1. **Basic Information**

1.1. **Desiree Number** 2002/000-579.03.02

Twinning EE02-IB-FI-05

1.2. **Title** Implementation of INTRASTAT system in Estonia

1.3. **Sector**

1.4. **Location** Statistical Office of Estonia (SOE), Estonia

2. **Objectives**

2.1. **Wider Objective(s)**

⇒ Application of the *acquis* in the area ‘Statistics’

2.2. **Project Purpose**

⇒ Improve and harmonise the area of trade statistics in Estonia by setting up an operational Estonian INTRASTAT system in compliance with the acquis and EC/Eurostat requirements

2.3. **Accession Partnership and NPAA Priority**

*Accession Partnership (November 2001)*

Further improve the quality and coverage of statistics; ensure that adequate resources are available to further strengthen statistical capabilities, including at regional level

*NPAA*

The 2002 Estonian NPAA (chapter 12 Statistics) foresees the implementation of INTRASTAT system as one of the priority tasks to be performed by the Statistical Office of Estonia (SOE) in the period 2002-2004. The SOE is on the position that if all necessary preconditions for introduction of INTRASTAT are set up starting from the year 2002, it will be possible to start operating INTRASTAT system from 1st January 2004.

3. **Description**

3.1. **Background and Justification**

Estonia has to be prepared to run operational INTRASTAT system at the time of its accession into EU. In addition, in the report of Eurostat on the mission to SOE from 16-19th October 2001, it was underlined that INTRASTAT has to be operational upon accession, while the meeting of the EU-Estonia Sub-Committee on Economic and Monetary Issues, and Capital Movements, in Brussels on 9th November 2001, emphasised that implementation of INTRASTAT is urgent.

Legislative framework of the project is given by:


iii) Explanatory notes to the INTRASTAT forms referred to in Article 2 of Commission Regulation (EEC) No 359092;

iv) Eurostat Doc. 400 rev 12, Transmission of the results of intra- and extra-Community trade.

INTRASTAT is a comprehensive statistical system for monitoring the flow of goods between Member States. After accession of Estonia into the EU the goods exchange between the Estonia and EU Member States will be without customs formalities. That means, customs declarations will not be used as a data source for foreign trade statistics relating to the trade with EU Member States. In order to be able to compile mentioned statistics in Estonia and in EU in general, it is necessary to introduce the INTRASTAT system as an essential tool for collection, processing and dissemination of data on trading of goods between Member States. In EU, the system was introduced in 1993, after creation of the internal market.

While the general rules of the INTRASTAT methodology have been set by the EC regulations detailed above, EU Member States may act freely concerning the detailed implementation of INTRASTAT, in accordance with their local business environment. Specific attention is provided to minimising the burden of reporting on enterprises.

To this end, EC legislation provides for a framework system of statistical thresholds (defined as ‘limits’), under which different obligations are incumbent on parties for their reporting on the value of intra-Community trade operations. The categories of thresholds define reporting requirements and establish grounds for suspension or simplification of reporting obligations.

EU Member States set separate thresholds for arrivals and dispatches of intra-Community trade operations, which are to be established at such ‘values’ that at least 95% of information providers are exempted from the requirement to provide the "statistical value", "delivery terms", "mode of transport" and "statistical procedure" data.

⇒ Exclusion thresholds: by which parties not required to submit a tax declaration are neither required to submit an INTRASTAT declaration (i.e. no statistical information at all is provided). Exclusion thresholds shall apply in all Member States and shall be determined, by each of the said Member States, in accordance with national tax provisions adopted pursuant to Directive 77/388/EEC.

⇒ Assimilation thresholds: exempt parties required to provide VAT information from providing an INTRASTAT declaration, with their tax declaration considered to be the statistical declaration (i.e. only total value of imports and exports is available for statistical purposes). Assimilation thresholds shall apply in all Member States and shall be set, by each of the said Member States, at higher levels than the exclusion thresholds.

⇒ Simplification thresholds: allow for parties required to provide INTRASTAT information to present only ‘commodity code number’, ‘partner Member State’ and ‘the value of goods’. To a maximum level of 100,000 EUR, the party responsible for providing information according to the simplified rules, shall report in their declaration a maximum of ten of the finest relevant sub-headings of the Combined Nomenclature that are the most important in terms of ‘value’ for the period covered by the declaration. For the residual products, the code 9950 00 00 shall be used.

Assimilation and simplification thresholds shall be expressed in annual values of intra-Community trade operations. They shall be determined by dispatch or arrival flows. Assimilation and
simplification thresholds may vary from one Member State to another, by product group and by period.

A threshold value for individual transactions may be applied. This threshold shall give the parties responsible for providing information the option of entering all transactions whose value is below this threshold under a global heading of the Combined Nomenclature. In that case, data is required on: partner Member State, value. The global heading shall be identified by CN code 9950 00 00. The threshold for each transaction shall be 100 EUR.

In Estonia, trade statistics will be collected from three information sources:

- Intra-Community operators will be obliged to provide statistical declaration on their intra-Community trade in goods to SOE. The content of the declarations will be used exclusively for statistical purposes and will include declarations covering: identification of operator, reference period, description of goods, Member State of destination or consignment and statistical value;

- Estonian Customs Board will continue to collect information on trade with non-member countries and it will provide them to SOE for processing and dissemination;

- Since the data on individual trading units will be received from the Tax Board, from this institution the relevant data from the value added tax declarations will be transmitted to SOE.

Collection, processing and dissemination of data on trading of goods between Member States will be carried out by SOE. The results of processing will be provided to users within SOE and external users e.g. Bank of Estonia, Ministry of Finance, various international institutions etc. SOE has finalised its 3-year action plan for the introduction of the INTRASTAT system, covering the period 2002-05 approved by the Director General of the SOE on 11 March 2002 (see Annex 2a).

Present weaknesses relating to the operation of INTRASTAT reflect the lack of necessary staff (at the moment only 5 persons are dealing with foreign trade statistics), the corresponding limitations in terms of hardware/technical equipment and software (the FoxPro based software elaborated in SOE is not compatible with INTRASTAT requirements) and also the fact that an INTRASTAT methodology fitting with Estonian conditions is not yet defined. Accordingly, key tasks for SOE in the immediate period leading-up to accession include:

- The creation of a new data processing environment (SW development – see Annex 5) to be based on the adaptation of INTRASTAT methodology to Estonian circumstances (requiring the completion of a number of statistical surveys/analysis and the corresponding preparation and pilot-testing of a suitable data collection, processing and reporting scheme);

- Work at the Foreign Trade Statistics Section will need to be reorganised and staff numbers significantly increased (it is foreseen that an additional 15 staff members are needed for data collection, processing, publishing, data supplier support etc., expected to be recruited to SOE during the first half of 2003), with related training provision;

- The corresponding procurement of hardware (servers, data communication etc.) and standardised software packages, including for statistical analysis (SAS, Oracle, Blaise, digital archiving and data encryption) (see Annex 4);

- The provision of information, training and support to the ‘target group’ enterprises (assumed to amount to approximately 5,000) which will be expected to complete the INTRASTAT questionnaire on a monthly basis (practice in the Member States shows that a large number of questionnaires are incorrectly filled-in – according to some estimates more than half).

- It is thus planned to organise seminars to acquaint respondents with the methodology of INTRASTAT, possibilities of data transmission, statistical thresholds, liabilities and rights of respondents, as well as to describe and elucidate the relevance and usefulness of data
collection to both the respondents themselves and Estonia as a whole. It is planned to organise seminars at places as near to the location of respondents as possible (larger cities of Estonia; according to 2001 trade data the seminars should be held in Pärnu, Tartu, Narva, Viljandi and 11 seminars in Tallinn) and involve top specialists of their field (if possible from elsewhere from the EU).

3.2. Linked Activities

Completed Phare Activities

Since 1997, SOE has taken part in two Eurostat’s projects concerning external trade statistics:

1. Phare Pilot Project on External Trade Statistics (ECO - 04/059) - This project was completed within period of the year 1999 and 2000. The project consisted of two sub-projects:

   ⇒ First one included regular provision of external trade data into COMEXT database. Provided data are comparable with Member States data relating to trading of goods with non-member countries. Comparability of the data was reached by the application relevant EU regulations. (CR No 1172/95 a CR No 1917/2000).

   ⇒ Second sub-project concerned the provision of national tariff information.

2. Enlargement Project on External Trade Statistics - Study visits in United Kingdom and Germany were organised by Eurostat within the project in March and June 2001. The visits were to learn about the INTRASTAT system. The visits enabled the participants to acquire the ideas on sophistication of INTRASTAT system and equally on its importance in national and European statistical system.

Prepared/Planned Phare Activities

Eurostat has recently launched two new Phare Multi-Country projects.


