Component 2. Assessment of the quality of statistical data | | | |
| Methodology for assessment of data quality developed; | | | |
| Methodological instructions for the implementation of the Quality reports in statistical surveys; | | | |
| Standard Quality Report produced | | | |
| Profile of users’ satisfaction of the quality of statistical data; | | | |
| A concept for reducing the respondents’ burden using the data quality assessment. | | | |

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
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<tbody>
<tr>
<td>Component 1. Information system for regional statistics</td>
<td>TA contract</td>
<td>Timely conducted</td>
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<tr>
<td>Identifying the main customers and the respective needs of regional data;</td>
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<td>Conduction of a survey to identify and describe the sources of information and availability of data;</td>
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<td>Comparative analysis of the Best International Practice</td>
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<td>Preparation of a concept for development of the information system</td>
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<td>Meta-information description</td>
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<td>Preparation of detailed technical specification for procurement of equipment;</td>
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<td>Tendering, contracting, installation and implementation of data processing equipment (hardware);</td>
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<td>Development of specialized statistics software, comprising of</td>
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<td>Installation and testing of the software.</td>
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<td>Training of the NSI staff</td>
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**Component 2. Assessment of the quality of statistical data**

- Specifying the basic concepts and definitions on quality in statistics;
- Defining methods and indicators for quality assessment of data;
- Preparing of Standard Quality Reports;
- Standard Quality Reports comprising data received from the following surveys prepared:
  - Labor force survey (quarterly)
  - Employed persons, hours worked, wages and salaries and other labor costs (annual)
  - Employed persons, hours worked, wages and salaries and other labor costs (quarterly)
  - Structural Business Statistics (annual)
  - The attitude of the business towards statistical confidentiality
- Studying the users’ satisfaction of the quality of the statistical data;
- Studying the possibilities for reducing the respondents’ burden based on assessment of the quality of the statistical data

- Supply Contract – procurement and setup of equipment (hardware and software)
- Workshop with 30-50 users from different institutions
- Seminar for 50 NSI participants
- Survey of the sources of data

Workshops with EU experts will be organized on the assessment of quality on data input, data processing and data output and preparation of Standard Quality Report for selected statistical surveys.

EU experts consultations for presentation of the information about data quality to the users
EU experts consultations for reducing the respondents burden as a result of improvement of the quality of statistical data

tendering procedures and concluded contracts
**Annex 2 - Implementation Chart**

**Project:** Regional Statistics Improvement and Assessment of the Quality of the Statistical Data

<table>
<thead>
<tr>
<th>activities</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Launching TA tendering procedure</td>
<td>X X X X X X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tender evaluation and selection of “Consultant”</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracting</td>
<td>X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Start TA activities</td>
<td>X X X X X X X X X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preparing procurement tender dossier</td>
<td>X X X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Launching tender procedure for procurement of equipment</td>
<td>X X X X X X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contracting and supply of equipment</td>
<td>X X X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Set up and testing the equipment</td>
<td>X X</td>
<td></td>
<td></td>
</tr>
<tr>
<td>End of project</td>
<td>X</td>
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</table>

**Annex 3**

**Contracting and Disbursement Schedule by Quarter**

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<thead>
<tr>
<th>Components</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2005</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>III</td>
<td>IV</td>
<td>I</td>
<td>II</td>
<td>III</td>
<td>IV</td>
</tr>
<tr>
<td>TA Contract</td>
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<td>0.775</td>
<td>0.775</td>
<td>0.775</td>
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<tr>
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<td>0.300</td>
<td>0.300</td>
<td>0.300</td>
<td>0.300</td>
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<tr>
<td>Total contracting:</td>
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<td>0.775</td>
<td>1.075</td>
<td>1.075</td>
<td>1.075</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Components</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2005</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>III</td>
<td>IV</td>
<td>I</td>
<td>II</td>
<td>III</td>
<td>IV</td>
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<tr>
<td>TA Contract</td>
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<tr>
<td>Supply Contract</td>
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<td>0.300</td>
<td>0.300</td>
<td>0.300</td>
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<tr>
<td>Total disbursement:</td>
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<td>0.550</td>
<td>0.650</td>
<td>0.750</td>
<td>1.075</td>
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</table>
Annex 4