   The objective of the contract is to enable candidate countries to continue the convergence towards the Acquis Communautaire in external trade statistics in particular INTRASTAT. It is foreseen that, at the end of the project period i.e. by July 2002, Estonia should submit a report providing:

   ⇒ A detailed timetable for the overall INTRASTAT preparatory and implementation work;

   ⇒ Definition of the scope and contents of the INTRASTAT register;

   ⇒ Definition of how & at what level the statistical thresholds could be fixed and maintained;

   ⇒ Organisation chart of INTRASTAT work including job descriptions;

   ⇒ Finalisation when relevant of a service level agreement with the competent fiscal/customs administration regarding the share of work in relation to INTRASTAT.

Please look Annex 2: Detailed Implementation Chart illustrating connections and timing of planned actions under Phare99, Phare00, Phare National projects and national co-financed actions.
2. In the beginning of 2002, a new pilot project under the Phare 2000 budget will be launched. Based on the preparations in the previous periods (since June 1998) the actions covered under the Phare 2000 program will include:

- INTRASTAT pilots;
- Technical assistance from EU experts;
- Quality improvement and administrative support;
- Meetings.

**Action 1: INTRASTAT pilots**

In order to pave the way for a smooth introduction of the INTRASTAT system pilot studies should be organised covering 3 strategic issues, namely:

- The declarants' register
- Submission of monthly declarations to national administrations
- Transmission of results to Eurostat

- **Declarants' register.**
  The register of intra-Community trade operators is essential for the functioning of the INTRASTAT system. The register must comprise all the operators and should include a flexible update routine to insure the full coverage of the trade activities of these enterprises, and high quality identification information.

  The register shall, when the system is fully operational, be updated partly on the basis of information from the VAT administration with which a co-operation should be established.

  For the pilot study it is proposed that a declarants' register prototype is established containing either the 250 largest enterprises involved in intra-Community trade or all enterprises within a certain branch, e.g. the chemical sector or the textile sector. The prototype should contain all data elements needed for the management of an enterprise in INTRASTAT.

- **Submission of declarations to national administrations**
  The purpose of this pilot study is to test the different options for submitting an INTRASTAT declaration. The monthly INTRASTAT survey allows for a paper or an electronic declaration. The latter can either use the diskette-based solution found in the IDEP/CN-8 package developed under EDICOM or the option offered under the Internet where an electronic questionnaire is available including the relevant nomenclatures (product, countries) and code lists.

  The pilot study should cover paper and electronic declarations and should include approximately from 50 to 100 small, medium seized and large enterprises. The declarations submitted should be subject to a double verification. On the one hand it should be checked if all enterprises have submitted a declaration. This will allow identification of non-response and partial response. On the other hand the detailed declarations should be validated with the aim of identifying validity and probability errors.

- **Transmission of results to Eurostat**
  This pilot study should prepare for a monthly transmission of results to Eurostat. The trade statistics should cover both INTRASTAT and trade with third countries.

  A transmission of monthly trade data has already been established. However, this procedure should be adapted to the transmission rules in force (currently Doc. MET 400, rev. 8).

- **Reporting.**
  Each candidate country shall submit a preliminary and a final report about the achievements in the 3 pilot studies. During the pilot phase short progress reports shall be regularly submitted.

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2 EUROSTAT, Doc ENLARG no 34, Luxembourg, 21 February 2002
Each candidate country shall receive a financial compensation for the reports. The budget envelope for this action is estimated to 150,000 Euros for all candidate countries.

**Action 2: Technical assistance from EU experts**
The execution of the pilot studies and the general preparation for implementing the INTRASTAT system will require a strong support of EU experts. The know-how needed could be provided through a help desk.

A team of EU experts should in collaboration with Eurostat answer the questions and give advice mainly by e-mail, phone and fax. Follow-up and detailed advice must, however, be provided on location, and missions to the candidate countries would therefore have to be organised. For these missions the partnerships established between candidate countries and Member States should be taken into account if possible.

A total of 25 one-week missions of EU experts to all candidate countries are foreseen throughout the lifetime of the project.

**Action 3: Meetings and tariff information**
The candidate countries should continue their participation at the Trade Committee meetings in order to follow closely the discussions on methodology, the need for new or amended legislation regarding foreign trade. Follow-up meetings for the project should as far as possible be co-ordinated with the timetable of Committee meetings. In total 6 such meetings are planned for the project period.

It is furthermore planned to organise up to 3 co-ordination meetings in candidate countries during the project period. The budget envelope for meetings that cover candidate countries travel and per diem expenses is estimated to 80,000 €uros.

It is important that candidate countries continue their annual transmission of tariff information. Collection of information for 2000 and 2001 is already programmed, however, during the project tariff information for 2002 and 2003 should be collected and passed on to DG TRADE.

**Action 4: Quality improvement and administrative support**
A statistical expert should be engaged and charged with undertaking mirror exercises and of providing administrative support during the project period. Mirror exercises have already been made on the aggregate level between candidate countries data and data of EU for the period up and until 1999. Data for the years 2000, 2001 and later 2002 should be analysed. The analysis should not only cover the trade between the candidate countries and the EU but also the trade between the candidate countries (most important trading partners). The analysis should focus on the most visible differences on product level and should contribute to improved consistency of trade statistics and improvement of methodological aspects. The administrative support shall include assistance for preparation and running of the INTRASTAT pilots; the co-ordination of assistance from EU experts; the organisation and reporting of meetings; the follow-up on transmission of tariff information for 2002 and 2003.

3. **Other future activities planned by Eurostat**

Seminar on exchange of information among CC on good practises and experiences
Following a CC proposal Eurostat is considering to organise this seminar (tentative date and place September 10 to 13, 2002 in Bled - Slovenia).

The Phare 2001 budget – support in terms of technical assistance

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3 Eurostat, Doc. ENLARG no 28
Eurostat has already under Phare 2001 budget proposed to reserve about 200 expert days for technical assistance. The objective is that this reserve can be used in support of the pilot project under the Phare 2000 budget, see above, and particularly during the last phases of this project, i.e. shortly before accession, for those new Member States that encounter sudden, unforeseen difficulties.

The Phare 2002 budget – quality improvement
For the period after accession Eurostat has earlier proposed to explore the possibilities of planning a number of actions with the overall objective to improve the quality (functioning and output) of the information systems.
Under the Phare 2002 budget there is an opportunity to design a project that targets such an objective. A dialogue with the candidate countries is needed to detail the main components of the project. This will be a major point on the agenda at the forthcoming meeting in Eurostat with candidate countries 6 March 2002.

Work shop on activities to link CC with EDICOM
The EDICOM Decision (507/2001/EC) adopted by the European Parliament and the Council in March 2001^4 will provide the Commission and the Member States with the necessary means to undertake, in the next five years, actions to modernise and improve the Trans-European network for the collection, production and dissemination of statistics on intra- and extra-Community trade in goods.
The objective is to set up a network for the collection, production and dissemination of foreign trade statistics (extra and intra Community). This implies not only organisation of the network including measures for improving the methods used, reliability of results etc., but also the development of computer tools for collection, production, transmission and dissemination of statistical data.
A work shop – tentatively scheduled for 11 and 12 November 2002 – will be organised in Luxembourg. The aim is to draft the basic input to an ex-ante study on activities to link candidate countries with EDICOM i.e. actions linked to the general objective of EDICOM (network for collection, production and dissemination of foreign trade statistics). The ex-ante study is a first description of the actions including cost estimates. The ex-ante study is needed before any financial commitment can be made by the Commission .

The supplementary national activities will mainly support implementing Multy-Country Phare projects and Phare National project in order to abolish administrative barriers and link these activities together. National action plan includes such administrative activities as describing INTRASTAT survey and adding it into the list of official statistical surveys (this is relevant for success of all projects foreseen for implementing INTRASTAT, March 2002), informing enterprises on time about implementing new statistical survey (results achieved during Phare 99 project will serve as a basis here, August 2002), making proposals for increasing SOE budget for the year 2003 and beyond (also this is relevant for success of Phare00 and this project), launching tendering for contracts 1, 2 and 3 proposed by this project. Administrative activities do not need additional financing and these are not included to the co-financing part of the project.
It is also foreseen elaboration of INTRASTAT methodology manual (expected completion June 2003) that will serve as a bases of elaborating data suppliers INTRASTAT manual (current project, Contract 2). Estimated cost 0.0027MEUR for this action (printing and translating into English language) will be covered from SOE budget 2003 (included to the national co-financing).
A separate subject is to study possibilities of developing the methodology of calculating average price and volume indices of new units, and the software. It is quite clear that the current methodology and software used for this purpose will operate no more after implementing INTRASTAT. This problem is not linked to or covered by any of above mentioned projects, but is relevant for national purposes (expected completion December 2003). Estimated cost

^4 OJ L 76 of 16.03.01, p 1
0.0053MEUR for this action (compilation of methodological recommendation report) will be covered from SOE budget 2003 (included to the national co-financing).

3.3. Results

- Procedures and management structure for the operation of INTRASTAT introduced in SOE, with the provision of adequate staffing levels and suitably skilled staff;
- Data collection & processing software for the operation of the Estonian INTRASTAT methodology is pilot-tested & finalised, with an Estonian ‘user interface’;
- SOE’s technical capacity to operate INTRASTAT & exchange statistical data with external users is in place;
- Information & follow-up ‘user support’ on INTRASTAT is provided to and/or available on-line to ‘target group’ enterprises in Estonian, Russian and English languages;
- Awareness of data suppliers (large enterprises) as to the function of, Estonian methodology for and their obligations to provide INTRASTAT data/questionnaires comparable with ‘minimum’ standards in EU Member States.

3.4. Activities

This 2002 National Phare project will consist of 2 sub-projects: (1) Institution Building – Twinning Team and information services; (2) Investment in the Regulatory Infrastructure.

3.4.1. Contract 1: Twinning (0.605 MEUR)

An indicative summary of requested personnel inputs is provided below:

<table>
<thead>
<tr>
<th>Role</th>
<th>Task Description</th>
<th>Calendar-months</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAA/PL</td>
<td>Co-ordination of project inputs, STEs &amp; TA</td>
<td>12</td>
</tr>
<tr>
<td>PL</td>
<td>Coordination of the project activities</td>
<td>18</td>
</tr>
<tr>
<td>Assistant</td>
<td>PAA Assistant</td>
<td>18</td>
</tr>
<tr>
<td>STE *</td>
<td>IT expert</td>
<td>6</td>
</tr>
<tr>
<td>STEs *</td>
<td>SW programmers</td>
<td>12</td>
</tr>
</tbody>
</table>

*SOE considers the number of STEs and the division of input-time to be indicative, although the final proposal for STEs, according to skill/background of the experts, must still allow for the guaranteed development of SW. With specific regard to SW programmers, it is feasible that such services be sub-contracted (either wholly or in part) by the CFCU, in accordance with DIS procedures (i.e. framework contract). In view of the additional time that this will imply (in terms of tendering such services on the basis of ex-ante authorisations etc.), attention is drawn to the timetable for delivery of outputs (see Annex 5 for details).

Pre-Accession Adviser / Project Leader (12 calendar-months during 18 calendar-months)

Main Tasks:

- Monitoring and guidance of the whole project;
- Advice relating to the interpretation of EC legislation/requirements for INTRASTAT;
- In co-ordination with the STEs, advice and recommendations to SOE relating to ongoing/planned actions (statistical surveys/analysis and the corresponding preparation and pilot-testing of a suitable data collection, processing and reporting scheme – see section 3.2, specifically surveys/analysis 5-9) to establish an INTRASTAT methodology in Estonian circumstances, including the review/revision of draft survey forms and an INTRASTAT methodology manual.

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5 For the indicators see also Annex 1 Logical Framework Matrix
Detailed recommendations for completion of the proposed INTRASTAT methodology in Estonian circumstances should be provided to SOE, at the latest, six months from date of signature of the Twinning Covenant;

• In co-ordination with the STEs, advice and recommendations relating to the provision of information, training and ‘user support’ to ‘target group’ enterprises which are expected to complete the INTRASTAT questionnaire, including advice to SOE relating to the detailed timing of the inputs to be provided by the TA experts under sub-project 2

Detailed recommendations on such information etc. activities should be provided to SOE, at the latest, four months from date of signature of the Twinning Covenant;

• In co-ordination with the STEs, final review and recommendations for the adaptation of the Estonian INTRASTAT system and procedures, on completion of pilot-tests;

• Advice on the management systems/procedures in SOE in regard INTRASTAT operations;

• Co-ordinating the inputs of the other Twinning experts, providing quality control of their inputs;

• Co-ordinating and/or providing training and study visits for SOE staff to learn (a) the experience of implementation of INTRASTAT system in the EU Member States, plus (b) training relating to software operation;

• Contracting the translation of the Intrastat handbook into English and Russian and creation of the Web-site for Data Suppliers.

Profile:

• An employee of Member States authority with experience in the implementation and operation of INTRASTAT system;

• Preferably at least 10 years experience in foreign trade statistics (at minimum 5 years);

• Sound organisational skills;

• University degree;

• Excellent written and verbal English .

PAA Assistant (18 calendar-months)

Main Tasks:

• Supports/organises the activities of the PAA and STEs;

• Organises administrative questions relating to execution of the Twinning sub-project.

Profile:

• Sound organisational skills;

• Excellent written and verbal English.

Short-Term Expert in IT (6 calendar-months during 18 months)

Main Tasks:
Advice on the process to develop an INTRASTAT data processing environment and SW as experienced in the EU Member States (key requirements, obstacles, examples etc.);

Advice on and preliminary analysis of the system requirements/data processing environment of the software and the corresponding development of ‘detailed technical description and specification of the INTRASTAT information system’ (parameters/design of the database system and specific modules; inter-operability requirements of modules to fit with Estonian conditions; rules for data collection & processing; security; back-up; information exchange requirements within Estonia and with EU/Eurostat; prototype of user interface etc.).

**Detailed recommendations for the technical description should be provided to SOE, at the latest, three months from date of signature of the Twinning Covenant;**

Follow-up advice and supervision of the Short-Term Experts responsible for SW development/programming, providing detailed guidance as to the ‘detailed technical description of the INTRASTAT information system’ (see [Annex 5](#) for further details).

*In the case that SW programmers are sub-contracted via the CFCU, the provision of support to SOE in the preparation of ToR and the corresponding evaluation of tender proposals (draft ToR should be ready for discussion with the CFCU and European Commission Delegation within two months of project start)*;

Advice on the creation of a ‘user support’ INTRASTAT homepage on the SOE webpage (part of the information etc. activities to be provided to SOE within the first four months);

Provision of corresponding training/support to study visits for SOE.

Profile:

- Experience in the development, implementation and operation of INTRASTAT system; *(possibly experts will have been contracted by a Member State authority, rather than direct employees; it is also possible that Phare nationals may be sub-contracted via the CFCU to wholly or to partly provide such services; where the value of such services is below 10,000 EUR this shall be directly sub-contracted by the Member State)*

- Preferably minimum 5 years experience in IT;

- Sound organisational skills;

- University degree;

- Good knowledge of English.

*Short-Term Experts in SW Development/Programming (12 calendar-months during 18 months)*

Main Tasks:

- On the basis of the guidance from the Short-Term Expert in IT and specifically the SOE approved ‘detailed technical description and specification of the INTRASTAT information system,’ corresponding programming of the software for data collection and processing. This is foreseen to be followed in two stages (see [Annex 5](#) for further details):

  - Realisation/programming of the base functionality of the INTRASTAT information system and the first version of working system, in order to start pilot-test use of the information system *(to be provided, at the latest, eight months from date of signature of the Twinning Covenant)*;
On the basis of pilot-test operations during the second half of 2003, improvement of the information system, including the programming of functions not covered in the base version leading to the development of the second version of the INTRASTAT information system, plus the translation/preparation of the INTRASTAT ‘user interface’ into the Estonian language (to be provided, at the latest, fifteen months from date of signature of the Twinning Covenant);

- Preparation of a detailed technical description of the ‘source code’ (software functionality and development etc.), thereby allowing SOE (copyright holder) to further adapt/develop the system in light of experience and potential revision of EC requirements;

- Preparation of detailed ‘User Manual’ and the provision of corresponding training to SOE.

To a significant degree, it is assumed that SW programming be undertaken ‘home-based,’ with regular reporting to and guidance from the Short-Term Expert in IT.

Profile:

- SW programmer, preferably with experience in the implementation and operation of INTRASTAT system (possibly experts will have been contracted by a Member State authority, rather than direct employees; it is also possible that Phare nationals may be subcontracted via the CFCU to wholly or to partly provide such services; where the value of such services is below 10,000 EUR this shall be directly sub-contracted by the Member State);

- Preferably minimum 5 years experience in IT;

- Sound organisational skills;

- University degree;

- Good knowledge of English.

Training & Study Visits

The following training activities are planned (in Estonia) for members of SOE’s Foreign Trade Statistics Section (emphasis is placed on the expected 15 new staff members, although the training needs of existing staff should also be assessed by the PAA):

- 5 days Oracle training;

- 5 days SAS training;

- 5 days mathematical statistics training;

- 5 days Excel training;

- 3 days training in INTRASTAT methodology.

As training modules in Oracle, SAS and Excel are available as standard packages, training in these subjects may be sub-contracted to the private sector (where the value of such services is below 10,000 EUR this shall be directly sub-contracted by the Member State); it is assumed the remaining training be provided by the Twinning Team.

In addition to software training in Estonia and in order to obtain detailed knowledge about applied national methodology for INTRASTAT in the EU Member States, the following study visits to organisations responsible for INTRASTAT in the EU are foreseen:
4 study visits (each visit 5 days & for 2 officials) are planned for persons, who will develop Estonian INTRASTAT methodology;

3 study visits (each visit 5 days & for 2 officials) are planned for SOE’s IT staff in order to obtain detailed knowledge about national data processing environment functioning in a selection of EU Member States.

Technical assistance contracts under the Twinning Component (Total cost – 0.12MEUR):

Due to the specific nature of this component (large scale information, training and associated support to the ‘target group’ enterprises which are expected to complete the INTRASTAT questionnaire on a monthly basis, plus the adaptation of the INTRASTAT user interface into the Estonian language), SOE sees the need to involve TA experts to complete this task.