**Information system for regional statistics (ISRS)**

1. **Objective**

The objective of building the ISRS is to provide harmonization of the regional statistics in Bulgaria with the regional statistics in the European Union and the interaction between them:

- Providing information, which is necessary for updating REGIO DB of Eurostat;
- Providing information for building, updating and monitoring of the National Economic Development Plan (NEDP);
- Including indicators, which will support taking management decisions at municipal and regional level;
- Providing maximum fast and easy access of the users to adequate, accurate and on time regional statistical information;
- Including information, which will support the development of urban statistics;
- Increasing the quality of the regional information (through including whole metainformation for indicators in the system).

2. **Scope and content**

ISRS should contain data for social-economic conditions and development of the regions in Bulgaria.

**Territorial scope:** Regional level 5 (5340 populated places) is the lowest level, for which data should be stored. Naturally, the different indicators are accessible to different levels – 6 planning regions (regional level 2), 28 districts (regional level 3), 263 municipalities (regional level 4), 5340 populated places (regional level 5).

**Time scope:** Information for all indicators for the years before 2004 will be loaded in the system gradually – for approximately 15 years period (for demographic events the period will be longer).

**Data sources:** The main data sources will be NSI divisions, Regional Statistical Offices and other local institutions (for example Ministry of Agriculture and Forests, National Social Security Institute, NES, Civil Registration and Administrative Services, National Health Insurance Fund). Generally two kinds of sources could be distinguished on behalf of their relation with ISRS – database in NSI and tables, prepared by NSI divisions, and other sources in a relatively standard format. The link with databases (Census and Population, Economics, External trade, Statistical register, BULSTAT) should be direct, accomplishing the respective control for quality and confidentiality of data. All necessary classifications and nomenclatures should be included in the system.

The quantitative value as well as all meta-information about the indicators (which is a very important characteristic of ISRS) will be maintained and updated in the system.
Of what is known up to now from document studies in other countries, ISRS should embrace several thousands of indicators and the number of valuables will be bigger. New indicators will be added each year according to the user requirements and policy-makers’ needs. The conclusion is that the system will quickly grow in scope and content.

3. Usage

The employees in the Regional Statistics Division should execute the administration (except the system maintenance) and the management of the system.

The information updating should be executed in the Regional Statistics Division and the RSO. It should be stressed that the bigger part of the information is collected on an annual periodicity but the different indicators became available at different moments within the whole year. That means that the information updating in ISRS will be practically done throughout the year. The updating should be done in two ways – Regional Statistics Division should use the local network, and RSO – Internet.

The user access should be possible through customers modules (for the divisions in NSI) and through Internet (for external users). It is foreseen that ISRS will be developed in maximum compliance with similar EU systems, for example NEW CRONOS (in its regional part), REGIO DB, SIRE and others. Naturally ISRS will be considerably bigger as a system (it should embrace/include information from the lowest levels – regional level 5). The satisfaction and easiness of the work with ISRS (mostly for the customers but also for those who will operate with it) should be one of the most important goals by developing the system.

4. Organization (preliminary estimation of the necessary hardware and software)

The initial variant of ISRS foresees one centralized database and 28 local databases in each RSO.

4.1 Servers

First version – at the present moment in the NSI works server Hewlett Packard with 200 GB disk space. This server attends to Population Census 2001. To be used that server for the purposes of the ISRS too, it is necessary the disk space to be extended at least 200 GB. Besides it is needed the authorization of the NSI top management. The data base is INFORMIX which doesn’t allow the on the same server to be worked with Oracle.

Second version – Purchase of small double processor server for the purposes of ISRS. The operational system is Unix. Hewlett Packard offer that sort of server with installed kernel of Oracle.

In both versions, it is necessary the purchase of additional communication server for ensuring access through Internet.