On the basis of advice and recommendations made via the Twinning activities relating to the provision of information, training and ‘user support’ to ‘target group’ enterprises (recommendations, in the form of a detailed plan of action & objectives to be met, should be provided to SOE, at the latest, four months from date of signature of the Twinning Covenant), the technical assistance is expected to be provided for 4 components:

1) Training for Data Suppliers (93 000 EUR):

Organise (including facilities, invitations, management of) approximately 15 1-day seminars to respondents (target group of approximately 500 larger companies), introducing the INTRASTAT system and methodology to be applied in Estonia (assumed to be carried out in the second half of 2003)

The provision of guidance notes and training to SOE in order that SOE staff may organise regular follow-up support/clarification seminars to respondents (to be carried out by SOE starting in year 2004);

2) Media Campaign (22 000 EUR)

Publication of articles on the newspapers and economic/professional journals at a national level, in order to increase business awareness of obligations arising from the introduction of INTRASTAT;

3) Creation of the Web-site for Data providers (3 000 EUR)

Establish the ‘user support’ INTRASTAT homepage on the SOE webpage (assumed to be carried out in the final quarter of 2003 and to be based on the advice provided via the Twinning Team);

4) Translation of the INTRASTAT data suppliers’ manual (2*1 000 EUR)

On the basis of the INTRASTAT data suppliers’ manual (to be drafted by SOE with the input of the PAA – expected to be completed, at the latest, six months from date of signature of the Twinning Covenant), final translation of the INTRASTAT data suppliers’ manual (total of 5000 copies) into the Russian and English languages.

3.4.2. Contract 2: Investment in the Regulatory Infrastructure (Total Cost = 0.25 MEUR)\(^6\)

A preliminary needs analysis as to necessary hardware and software in order to introduce INTRASTAT has been carried out by SOE for which a summary is provided below (see Annex 4 for further details). Hardware:

\(^6\) 25% financed by the state budget, 75% financed by Phare (see Annex 6)
• Personal computers (20 pieces);
• Printers (3 pieces);
• Servers (2 pieces);
• Fax (2 pieces);
• Video & data projector;
• Network switch & installation;
• Copy machine;
• Notebook;
• Fireproof safe for electronic data archive.

Software Licenses:
• Oracle (20 user-licenses);
• SAS (3 user-licenses);
• Blaise (2 developer licenses);
• Oracle Discoverer (3 user licenses);
• Oracle Discoverer (1 administrator license);
• A digital archiving software license;
• A data encryption software license.

An independent feasibility analysis of SOE’s needs in relation to the creation of a data collection and processing chain was carried out under the Phare assistance ES 9912 "Project Preparation Facility", for which a contract was signed in December 2001 (PWC). The feasibility analysis completed in March 2002, covers the following topics:

• The components and creation process of data collection and processing chain;
• Giving reasons for every component of the chain;
• Evaluation and giving reasons for the size of expenses for every component of the chain;
• Experts opinion on justification for these given reasons;
• Overall feasibility evaluation of the plan of creation of the chain.

3.5. Lessons Learned

The Final Assessment Report for Phare assistance funded under the Customs & Statistics Project ES 9620, produced by the EC’s OMAS Consortium in November 2000 (No. R/ES/CUS/00028), concluded (point 5.5.1.) that the Statistics component be rated as ‘Highly Satisfactory’.

The management recommendations (point 6.1.2.) were connected to the specific programme and have no direct relevance to this Project Fiche. However, in the current project, it is necessary to
take into account that people involved in the project (especially new staff) need some further training in the techniques of Project implementation, including planning and estimating, risk assessment, budget control and staff management.

The design recommendations (point 6.2.1.) proposed that future assistance should be based upon a coherent system of objectives, planned activities and measurable indicators of achievement, risks to implementation and appropriate special conditions. Long-term finance and other resource planning and service management issues should be addressed more carefully during the Project initiation stage.

As relevant, these recommendations have been considered in preparation of this Project Fiche.

The experience from similar projects in the other sectors have shown that the most important is to compile a good project proposal (identifying the problems, set realistic objectives, results, activities, management organisation, objectively verifiable indicators, monitoring). It is important to guarantee a qualitative project monitoring at the beginning of the project to solve the possible problems on time.

4. Institutional Framework

The Statistical Office is a governmental institution working in the administrative field of the Ministry of Finance. In its activity the Office is guided by the Statistical Act. The law foresees the SOE as the principal producer of official statistics and determines its main tasks and place in the system of state institutions.

SOE (385 employees) is exclusively responsible for processing and dissemination of foreign trade data therefore in future it will take over all tasks linked with INTRASTAT (for an organigramme, see Annex 6). At present five persons are working in foreign trade statistics section that is one of six sections belonging to Macroeconomics Division (50 employees). It is predicted that implementing of INTRASTAT system will rise the number of persons dealing with foreign trade statistics approximately by 15 person (for estimates the staff numbers of other SOE sections with similar work profile have been taken into consideration). The increase of staff number will be reflected in the annual regulation of the Minister of Finance. The more precise work allocation inside the foreign trade statistics section after implementing INTRASTAT will be fixed during Multy-Country Phare 99 project (ending in July 2002).

SOE will be the beneficiary institution because it will operate INTRASTAT system. During its realisation, SOE will continue co-operating with Customs Board and will start to develop the collaboration with TAX Office. As all three mentioned co-operation partners are under administration of Ministry of Finance it will provide the institutions with the rights of access to administrative information. There is already concluded the data exchange agreement between Customs Board and SOE (Agreement no 1-11/15, 16.04.99). This agreement will be valid also after Estonian accession into the EU and implementation of INTRASTAT system. The elaboration of the draft agreement between SOE and Tax Board is foreseen under multi-country PHARE99 pilot project.

It will be very important to build the contacts with providers of statistical information i.e. with firms and traders, which will provide information on their transactions within EU. The Official Statistics Act (Passed: 11.06.1997, entered into force 17.07.1997, amended: 01.06.2000) regulates the obligations of companies responsible for submitting reports according to the list of official statistical surveys approved by the Government of the Republic annually. The INTRASTAT survey was added into the list of official statistical surveys which was approved by the Government of the Republic by March 2002; Also, Statistical Office foresees informing data suppliers on implementation of INTRASTAT statistical survey on time by August 2002;
5. Detailed Budget (in MEUR)

<table>
<thead>
<tr>
<th>Contract 1</th>
<th>Phare Investment Support (MEUR)</th>
<th>Phare Institution Building (MEUR)</th>
<th>National Cofinancing (MEUR)</th>
<th>IFI TOTAL (MEUR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Twinning including:</td>
<td>0.605</td>
<td>0.605</td>
<td>0.09</td>
<td>0.715</td>
</tr>
<tr>
<td>- PAA</td>
<td>0.18</td>
<td>0.18</td>
<td></td>
<td>0.18</td>
</tr>
<tr>
<td>- Twinning package</td>
<td>0.263</td>
<td>0.263</td>
<td>0.082</td>
<td>0.345</td>
</tr>
<tr>
<td>- Study Visits</td>
<td>0.013</td>
<td>0.013</td>
<td>0.007</td>
<td>0.02</td>
</tr>
<tr>
<td>- Training contract(s)</td>
<td>0.024</td>
<td>0.024</td>
<td>0.001</td>
<td>0.025</td>
</tr>
<tr>
<td>- TA Contract for Training for Data providers</td>
<td>0.093</td>
<td>0.093</td>
<td>0</td>
<td>0.093</td>
</tr>
<tr>
<td>- TA Contract for translation of INTRASTAT data suppliers’ manuals</td>
<td>0.002</td>
<td>0.002</td>
<td></td>
<td>0.002</td>
</tr>
<tr>
<td>- TA contract for Media Campaign</td>
<td>0.022</td>
<td>0.022</td>
<td>0</td>
<td>0.022</td>
</tr>
<tr>
<td>- TA contract for creation of the Web-site</td>
<td>0.003</td>
<td>0.003</td>
<td>0</td>
<td>0.003</td>
</tr>
<tr>
<td>- External Audit of the Twinning</td>
<td>0.005</td>
<td>0.005</td>
<td>0</td>
<td>0.005</td>
</tr>
<tr>
<td>Contract 2</td>
<td>Investment in the Regulatory Infrastructure</td>
<td>0.1875</td>
<td>0.1875</td>
<td>0.0625</td>
</tr>
<tr>
<td>TOTAL</td>
<td>0.1875</td>
<td>0.605</td>
<td>0.7925</td>
<td>0.1525</td>
</tr>
</tbody>
</table>

1 Financing relevant costs for study visits (0.007 MEUR), printing and translating of INTRASTAT methodological manual (0.002 MEUR), publication & distribution of INTRASTAT survey forms, Combined Nomenclature books, Intrastat data suppliers’ manuals (0.08 MEUR), training facilities (0.001 MEUR) etc, will be financed from SOE budget 2003.

2 See Annex 6 for details regarding SOE budget 2003 financing.

The national co-financing excludes VAT. The beneficiary commits itself to the best practices in financial control. Joint procurement will be used to contract the Investment component.

6. Implementation Arrangements

6.1. Implementing Agency

The CFCU is the Implementing Agency responsible for tendering, contracting and accounting. Responsibility for technical preparation and control will remain with the beneficiary: SOE.

CFCU: Mr. Hennart Arismaa tel. +372 6113012, fax +372 6966810
Ministry of Finance, Suur-Ameerika 1, Tallinn 15006

PAO: Mr. Renaldo Mändmets, Deputy Secretary-General, fax +372 6966810
Ministry of Finance, Suur-Ameerika 1, Tallinn 15006

PO: Mr. Andres Kuningas tel. +372 6113640, fax +372 6966810
Head of the International Relations Department
Ministry of Finance, Suur Ameerika 1, Tallinn 15006

Project Manager: Ms Merle Saaliste, Head of Foreign Trade Statistics Section,
tel. +372 6259325, fax +372 6259370, e-mail: merle.saaliste@stat.ee
Statistical Office of Estonia, Endla 15, Tallinn 15174
A **Steering Committee** will be established by the representatives from SOE (chair), Ministry of Finance, Tax Board, Customs Board plus the PAA and EC delegation. The Steering Committee has overall supervisory responsibility as well as a co-ordination function. It will meet every three months to review and evaluate the project’s activities and delivery of outputs. On a project management level, a weekly meeting will be held between the SOE (Head of the Macro-Economic Statistics Division and other Heads of Division, plus specialists) and the PAA (plus other specialists).

### 6.2. Twinning

**Beneficiary institution:** Statistical Office of Estonia, Endla 15, Tallinn 15174

**Project Leader:** Ms Merle Saaliste, Head of Foreign Trade Statistics Section

### 6.3. Non-standard aspects

0.605 MEUR of Phare funds are allocated for Twinning, over a period of 18 calendar months. The CFCU will be responsible for contracting the TA contracts above 10 000 EUR under the twinning components (Training for Data suppliers and Media Campaign)

For all other Phare funds, the ‘DIS Manual’ will strictly be followed.

### 6.4. Contracts

It is expected that Phare funds finance a total of 2 contracts:

- **Contract 1:** Twinning Team = 0.605 MEUR;

- **Contract 2:** Investment in the Regulatory Infrastructure = 0.1875 MEUR

Joint procurement will be used to contract the Investment component.

### 7. Implementation Schedule

<table>
<thead>
<tr>
<th>Contract</th>
<th>Start tender/call proposals</th>
<th>Start of contract activity</th>
<th>Completion of contract</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract 1</td>
<td>August 2002</td>
<td>January 2003</td>
<td>June 2004</td>
</tr>
<tr>
<td>Contract 2</td>
<td>January 2003</td>
<td>March 2003</td>
<td>March 2003</td>
</tr>
</tbody>
</table>

### 8. Equal Opportunity

Equal opportunity for men and women to participate in the project will be guaranteed.

All contractors will be required to provide regular monitoring data recording the participation of men and women in terms of experts/consultants employed and trainees participating in funded actions (as an integral component of all project progress reports and as a pre-condition for SOE’s approval of disbursement of funds).

Such monitoring data will be reported to the Project Steering Committee and in Monitoring & Assessment Reports prepared during the implementation of the project.

### 9. Environment

None

### 10. Rate of Return
It is not possible to calculate the precise, arithmetic rate of the investment at this stage of the project. The investments will improve the speed of the information processing and will ensure the necessary technical capacity to run the INTRASTAT system, which will lead to the considerable rates of return for the SOE and also for the EU Member States (reduced time and workload for processing foreign trade data, the quality of the data is secured etc).

11. Investment Criteria

Procurement of the hardware for the INTRASTAT will ensure complying with EU regulations in new structure of Foreign Trade Statistics Sector on-time quality statistical data processing and state-of-the-art serving of data providers and users

The following components of the investment will be financed from the national budget (see annex 4 for details) (0.0625 MEUR, 25% of investments costs):

- replacement of 5 old PC’s in Foreign Trade Statistics Sector
- computer network installation (including network switch device)
- software licenses

SOE will be responsible for financing of later maintenance of the software and hardware.

Independent feasibility analysis has been carried out by PricewaterhouseCoopers. Preliminary technical equipment needs analysis for the introduction of INTRASTAT has been carried out by SOE IT experts (see annex 4). The analysis of PricewaterhouseCoopers was based on the preliminary study made by SOE, information provided in the fiche and information received on interviews with SOE staff and data provided the IT experts of SOE. According to their findings the investment plan is feasible. Due to the fact that the system requirements of the INTRASTAT are not clear at the moment, they were not able to provide detailed assessment. PWC provides several recommendations. Technical specification for hardware tendering will be elaborated by SOE IT experts in October 2002.

12. Conditionality and Sequencing

- Concluding a formal co-operation agreement with Tax Office by July 2002;
- Successful conclusion of the Phare99 Multi Country programme on Technical assistance in the field of INTRASTAT by July 2002;
- Sufficient human and financial resources will be allocated to foreign trade statistics section of SOE to implement INTRASTAT system as from 2003

For an indicative implementation time schedule for project activities, see Annex 2.

ANNEXES TO PROJECT FICHE

1. Logical Framework Matrix
2. Detailed Implementation Chart (indicative)
3. Cumulative Contracting and Disbursement Schedule (indicative)
4. Price Calculation of Hardware & Software Requirements
5. Creation of the Environment for Data Collection and Processing
6. SOE Organigramme
Annex 1: Logical Framework Matrix

<table>
<thead>
<tr>
<th>Implementation of the INTRASTAT system in Estonia</th>
<th>Programme number:</th>
<th>Overall Objective</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Project Purpose</th>
<th>Objectively Verifiable Indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Application of the acquis in the area ‘Statistics’</td>
<td>- SOE full member Eurostat</td>
<td>- SOE integrated into the INTRASTAT system</td>
<td>- Eurostat</td>
<td>- Project Reports</td>
<td>- Full implementation of European Classifications</td>
</tr>
<tr>
<td>Improve and harmonise the area of trade statistics in Estonia by setting up an operational Estonian INTRASTAT system in compliance with the acquis and EC/Eurostat requirements</td>
<td></td>
<td></td>
<td>- SOE’s technical capacity to operate INTRASTAT &amp; exchange statistical data with external users in place</td>
<td>- Eurostat</td>
<td>- Methodology and procedures manuals (June 2003); information system ‘User Manual’ (March 2004) produced</td>
<td>- MoF, Steering Committee</td>
<td>- Provision of data from large enterprises meets accepted requirements of reliability, timeliness etc.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Procedures and management structure for the operation of INTRASTAT introduced in SOE, with the provision of adequate staffing levels and suitably skilled staff</td>
<td>- MoF issues Int. Reg, covering operation of INTRASTAT (June 2003)</td>
<td>- MoF issues Int. Reg, covering operation of INTRASTAT (June 2003)</td>
<td>- Provision of data from large enterprises meets accepted requirements of reliability, timeliness etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Data collection &amp; processing software for the operation of the Estonian INTRASTAT methodology is pilot-tested &amp; finalised, with Estonian ‘user interface’</td>
<td>- 15 additional staff to operate INTRASTAT (June 2003); 1 of whom to serve as dedicated ‘user support’ (December 2003)</td>
<td>- Provision of data from large enterprises meets accepted requirements of reliability, timeliness etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- SOE’s technical capacity to operate INTRASTAT &amp; exchange statistical data with external users in place</td>
<td>- HW &amp; SW installed and operational by August 2003</td>
<td>- INTRASTAT information system pilot tested (December 2003), with 2nd</td>
<td>- Provision of data from large enterprises meets accepted requirements of reliability, timeliness etc.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Information &amp; follow-up ‘user support’ on INTRASTAT is provided to and/or available on-line to ‘target group’ enterprises in Estonian, Russian and English languages</td>
<td>- INTRASTAT information system pilot tested (December 2003), with 2nd</td>
<td>- Provision of data from large enterprises meets accepted requirements of reliability, timeliness etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total budget: 0,945MEUR
Phare budget: 0.806 MEUR

For the detailed timetable for the project implementation please see annex 2.
- Awareness of data suppliers as to the function of, Estonian methodology for and their obligations to provide INTRASTAT data/questionnaires comparable with 'minimum' standards in EU Member States