Third version – combined version, subject of further specification with the EU experts.
4.2 Operational system
Unix is preferable.

4.3 Basis software
Oracle or Informix.

It will be necessary to be purchased circa 30 licenses, at least 5 licenses for application development.

4.4 Workstations
28 workstations for each RSO plus 5 for “Regional statistics” division is necessary to be bought.

4.5. Standard software for statistical analyses and GIS.
At least 3 licenses for SPSS and 2 for STATISTCA, as well as at least 3 licenses for GIS (for example ArcView) are necessary to be bought.

4.6. Elaboration of a software for maintenance and work with the system.

Modules for management, updating, forming of the requests for information, check of the confidentiality and access to different users should be elaborated. A possibility for input of information in all wide used formats (tables), which are used from data producers as well as for equal access to database in NSI should be provided.

The system should permit forming regular requests (REGIO DB, NEDP) as well as specific requests by users.

5. Note
Thus described scheme will be a subject of discussion and specification in the first stage of the project when all details will be carefully examined, consultations with EU experts will be conducted and the result should be elaboration of final concept for ISRS.
Annex 5

Legislation

I. EU legislation


2. Commission Regulation 2081/93 “Funds and their effectiveness and coordination of their activities between themselves and with the operations of European Investment bank and the other existing financial instruments”.


II. Bulgarian legislation


4. Decree No 145 of Council of Ministers/ 27.07.2000, which has been adopted on the base of article 88 of the European Agreement for Association between European Communities and their Member States on one hand and Bulgaria on the other hand.

5. Decree No 3 of Council of Ministers/2000, which defines the coordination of the activity on the Bulgarian preparation for joining EU.
Annex 6


(Abstracts)

On the basis of the Strategy, the National Statistical System formulates its policy as regards the stage of the country in preparation for EC accession in the period 2000-2006, thus realizing the concrete tasks outlined in the Statistical Law and other legal acts.

1. Objectives

The main objectives are directed towards achievement of full compliance with the requirements of the European Statistical System, as of 2006. They are as follows:

- Improve the quality of statistical information
- Raise the cost effectiveness of statistical activity
- Heighten the trust in the statistical information
- Improve the cooperation between all participants in the statistical activity – users and respondents
- Improve the international cooperation.

2. Priority areas

- Agrostatistics;
- External trade statistics;
- Financial accounts;
- Employment and labour force statistics;
- Migration statistics;
- Regional statistics;
- Statistical infrastructure and other activities.
4(g).2.2 Regional and geographical information

Bulgaria has agreed with the EU Commission a framework of regional geography for use in NUTS. The boundaries of the regions at NUTS levels 2 and 3 are shown in Appendix 10. The 6 NUTS 2 regions are to be used for planning purposes by the Ministry of Regional Development. The 28 NUTS 3 regions are the existing oblasti, the districts used for purposes of central government administration. The 262 municipalities (which form the basis of local self-government) are the NUTS 4 regions. The municipalities are divided into departments, each of which may have its own mayor. There are in total 3715 mayors. The NUTS 5 regions are however the 5340 settlements into which the country is divided for administrative purposes. These are classified as either “towns” or “villages”. The settlements are the basic unit used in the tabulations of Census results (though if necessary aggregates for enumeration districts could be re-grouped).

The Regional Statistics Division of the NSI, created in February 2000, has the following goals:

- Methodological co-ordination, both inside and outside the NSI, in respect of regional aspects
- Matching regional data from different sources
- Fulfilment of EU requirements (including data for REGIO database)
- Provision of information for regional planning
- Improving services to customers

These goals are being pursued in various ways, including the creation of a regional database within the NSI. Regional statistics for the years 1995-99 have been supplied to Eurostat. The Division has also participated in discussions about regional boundaries to be used by other agencies, notably the Ministry of Regional Planning in the identification of NUTS regions for Bulgaria. Many of the required data are already available, but are not always easily accessible. The Regional Statistical Offices (RSOs) hold much of the information, which is needed, so a seminar with the relevant staff in the RSOs is to be held in the Autumn.