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Advice/recommendations on EC requirements for INTRASTAT and establishing methodology in Estonian circumstances, including support to statistical surveys/analysis &amp; final preparation of methodology manual</td>
<td>- Twinning (1 x PAA; 18 months STEs)</td>
<td>- Additional 15 staff members assigned to INTRASTAT by 2003 at the latest</td>
</tr>
<tr>
<td>- Advice on the management systems/procedures in SOE in regard INTRASTAT operations</td>
<td>- Twinning (1 x PAA; 18 months STEs) &amp; TA</td>
<td>- The ability and capacity of enterprises to supply regular information to SOE</td>
</tr>
<tr>
<td>- Advice on the creation of the data processing environment (minimum parameters; inter-operability of modules; data exchange in Estonia and with EU)</td>
<td>- Twinning (1 x PAA; 18 months STEs) &amp; TA</td>
<td>- Effective operation of service level agreements between SOE &amp; the Estonian Customs Board and Estonian Tax Board</td>
</tr>
<tr>
<td>- Creation of the software for data collection/processing (analysis of the system requirements; realisation/programming; pilot-test; final programming); adaptation of the INTRASTAT user interface to Estonian language</td>
<td>- Twinning (1 x PAA; 18 months STEs) &amp; TA</td>
<td>- Preparation of analysis on data quality/error correction, calculation of average price and volume indices and time-series shift etc.</td>
</tr>
<tr>
<td>- Advice/recommendations on information, training and other 'user support' to 'target group' enterprises &amp; subsequent delivery of support via seminars, press, multi-lingual publications, webpage etc.</td>
<td>- TA contracts under the twinning covenant in amount of 0,12 MEUR</td>
<td></td>
</tr>
<tr>
<td>- Training/study visits for SOE staff on experience in the EU Member States, plus training on software operation</td>
<td>- Twinning (1 x PAA; 18 months STEs) &amp; TA</td>
<td></td>
</tr>
<tr>
<td>- Procurement of corresponding hardware/software</td>
<td>- Supply of equipment/SW licenses</td>
<td></td>
</tr>
</tbody>
</table>

**Preconditions**

- Concluding an co-operation agreement with Tax Office

version installed (April 2004)

- Webpage active, manuals & survey forms (5,000) distributed to enterprises (December 2003)

- 50% of surveyed enterprises ‘familiar with’ and aware of their obligations in reporting (June 2004)
Successful conclusion of the Phare99 Multi Country programme on Technical assistance in the field of INTRASTAT by July 2002.

Sufficient human and financial resources will be allocated to foreign trade statistics section of SOE to implement INTRASTAT system as from 2003.
### Annex 2a: Program sheet for implementing INTRASTAT system in the Statistical Office of Estonia

<table>
<thead>
<tr>
<th>INTRASTAT project activities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2002</strong></td>
</tr>
<tr>
<td>1. Addition of INTRASTAT survey to the list of the official statistical surveys</td>
</tr>
<tr>
<td>2. Draft of the data collection, processing and release scheme, planning of the new structure and working order in the Foreign Trade Statistics Section of the Statistical Office of Estonia (SOE)</td>
</tr>
<tr>
<td>3. Making a proposal for adding INTRASTAT implementation costs (salaries, facilities, premises, furniture) to the SOE budget 2003</td>
</tr>
<tr>
<td>4. Fixing the statistical thresholds</td>
</tr>
<tr>
<td>5. Designing of INTRASTAT enterprise register</td>
</tr>
<tr>
<td>6. Compilation and conclusion of the contract with the Tax Board</td>
</tr>
<tr>
<td>7. Evaluation report for Eurostat on readiness of INTRASTAT system in Estonian and English</td>
</tr>
<tr>
<td>8. Informing the data suppliers of INTRASTAT</td>
</tr>
<tr>
<td>9. Tendering of the twinning project and conclusion of the contract</td>
</tr>
<tr>
<td>10. Establishing INTRASTAT register</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>2003</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. First study visit for IT staff (studying IT solution in a first Member State (MS), 5 days, 2 persons)</td>
</tr>
<tr>
<td>2. Tendering of hardware procurement</td>
</tr>
<tr>
<td>3. Compilation of INTRASTAT methodology manual</td>
</tr>
<tr>
<td>4. Tendering of the technical assistance projects (data suppliers training, advertisement campaign, provision of auxiliary materials to the data suppliers, training of the SOE officials in order to help data suppliers regularly after the end of the project)</td>
</tr>
<tr>
<td>5. Compilation of the software detailed specification</td>
</tr>
<tr>
<td>6. Training of the new SOE officials (INTRASTAT methodology and IT courses)</td>
</tr>
</tbody>
</table>

---

*Approved by Director General of SOE on 11 March 2002*
<table>
<thead>
<tr>
<th>ID</th>
<th>Task Description</th>
<th>Responsible</th>
<th>Date Start</th>
<th>Date End</th>
</tr>
</thead>
<tbody>
<tr>
<td>7</td>
<td>Second study visit for IT staff (studying IT solution in a second MS, 5 days, 2 persons)</td>
<td>Ivo Tamm, Buttel, PAA</td>
<td>01.02.03</td>
<td>28.02.03</td>
</tr>
<tr>
<td>8</td>
<td>First study visit for statisticians (production process, 5 days, 2 persons)</td>
<td>Saaliste, Sokolov, PAA</td>
<td>01.02.03</td>
<td>28.02.03</td>
</tr>
<tr>
<td>9</td>
<td>Estimation of non-response, delayed response and the part not covered by the INTRASTAT survey. Development of the methodology to eliminate time series shifts due to the above reasons</td>
<td>Saaliste, Sokolov, Ebu Tamm, PAA</td>
<td>01.02.03</td>
<td>31.05.03</td>
</tr>
<tr>
<td>10</td>
<td>Replenishment of the initial INTRASTAT methodology (on the basis of the PAA recommendations)</td>
<td>Saaliste, PAA</td>
<td>01.02.03</td>
<td>28.02.03</td>
</tr>
<tr>
<td>11</td>
<td>Translation of INTRASTAT methodology manual into English</td>
<td>Saaliste, LT, PAA</td>
<td>01.03.03</td>
<td>31.03.03</td>
</tr>
<tr>
<td>12</td>
<td>Conclusion of the hardware procurement contract and delivery of hardware and licenses</td>
<td>Ivo Tamm, Buttel</td>
<td>01.03.03</td>
<td>30.04.03</td>
</tr>
<tr>
<td>13</td>
<td>Compilation of the users support INTRASTAT homepage scheme and schedule of the homepage creation</td>
<td>Saaliste, PAA</td>
<td>01.03.03</td>
<td>31.05.03</td>
</tr>
<tr>
<td>14</td>
<td>Network creation</td>
<td>Buttel</td>
<td>01.04.03</td>
<td>30.04.03</td>
</tr>
<tr>
<td>15</td>
<td>Conclusion of the technical assistance project contracts</td>
<td>Saaliste</td>
<td>01.04.03</td>
<td>30.08.03</td>
</tr>
<tr>
<td>16</td>
<td>Making a proposal for adding INTRASTAT implementation costs (salaries, facilities, premises, furniture) to the SOE budget 2004</td>
<td>Saaliste, Leetmaa, Leetmaa</td>
<td>01.04.03</td>
<td>30.04.03</td>
</tr>
<tr>
<td>17</td>
<td>Second study visit for statisticians (methodology problems, 5 days, 2 persons)</td>
<td>Saaliste, Reiska, PAA</td>
<td>01.04.03</td>
<td>30.04.03</td>
</tr>
<tr>
<td>18</td>
<td>Elaboration of main functionality of software, users training</td>
<td>Ivo Tamm, PAA, F, ITA</td>
<td>01.04.03</td>
<td>31.07.03</td>
</tr>
<tr>
<td>19</td>
<td>Software testing</td>
<td>Saaliste</td>
<td>01.06.03</td>
<td>31.07.03</td>
</tr>
<tr>
<td>20</td>
<td>Compiling of INTRASTAT manual for data suppliers, translation into English and Russian, printing and mailing</td>
<td>Saaliste, Sokolov, Kazakova, F, PAA</td>
<td>01.05.03</td>
<td>31.12.03</td>
</tr>
<tr>
<td>21</td>
<td>Main questionnaire forms and commodity nomenclature books compilation, printing and mailing</td>
<td>Saaliste, Sokolov, Kazakova, F, PAA</td>
<td>01.05.03</td>
<td>31.12.03</td>
</tr>
<tr>
<td>22</td>
<td>Workshops for the data suppliers (15)</td>
<td>Saaliste</td>
<td>01.05.03</td>
<td>31.12.03</td>
</tr>
<tr>
<td>23</td>
<td>Training of the SOE officials and regulation compilation for the data suppliers support provision after 01.01.2004</td>
<td>Saaliste</td>
<td>01.05.03</td>
<td>31.03.04</td>
</tr>
<tr>
<td>24</td>
<td>Advertising campaign implementation</td>
<td>Saaliste</td>
<td>01.05.03</td>
<td>31.05.04</td>
</tr>
<tr>
<td>25</td>
<td>INTRASTAT methodology manual release</td>
<td>Saaliste</td>
<td>01.06.03</td>
<td>30.06.03</td>
</tr>
<tr>
<td>26</td>
<td>Third study visit for statisticians (data distribution, 5 days, 2 persons)</td>
<td>Saaliste, Sokolov, Kazakova, PAA</td>
<td>01.06.03</td>
<td>30.06.03</td>
</tr>
<tr>
<td></td>
<td>Project Description</td>
<td>Responsible</td>
<td>Notes</td>
<td>Start Date</td>
</tr>
<tr>
<td>---</td>
<td>-------------------------------------------------------------------------------------</td>
<td>-------------</td>
<td>-------</td>
<td>------------</td>
</tr>
<tr>
<td>27</td>
<td>Developing the methodology of applying average price check and detecting extreme time series shifts</td>
<td>Saaliste, Saaliste, Sokolov, Ebu Tamm, PAA</td>
<td></td>
<td>01.06.03</td>
</tr>
<tr>
<td>28</td>
<td>Third study visit for IT staff (problems arisen during working process, 5 days, 2 persons)</td>
<td>Ivo Tamm, Ivo Tamm, Buttel, PAA</td>
<td></td>
<td>01.07.03</td>
</tr>
<tr>
<td>29</td>
<td>Creation of the users support INTRASTAT homepage in the Internet</td>
<td>Saaliste, F, PAA</td>
<td></td>
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<td>Saaliste, Saaliste, Ebu Tamm, PAA</td>
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2004

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<td>2</td>
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<td>Saaliste, Ivo Tamm, Saaliste, Ivo Tamm</td>
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<td>31.01.04</td>
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<td>Elaboration of main functionality of software, compilation of the users manual, users training</td>
<td>Ivo Tamm, ITA, F, ITA</td>
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<td>Saaliste, Leetmaa, Saaliste, Leetmaa</td>
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PAA - Pre-Accession Adviser
VKSS - Foreign Trade Statistics Section
KS - Publishing Section
KFS - Classifications Section
SE - Swedish Expert
F - Company(ies)
ITA - IT Adviser
LT - Contract Work
## Annex 2b: Detailed Implementation Chart (indicative)

**2002**

1. Addition of Intrastat survey to the list of the official statistical surveys
2. Draft of the data collection, processing and release scheme, planning of the new structure and working order in the Foreign Trade Statistics Section of the Statistical Office of Estonia (SOE)
3. Making a proposal for adding Intrastat implementation costs (salaries, facilities, premises, furniture) to the SOE budget 2003
4. Fixing the statistical thresholds
5. Designing of Intrastat enterprise register
6. Compilation and conclusions of the contract with the Tax Board
7. Evaluation report for Eurostat on readiness of Intrastat system in Estonian and English
8. Informing the data suppliers of Intrastat
9. Tendering of the twinning project and conclusion of the contract
10. Establishment of Intrastat register

**2003**

1. First study visit for IT staff (studying IT solution in a first Member State (MS), 5 days, 2 persons)
2. Tendering of hardware procurement
3. Compilation of Intrastat methodology manual
4. Tendering of the technical assistance projects (data suppliers training, advertisement campaign, provision of auxiliary materials to the data suppliers, training of the SOE officials in order to help data suppliers regularly after the end of the project)
5. Compilation of the software detailed specification
6. Training of the new SOE officials (Intrastat methodology and IT courses)
7. Second study visit for IT staff (studying IT solution in a second MS, 5 days, 2 persons)

**2004**

T, C, PAA

<table>
<thead>
<tr>
<th>INTRASTAT project actions</th>
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<td>2</td>
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<td>8  First study visit for statisticians (production process, 5 days, 2 persons)</td>
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<td>9  Estimation of non-response, delayed response and the part not covered by the Intrastat survey. Development of the methodology to eliminate time series shifts due to the above reasons</td>
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<tr>
<td>10 Replenishment of the initial Intrastat methodology (on the basis of the PAA recommendations)</td>
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<tr>
<td>11 Translation of Intrastat methodology manual into English</td>
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<tr>
<td>12 Conclusion of the hardware procurement contract and delivery of hardware and licenses</td>
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<tr>
<td>13 Compilation of the users support Intrastat homepage scheme and schedule of the homepage creation</td>
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<td>14 Network creation</td>
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<td>15 Conclusion of the technical assistance project contract</td>
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<td>17 Second study visit for statisticians (methodology problems, 5 days, 2 persons)</td>
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<td>18 Elaboration of main functionality of software, users training</td>
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<td>19 Software testing</td>
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<td>20 Compiling of Intrastat manual for data suppliers, translation into English and Russian, printing and mailing</td>
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<tr>
<td>21 Main questionnaire forms and commodity nomenclature books compilation, printing and mailing</td>
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<tr>
<td>22 Workshops for the data suppliers (15)</td>
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<tr>
<td>23 Training of the SOE officials and regulation compilation for the data suppliers support provision after 01.01.2004</td>
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</tbody>
</table>
INTRASTAT project actions

2002

24 Advertising campaign implementation
25 Intrastat methodology manual release
26 Third study visit for statisticians (data distribution, 5 days, 2 persons)
27 Developing the methodology of applying average price check and detecting extreme time series shifts
28 Third study visit for IT staff (problems arisen during working process, 5 days, 2 persons)
29 Creation of the users support Intrastat homepage in the Internet
30 Fourth study visit for statisticians (data suppliers support, 5 days, 2 persons)
31 Experimental data collection from a sampling of enterprises (monthly sampling survey of Intrastat, 500 enterprises), software main functionality pilot exploitation
32 Monthly data transmission to Eurostat
33 Developing the methodology of calculating unit value price and volume indices

2003

34 Actual data collection
35 Methodology amendment on the basis of the experimental results, compilation of the software main functionality specification
36 Elaboration of main functionality of software, compilation of the users manual, users training
37 Software testing
38 Making a proposal for adding Intrastat implementation costs (salaries, facilities, premises, furniture) to the SOE budget 2005
### Time Implementation Chart

**Project No:**
**Project Title:** Implementation of INTRASTAT system in Estonia

<table>
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<td>- PAA</td>
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<td>- Training contract(s)</td>
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<td>- TA Contract for Training for Data providers</td>
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<td>- TA Contract for translation of INTRASTAT data suppliers’ manuals</td>
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<td>- TA contract for Media Campaign</td>
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<td>- TA contract for creation of the Web-site</td>
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<table>
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<tr>
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Annex 3: Cumulative Contracting & Disbursement Schedule

### Cumulative Contracting Schedule (MEUR)

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<th>Project</th>
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<th>1Q/03</th>
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<tr>
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### Cumulative Disbursement Schedule (MEUR)

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<th>1Q/05</th>
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Annex 4: Price Calculation of Hardware & Software Requirements

In relation to Investment in the Regulatory Infrastructure, total investment costs are estimated to be 0.25 MEUR, for which 75% costs are to be co-financed via the Phare 2002 National Programme (sub-project 3 of this Project Fiche, with a budget allocation of 0.0255 MEUR - 15 PC’s & 0.162 MEUR – items 2-8), with the 25% costs covered by the state budget (0.0085 MEUR - 5 PC’s & 0.054 MEUR – items 9-10).

Preliminary technical equipment needs analysis for the introduction of INTRASTAT has already been carried out by SOE, as presented below.

An independent analysis of SOE’s needs in relation to the creation of a data collection and processing was carried out under the Phare assistance ES 9912 "Project Preparation Facility", for which a contract was signed in December 2001 (PWC). The report of the analysis was provided in March 2002, and covers the following topics:

- The components and creation process of data collection and processing chain;
- Giving reasons for every component of the chain;
- Evaluation and giving reasons for the size of expenses for every component of the chain;
- Experts opinion on justification for these given reasons;
- Overall feasibility evaluation of the plan of creation of the chain.

SOE IT specialists will elaborate detailed technical specification of hardware by October 2002. Follows the preliminary analysis of technical specifications. In case there will be considerable changes in the methodology of the INTRASTAT implementation, the respective changes will be made in the investment component. PCs should have at least the following indicators:

- 1GHz Celeron processor, 128MB random access memory, 40GB hard disc
- floppy and CD-ROM disc drive, 10/100 MHz network adapter, USB port
- 17 inch monitor
- Microsoft Windows 2000 operating system, Microsoft Office 2000 bureau software
- Anti-virus and file packing software

This list of computer components and values of indicators is tentative and may change due to newer software selection, progress of the technology and expansions at the hardware market. The same note is applicable to servers and notebook. Official technical specification will be elaborated in October 2002.

Printers should fulfil the following indicators:

- 10/100 MHz network adapter
- 20 ppm black and white printing (for example printing hundreds of reminder letters to data suppliers within one-two day period monthly)
- one printer should have colour printing ability

Analysis of workload for the server: Applying statistical thresholds we assume to have about 5000 data suppliers. In 2001 we had together 2 million import or export transactions. From the experience of the other sectors in SOE we reckon that most, at least 70% of suppliers send their data during one workweek period immediate before the start of final processing and subsequent generation of output tables. We must reckon also that gathered data, especially in the first year of real collecting of data, has very many mistakes, which leads to repeated receiving of data.

Average transaction count per month: 166 000 transactions
Average transaction count received during peak-time: 23 000 transactions per day
The same figure reckoning, that 25% of received data is received twice (mistakes in data on the first submission): 29 000 transactions per day.

Server has to serve 20 internal users, keep in action Oracle Database Server to mention most resource demanding functions.