The Regional Statistics Division has worked with the National Accounts Division on estimates of GDP at the NUTS 3 level. Estimates for 1995-1999 are now available (though they are not on an entirely consistent basis) derived by applying the production approach at the regional level. (Earlier estimates, from 1993, were prepared experimentally using regional “make” matrices combined with the national “use” matrix to estimate intermediate consumption.) Estimates of fixed capital formation have also been prepared experimentally.

Discussions with other bodies for the supply of other regional statistics, eg municipal spending, are being held. There are also plans for regional publications etc.

The NSI has hardware and software – incorporating the regional geography described above - for the analysis of geographically referenced data and for the production of maps.
3(n) Quality improvement

Steps are being made in many parts of the NSI to ensure that the quality of the service which is provided is as high as possible, including a major commitment to staff training and a start to the development of a system of performance indicators.

In 2000, Eurostat’s basic methodological documents on quality in statistics were studied as part of a review of quality problems in statistical data collection and processing. Directors of all 28 regional statistical offices presented in their reports assessments and proposals for improving the quality of statistical information. As a result, the main directions of the work to improve the quality of statistical data were identified. Study of the possibilities for improving the quality of statistical information at the National Statistical Institute, including the preparation on a trial basis of Quality Reports on specific statistical surveys, has continued during 2001.

The right of access to administrative records provided by the Law on Statistics offers particular help in improving the coverage and reliability of the statistics produced by the NSI. The right of access to such records is incorporated in the protocols agreed with the various bodies in the administration. In practice, however, there are instances where the relevant part of the NSI does not have access to some records which could help considerably in raising the quality of NSI’s outputs. One such example is information held in the VAT Office. Other major factors in relation to quality improvement are the drive for strong user-orientation and the need for close working with data suppliers generally. Relationships with users and data suppliers are discussed further below.

3(p) Relationships with data suppliers

The provision of data from administrative bodies is covered for the most part by formal agreements between the NSI and each of the bodies. (The agreements also cover the service the NSI is to provide to the body.) Such arrangements appear to work satisfactorily, though there have inevitably been some difficulties in establishing quickly the appropriate arrangements while so many administrative changes are being made. This comment applies particularly to the NSI’s access to the individual records held in some administrative sources, including VAT records which could be particularly helpful in improving the quality of the national accounts and in reducing the amount of information which has to be collected from businesses.

A start has been made on finding out more about the burden involved in completing NSI questionnaires. A survey in 2000, involved asking Directors of regional statistical offices about their opinions of the problems and their suggestions for reducing respondents’ burden. A survey inquiry to respondents (enterprises) is being held in the second half of 2001. This is seeking their opinions about the burden involved in participating in statistical surveys.
4(c).3 Main findings

Arrangements for access to individual VAT and other records would be helpful both in improving estimates and in reducing the burden of data collection – both for the NSI and for respondents.

While there are close relations between the NSI and other parts of the central administration, there is less contact with users outside the administration. A user group which met regularly could be a useful source of information on users requirements and of advice on specific issues.

4(d).3 Main findings

The Bulgarian privatisation process started in 1996. Since then, there have been many changes of ownership and other changes in business life. A lot of new enterprises have also been established. However, many of them have no activity at all. All these changes make compilation of business statistics difficult and have an impact on the quality of data.

It is also important to establish good co-operation with the Tax Administration in order to guarantee access to the VAT and Trade Tax Files. Such tax information can play a significant role in quality improvements in business statistics and, in the future, possibly in decreasing the response burden on businesses.

5. Conclusions

18. Steps are being taken to improve the quality of the service which the NSI provides – both through a drive for stronger user-orientation and through improvements to methodology. Improvements in both reliability and timeliness are required. Section 3(n).

22. As new administrative systems settle down there should be more opportunity to make effective use of administrative records, such as VAT records. The survey of respondents’ burden being carried out at present should provide valuable guidance in future survey work - Sections 3(p), 4(c).3 and 4(d).3.