Assessing planned workload, servers should have the following components and capacity indicators

- Platform Sun, class entry level - small
- 6 x 36GB 10000 rpm HDD with hardware RAID 5 capability (to support seamless overcoming of HDD collapse)
- Hot-Swappable hard disc drives and power supplies
- 100MHz full duplex network adapter

Notes: Sun platform is chosen in objective to keep small the number of different server platforms in SOE because each new platform requires expensive training of server administrator. Sun platform is already in use in SOE and is the main server platform in Ministry of Finance and its governing area.

Preliminary needs analysis show, that notebook should have at least the following:

- Floppy and CD disc drive
- Network and modem adapters
- 14" display
- Windows 2000 operating system, Office 2000 bureau software, anti-virus software and data encryption software

Tendering for commitment of Phare funds financing equipment supply (open international tender) is assumed to be launched in January 2003, following signature of the Financing Memorandum (Agreement) for the 2002 National Phare Programme. Contract(s) signature and subsequent delivery of supplies is thus assumed for April 2003.

1. Personal Computers (Estimated Cost: 1,700 € * 20 = 34,000 €)

20 PCs will be purchased for the staff of the INTRASTAT system in SOE’s Foreign Trade Statistics section. Currently there are 5 PCs (depreciated different models) in the section, which will be replaced in order to standardise hardware and secure the data processing capacity of the INTRASTAT data processing environment. The standardisation will help to minimise further maintenance costs of the IT infrastructure. The estimated price of the PC together with operating system and bureau software license is 1,700 €. The cost of 5 PC’s (8500 EUR) which will replace existing old machines will be covered from SOE budget 2003.

2. Printers (Estimated Cost: 4,000 € * 3 = 12,000 €)

Three printers will be purchased for use by the staff of the INTRASTAT system. The printers must be networked in order to minimise costs of the maintenance and to provide high-speed printing capabilities to the maximum number of users. The estimated price of such class brand printer is 4,000 €.

3. Servers (Estimated Cost: 65,000 € * 2 = 130,000 €)

Two servers will be purchased for development and exploitation of the INTRASTAT system. The purchase of 2 servers would enable the creation of the two technical environments: production and development. At the same time, development server would serve as a backup of the production server. These servers must stay highly operational in the peak-times of seasonal reporting periods. The servers must be available to the providers of data (enterprises) 24 hours a day. The estimations show that medium class server will suffice for the system being created. The estimated price of such server is 65,000 €.

4. Fax (Estimated Cost: 500 € * 2 = 1,000 €)
Two fax-machines will be purchased to be used as one means of the communication with data suppliers and data users. Communication channel offered by fax will be used mostly to quicken administrative correspondence (including reminding of lateness of data submitting) with data providers. The estimated price of fax-machine is 500 €.

5. Video & Data Projector (Estimated Cost: 6,500 € * 1 = 6,500 €)

One video+data projector (in set with notebook) will be used during the presentations and seminars dealing with INTRASTAT system. Presentations will not end after introduction of INTRASTAT, projector will be applicable also on the informative seminars later. The estimated price of the portable projector is 6,500 €.

6. Copy Machine (Estimated Cost: 5,000 € * 1 = 5,000 €)

One copying machine will be purchased to be used in everyday bureau work of the INTRASTAT staff. The estimated price of such copying machine is 5,000 €.

7. Notebook (Estimated Cost: 3,000 € * 1 = 3,000 €)

One notebook will be used during the presentations and seminars dealing with INTRASTAT system. This includes seminars to be held also later, after commissioning period, because guidance of data suppliers will stay permanent duty of SOE. The estimated price of the notebook is 3,000 €.

8. Fireproof Safe (Estimated Cost: 4,500 € * 1 = 4,500 €)

One fireproof safe will be purchased for the storage of the electronic data archive and data backups in order to guarantee the safe-keeping of the essential data in case of emergency. The estimated price of the safe is 4,500 €.

9. Network Installation (Estimated Cost: 2,000 € + 2,000 € = 4,000 €)

Additional network installation will be required to incorporate new PCs, printers and servers into existing local area network. This includes purchase of the network switch and network installation. The estimated price of the network switch is 2,000 € and network installation estimated cost is 2,000 €.

10. Software Licenses (Estimated Cost: 50,000 €)

Software licenses include licenses for the use of the Oracle database system, analytical statistical software SAS, Blaise survey research data input software, Oracle tools (Discoverer) for ad hoc queries, digital archiving software and data encryption software to support secure electronic data exchange with data suppliers over Internet. The estimated license prices are:

- Oracle (20 user-licenses): 23,000 €
- SAS (3 user-licenses): 5,500 €
- Blaise (2 developer licenses): 2,000 €
- Oracle Discoverer (3 user licenses): 4,500 €
- Oracle Discoverer (1 administrator license): 3,000 €
- A digital archiving software license: 8,000 €
- A data encryption software license: 4,000 €

Oracle, SAS and Blaise software are selected because of the know-how and experience with these products already available in SOE. The Cost of licences will be covered by the SOE co-financing component.
Annex 5: Creation of the Environment for Data Collection and Processing

The Twinning Team (principally the STEs) will be responsible for the development of INTRASTAT software fitting the Estonian environment. It is assumed that the software component of the data processing environment be divided into three phases:

- Preliminary analysis of the system requirements for the software and the development of detailed specification of requirements, design of database and prototype of user interface of the INTRASTAT information system (STE IT; to be provided, at the latest, three months from date of signature of the Twinning Covenant);

- Realisation/programming of the base functionality of the INTRASTAT information system and the first version of working system, in order to start pilot-test use of the information system (STEs SW Development/Programming; to be provided, at the latest, eight months from date of signature of the Twinning Covenant);

- On the basis of pilot-test operations during the second half of 2003, improvement of the information system, including the programming of functions not covered in the base version leading to the development of the second version of the INTRASTAT information system (STEs SW Development/Programming; to be provided, at the latest, fifteen months from date of signature of the Twinning Covenant).

It is assumed that the full functional information system will consist of the following modules.

a) Intelligent data entry modules

On the accession to the European Union only part of data will be continuously received from the Customs Board, the Tax Board and enterprises. In the European Union intra-community trade volume is assessed on the basis of the data coming from value added tax returns. Additional columns have been included in value added tax return forms to be filled in on intra-community exports and imports. It is assumed that data files will be received from the Tax Board and the Customs Board, enterprises may submit reports both on paper and in electronic form. In the EU there are two ways of electronic data transmissions, viz. free dissemination of data entry software and collection of data either by post on the diskette or by electronic means, or data entry on the Internet. The latter mode gains in popularity.

The following intelligent data entry modules are to be developed:

- Receiving customs declarations data files from the Customs Board (it will be necessary to check the accuracy of codes, average prices, repeated entries and the suitability of conditions of including entries in the statistical database such as customs procedure, operation, partner country, border crossing dates, etc.);

- Receiving data files from the Tax Board (it will be necessary to check repeated entries, accuracy of enterprise code, date);

- Data entry programme for enterprises (accuracy of codes can be checked and in the choice of the commodity code instructed, at present the IDEP data entry programme worked out and to be elaborated by Eurostat is used at enterprises in the EU, but the central support by Eurostat for the development of this software will end in 2003);

- Entry by the SOE of the data received on paper (scanning and entry by operator, accuracy of codes, average prices and repeated entries have to be checked);
Entry of data on the Internet (although technical problems may be encountered, in an
ideal version it should be necessary to check the accuracy of commodity codes, instruct in
the choice of commodity code, check average prices and repeated entries, the enterprise
should also have a possibility of having a look at the data entered by it earlier). For overall
electronic collection of raw data (statistical reports) from enterprises in SOE, special
project named eSTAT was established in early 2002. Entry of INTRASTAT data on the
Internet will be realised in eSTAT system. eSTAT system will be operational in early 2003,
as is known in March 2002.

b) Check modules

Unfortunately it is not possible to completely avoid making logical and absolute (data
received on paper) errors in the data entry stage. To recognise errors not detected in the
data entry phase additional check modules are to be developed. The check modules should
enable recognition of anomalies from normal prices, incorrect codes, time series shifts, etc.

It is also necessary to follow the consistency of data of the Tax Board collected directly from
and enterprises and the pass of statistical thresholds.

c) Data exchange watch and arrangement modules

It will be necessary to follow receiving data, receiving corrections of errors detected by check
modules, and data quality by respondents (it will be necessary to regularly recognise
incorrect data or enterprises responding late).

Automatic reminder (pass of the statistical threshold and non-response) and error message
sending systems (output on paper or electronic notice) need to be developed.

d) Modules of non-response, delayed response, estimation of the uncovered part and automatic
correction

e) Incorrect data correction modules

It should be possible to enter corrections received from respondents by electronic means and
on paper. Each correction, its date and executor has to be recorded.

f) Index calculation module

g) Inquiries, output tables and joint database generation module

The aim is to compile bulletins, generate data files for basic users.

Also respondents should have access to aggregated data through the Internet. SIS
Macrodatabase with dissemination database will be the only source for disseminating
statistical data over Internet in SOE. Therefore INTRASTAT information system must accord
to this system.

For analysing big amounts of data, using of OLAP (On Line Analytical Processing)
methodology must be considered while planning the INTRASTAT software system.

h) Archiving module

The primary and processed data will be archived.